

Company Registration No. 2234189(England and Wales)

HASLERS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

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HASLERS LIMITED

COMPANY INFORMATION

Directors	S Baskin M P Gould M J Anderson G C Reed
Secretary	S Baskin
Company Number	2234189
Registered Office	Haslers Old Station Road Loughton Essex IG10 4PL
Bankers	National Westminster Bank 133 High Street Barkingside Ilford Essex IG6 2BU
Auditors	Stuart Dunstan & Co 105 Oak Hill Woodford Green Essex IG8 9PF

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HASLERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and financial statements for the year ended 31 December 2006.

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the directors are aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Principal Activities

The principal activity of the company continued to be that of the supply of staff to the accountancy profession.

Results and Dividends

The results for the year are set out on page 6

HASLERS LIMITED

DIRECTORS' REPORT (Cont'd) FOR THE YEAR ENDED 31 DECEMBER 2006

Business Review

The directors consider the trading performance for 2006 to be satisfactory. Turnover increased by 19% to £5.2M (2005 : £4.3M), with a similar quantum increase in overheads, primarily employment costs £3.8M (2005 : £3.0M) rendered profit for financial year broadly stable at £0.8M (2005 : £0.7M).

The company uses various key performance indicators ("KPIs") during the year to monitor financial performance, in particular ratios between turnover and costs is fundamental to ensure profitable business. It is envisaged that appropriate KPIs will be used for the foreseeable future.

Directors

The following directors have held office since 1 January 2006.

S Baskin
M P Gould
M J Anderson
G C Reed

Directors' Interest in Shares

The directors' interest in shares of the company is as follows:-

	<u>At 31 December 2006</u>	<u>At 31 December 2005</u>
	<u>Number of shares</u>	
S Baskin	Nil	13,793
M P Gould	Nil	15,663
M J Anderson	Nil	37,124
G C Reed	Nil	16,702

Auditors

The auditors, Stuart Dunstan & Co, who were appointed during the year, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

HASLERS LIMITED

DIRECTORS' REPORT (Cont'd) FOR THE YEAR ENDED 31 DECEMBER 2006

Financial Instruments

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk.

The company has in place a risk management programme that seeks to limit the possible adverse effects of the financial performance of the company by monitoring levels of cash. The group does not use derivation financial instruments or manage interest rate costs and, as such, no hedge accounting is applied.

Give the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The company's finance department implements the policies set by the board of directors.

Credit Risk

The company's policy requires appropriate credit checks on potential customers before new accounts are accepted, and also continually monitors the credit facilities of existing customers.

Interest Rate Risk

The company has interest bearing assets and liabilities. Interest bearing assets include only cash balances that earn interest at a floating rate. Interest bearing liabilities include only bank borrowing facilities and finance lease agreements on which interest is charged at a floating and fixed rate respectively.

Liquidity and Cash Flow Risk

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure that the company has sufficient available funds for operations. Any new debt finance would have to be approved by the board of directors before it was taken on.

Price Risk

Expenditure made by the company is authorised prior to it being made by management in order to ensure that goods and services are not obtained at a higher price than is necessary.

On behalf of the Board


G C Reed
Director

19 November 2007

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HASLERS LIMITED

We have audited the financial statements of Haslers Limited for the year ended 31 December 2006 set out on pages 6 to 15. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

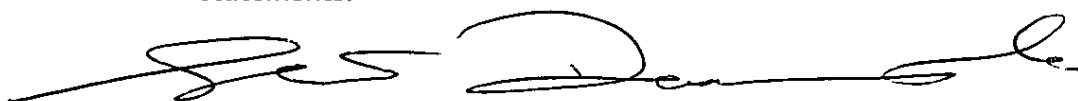
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HASLERS LIMITED

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We wish to note that the corresponding amounts are unaudited.

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Stuart Dunstan & Co
Chartered Accountants
Registered Auditors

105 Oak Hill
Woodford Green
Essex IG8 9PF

19 November 2007

HASLERS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	Year ended 31 December 2006 £	Period ended 31 December 2005 £
Turnover		5,166,821	4,344,436
Administrative expenses		<u>(4,009,748)</u>	<u>3,277,684</u>
Operating profit	2	1,157,073	1,066,752
Other interest receivable and similar income	3	1,180	-
Interest payable and similar charges	4	<u>(45,247)</u>	<u>(42,922)</u>
Profit on ordinary activities before taxation		1,113,006	1,023,830
Tax on profit on ordinary activities	5	<u>(315,873)</u>	<u>(319,202)</u>
Profit on ordinary activities after taxation	12	<u>797,133</u>	<u>704,628</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

HASLERS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2006

		2006		2005	
	Notes	£	£	£	£
Fixed Assets					
Investments	6		3,999,940		3,999,940
Current Assets					
Debtors	7	1,226,374		1,258,842	
Cash at bank		<u>11,793</u>		<u>9,514</u>	
		1,238,167		1,268,356	
Creditors: amounts falling due within one year	8	<u>(626,309)</u>		<u>(1,090,257)</u>	
Net current assets			<u>611,858</u>		<u>178,099</u>
Total assets less current liabilities			<u>4,611,798</u>		<u>4,178,039</u>
Capital and reserves					
Called up share capital	11		18,180		18,180
Share premium account	12		3,993,680		3,993,680
Other reserves	12		(3,505,492)		(3,142,118)
Profit and loss account	12		<u>4,105,430</u>		<u>3,308,297</u>
Shareholders' funds	13		<u>4,611,798</u>		<u>4,178,039</u>

The financial statements were approved by the Board on 19 November 2007



G C Reed
Director

HASLERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Cash inflow from operating activities	16	1,366,309	984,268
Interest received		1,180	-
Interest paid		<u>(45,247)</u>	<u>(42,922)</u>
Returns on investments and servicing of finance		(44,067)	(42,922)
Purchase of fixed asset investments		-	<u>(1,960,000)</u>
Cash inflow/(outflow) before financing		1,322,242	(1,018,654)
Financing			
Issue of shares/investment in own shares		<u>(519,105)</u>	<u>1,089,325</u>
Increase in cash for year	17, 18	<u>803,137</u>	<u>70,671</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting Policies

1.1 Accounting Convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Turnover

Turnover represents amounts receivable for services net of VAT and trade discounts.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS17.

1.5 Deferred Taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

1.6 QUEST / SIP Contributions

Contributions to the Haslers Limited Qualifying Employee Share Ownership Trust and the Haslers Limited Share Incentive Plan are accounted for under Urgent Issues Task Force 38. In accordance with UITF38, contributions to the QUEST and SIP are not recognised in the profit and loss account until such time as the shares vest unconditionally with the employees.

1.7 Group Accounts

The company and its subsidiary comprise of a medium size group and the company has taken advantage of Section 248 of the Companies Act 1985 not to prepare group accounts. The financial statements therefore present information about the company as an individual undertaking and not about its group.

HASLERS LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

2	Operating Profit	2006	2005
		£	£
	The operating profit is after charging:-		
	Auditors' remuneration	<u>2,000</u>	<u>2,000</u>
3	Other Interest Receivable and Similar Income		
		2006	2005
		£	£
	Bank interest receivable	<u>1,180</u>	<u>-</u>
4	Interest Payable and Similar Charges		
		2006	2005
		£	£
	On bank loans	<u>45,247</u>	<u>42,922</u>
5	Taxation		
		2006	2005
		£	£
	Current tax charge	27,000	-
	Adjustment for prior years	142	(109,000)
	Deferred tax liability (Note 9)	<u>288,731</u>	<u>428,202</u>
		<u>315,873</u>	<u>319,202</u>
6	Fixed Asset Investments		
		Shares in Group Undertakings and Participating Interests £	
	Cost		
	At 31 December 2005	3,999,940	
	Additions	-	
	At 31 December 2006	<u>3,999,940</u>	

HASLERS LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

Holdings of more than 20%

The company holds more than 20% of the share capital of the following company:

Company	Country of Incorporation	Shares Held	
		Class	%
Haslers Consultants Limited	England & Wales	Ordinary	100

The aggregate amount of capital and reserves of this undertaking for the last relevant financial year was as follows:

	Capital & Reserves 2006 £	Profit for the year 2006 £
Haslers Consultants Limited	<u>356,806</u>	<u>868,770</u>

Haslers Consultants Limited principal activity is a partner in an accountancy practice with specific responsibility for partnership administration.

7 Debtors

	2006 £	2005 £
Trade debtors	451,206	281,628
Deferred tax asset (Note 9)	-	133,000
Loan account with subsidiary	765,047	765,047
Other debtors	<u>10,121</u>	<u>79,167</u>
	<u>1,226,374</u>	<u>1,258,842</u>

8 Creditors: amounts falling due within one year

	2006 £	2005 £
Trade creditors	294	10,729
Bank loans and overdrafts	-	800,858
Taxation and social security	380,142	244,708
Other creditors	<u>245,873</u>	<u>33,962</u>
	<u>626,309</u>	<u>1,090,257</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006**

9 Provisions for liabilities and charges

	2006 £	2005 £
Deferred taxation		
Balance 1 January 2006 (debit)	(133,000)	(300,000)
Tax on SIP contribution in year	(155,731)	(261,202)
Charge to profit and loss account (Note 5)	<u>288,731</u>	<u>428,202</u>
Balance 31 December 2006 (Note 7)	<u>NIL</u>	<u>(133,000)</u>

10 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

	2006 £	2005 £
Contributions payable by the company for the year	<u>78,731</u>	<u>91,247</u>

11 Share Capital

	2006 £	2005 £
Authorised		
100,000,000 ordinary shares of 1p each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
	2006 £	2005 £
1,817,968 ordinary shares of 1p each	<u>18,180</u>	<u>18,180</u>

12 Statement of movements on profit and loss account

	Share Premium Account £	Other Reserves £	Profit and Loss Account £
Balance at 1 January 2006	3,993,680	(3,142,118)	3,308,297
Retained profit for the period	-	-	797,133
Investment in own shares	-	(519,105)	-
Deferred tax thereon (Note 9)	-	155,731	-
At 31 December 2006	<u>3,993,680</u>	<u>(3,505,492)</u>	<u>4,105,430</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006****Investment in own shares:**

	Number held in Trust	Nominal Value £	Cost £
Shares held as at 1 January 2006	749,695	7,497	4,488,740
Shares purchased	<u>129,750</u>	<u>1,298</u>	<u>519,105</u>
	<u>879,445</u>	<u>8,795</u>	<u>5,007,845</u>
Held in:			
QUEST	133,327	1,333	1,999,900
SIP	<u>746,118</u>	<u>7,462</u>	<u>3,007,945</u>
	<u>879,445</u>	<u>8,795</u>	<u>5,007,845</u>

The Haslers Limited Share Incentive Plan was established to purchase shares for the benefit of employees. The aim is to provide free shares to all employees over a five year period. Distributions will be based on formulas that recognise length of service and seniority at the time of the distribution of shares. No distributions were made during the period.

The QUEST Trustees hold shares for the benefit of employees generally. The aim is that shares will be appropriated to employees on a long term basis when the founder shareholders retire or the business is sold.

13 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit for the financial period	797,133	704,628
Proceeds from issue of shares	-	1,960,000
Purchase of own shares net of tax	<u>(363,374)</u>	<u>(609,473)</u>
Net addition to shareholders' funds	433,759	2,055,155
Opening shareholders' funds	<u>4,178,039</u>	<u>2,122,884</u>
Closing shareholders' funds	<u>4,611,798</u>	<u>4,178,039</u>

HASLERS LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

14 Employment costs

	2006 £	2005 £
Wages and salaries	3,313,386	2,616,464
Social security costs	358,336	274,013
Pension costs	<u>78,731</u>	<u>91,247</u>
	<u>3,750,453</u>	<u>2,981,724</u>

The average number of persons (including directors) employed by the company during the year was 103 (2005 : 97).

15 Related Party Transactions

The following related parties existed during the year:

Haslers	-	The directors are all partners
Haslers Consultants Limited	-	Subsidiary company
Turnover with Haslers	£5,166,821	(2005 - £4,344,436)
Accountancy paid to Haslers	£5,000	(2005 - £5,000)

At the period end £451,206 was due from Haslers (2005 - £281,628), £765,047 was due from Haslers Consultants Limited (2005 - £765,047) and £7,167 from Haslers Limited Trust (2005 - £7,167).

16 Reconciliation of Operating Profit to Operating Cash Flow

	2006 £	2005 £
Operating profit	1,157,073	1,066,752
(Increase)/decrease in debtors	(100,532)	120,772
Decrease/(increase) in creditors	<u>309,768</u>	<u>(203,256)</u>
Net cash inflow from operating activities	<u>1,366,309</u>	<u>984,268</u>

17 Analysis of Net Debt

	At 1 January 2006 £	Cash Flows £	At 31 December 2006 £
Cash at bank	9,514	2,279	11,793
Overdraft	<u>(800,858)</u>	<u>800,858</u>	-
	<u>(791,344)</u>	<u>803,137</u>	<u>11,793</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006

18 Reconciliation of Net Cash Flow to Movement in Net Debt

	2006 £	2005 £
Increase in cash for year	803,137	70,671
Net (debt) at 1 January 2006	<u>(791,344)</u>	<u>(862,015)</u>
Net (debt) cash at 31 December 2006	<u>11,793</u>	<u>(791,344)</u>

19 Control

Haslers (a partnership) is considered to be the ultimate controlling party.