

Company Registration No. 2234189(England and Wales)

HASLERS LIMITED
DIRECTORS' REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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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

HASLERS LIMITED

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HASLERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and financial statements for the year ended 31 December 2007.

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 Group and 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 2007

Business Review

The directors consider the trading performance for 2007 to be satisfactory. Whilst turnover increased by 3% to £7.0m (2006 : £6.8m), overheads also rose, primarily due to employment costs £4.4m (2006 : £4.0m) and increased amortisation charges £0.9m. Hence, profit for financial year reduced to £1.0m (2006 : £1.7m).

The Group 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.

There was an issue of shares in the year that generated £7,560,000 that enabled £7,598,000 to be contributed to the Haslers Limited Share Incentive Plan (SIP) so that the SIP could acquire a further 1,885,250 ordinary 1p shares in the company.

Directors

The following directors have held office since 1 January 2007.

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 2007</u>	<u>At 31 December 2006</u>
	<u>Number of shares</u>	
S Baskin	Nil	Nil
M P Gould	Nil	Nil
M J Anderson	Nil	Nil
G C Reed	Nil	Nil

Auditors

The auditors, Stuart Dunstan & Co, 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 2007

Financial Instruments

The Group'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 Group has in place a risk management programme that seeks to limit the possible adverse effects of the financial performance of the Group 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.

Given the size of the Group, 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 Group'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 Group 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 Group 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 Group 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 O Reed
Director

31 October 2008

HASLERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HASLERS LIMITED

We have audited the financial statements of Haslers Limited for the year ended 31 December 2007 set out on pages 6 to 16. 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.

HASLERS LIMITED

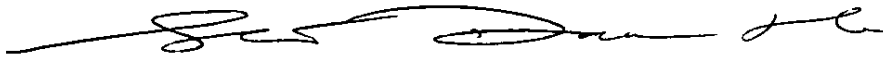
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HASLERS LIMITED

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.

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 Group's and the parent company affairs as at 31 December 2007 and of the Group's 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

31 October 2008

HASLERS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Turnover		6,995,508	6,825,677
Administrative expenses		<u>(5,607,822)</u>	<u>(4,334,242)</u>
Operating profit	2	1,387,686	2,491,435
Other interest receivable and similar income	3	36,247	1,180
Interest payable and similar charges	4	<u>(775)</u>	<u>(142,639)</u>
Profit on ordinary activities before taxation		1,423,158	2,349,976
Tax on profit on ordinary activities	5	<u>(427,187)</u>	<u>(684,073)</u>
Profit on ordinary activities after taxation	14	<u>995,971</u>	<u>1,665,903</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

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2007

		2007		2006	
	Notes	£	£	£	£
Fixed Assets					
Investments	6		1,369,388		1,296,334
Intangible	7		<u>8,433,000</u>		<u>9,378,000</u>
			9,802,388		10,674,334
Current Assets					
Debtors	8	3,124,496		461,821	
Cash at bank		<u>11,409</u>		<u>13,273</u>	
		3,135,905		475,094	
Creditors: amounts falling due within one year	9	<u>(517,258)</u>		<u>(730,764)</u>	
Net current assets/(liabilities)			<u>2,618,647</u>		<u>(255,670)</u>
Total assets less current liabilities			12,421,035		10,418,664
Creditors : amounts falling due after one year	10		(8,215,000)		(9,450,000)
Provision for liabilities and charges			-		-
			<u>4,206,035</u>		<u>968,664</u>
Capital and reserves					
Called up share capital	13		37,080		18,180
Share premium account	14		11,534,780		3,993,680
Other reserves	14		(11,910,252)		(6,591,652)
Profit and loss account	14		<u>4,544,427</u>		<u>3,548,456</u>
Shareholders' funds	15		<u>4,206,035</u>		<u>968,664</u>

The financial statements were approved by the Board on 31 October 2008


G C Reed
Director

HASLERS LIMITED

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2007

		2007		2006	
	Notes	£	£	£	£
Fixed Assets					
Investments	6		3,999,940		3,999,940
Current Assets					
Debtors	8	14,317,341		1,226,374	
Cash at bank		<u>10,586</u>		<u>11,793</u>	
		14,327,927		1,238,167	
Creditors: amounts falling due within one year	9	<u>(502,613)</u>		<u>(626,309)</u>	
Net current assets			<u>13,825,314</u>		<u>611,858</u>
Total assets less current liabilities			17,825,254		4,611,798
Creditors : amounts falling due after one year			<u>(6,325,000)</u>		-
			<u>11,500,254</u>		<u>4,611,798</u>
Capital and reserves					
Called up share capital	13		37,080		18,180
Share premium account	14		11,534,780		3,993,680
Other reserves	14		(4,208,992)		(3,505,492)
Profit and loss account	14		<u>4,137,386</u>		<u>4,105,430</u>
Shareholders' funds	15		<u>11,500,254</u>		<u>4,611,798</u>

The financial statements were approved by the Board on 31 October 2008


G C Reed
Director

HASLERS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

		2007		2006	
	Notes	£	£	£	£
Cash inflow from operating activities	18		73,718		12,185,518
Interest received		36,247		1,180	
Interest paid		<u>(775)</u>		<u>(142,639)</u>	
Returns on investments and servicing of finance			35,472		(141,459)
Investment in own shares			(7,598,000)		-
Purchase of fixed asset investments			<u>(73,054)</u>		<u>(9,622,439)</u>
Cash inflow/(outflow) before financing			(7,561,864)		2,421,620
Financing					
Issue of shares/investment in own shares			<u>7,560,000</u>		<u>(519,106)</u>
(Decrease) Increase in cash for year	19, 20		<u>(1,864)</u>		<u>1,902,514</u>

HASLERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

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 Intangible Assets

The purchase of goodwill is being amortised on a straight line basis over ten years.

1.5 Pensions

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

1.6 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.

1.7 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.

1.8 Basis of Consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertaking made up to 31 December 2007. The acquisition method of accounting has been adopted under this method, the results of the subsidiary undertaking are included in the consolidated profit and loss account from the date of acquisition or up to date of disposal. Under Section 230(4) of the Companies Act 1985 the company is exempt from the requirement to present its own profit and loss account.

HASLERS LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

2	Operating Profit		
		2007	2006
		£	£
	The operating profit is after charging:-		
	Auditors remuneration : Group	5,198	3,500
	Auditors' remuneration : Company	2,700	2,000
	Amortisation of goodwill	<u>945,000</u>	<u>72,000</u>
3	Other Interest Receivable and Similar Income		
		2007	2006
		£	£
	Bank interest receivable	<u>36,247</u>	<u>1,180</u>
4	Interest Payable and Similar Charges		
		2007	2006
		£	£
	On bank loans	775	106,392
	Other	-	36,247
		<u>775</u>	<u>142,639</u>
5	Taxation		
		2007	2006
		£	£
	Current tax charge	-	87,200
	Adjustment for prior years	-	142
	Deferred tax liability (Note 11)	<u>427,187</u>	<u>596,731</u>
		<u>427,187</u>	<u>684,073</u>
6	Fixed Asset Investments		
		Group	Company Shares in Group
		Unlisted	Undertaking Participating
		Investments	interests
		£	£
	Cost/Net book value		
	At 1 January 2007	1,296,334	3,999,940
	Additions	73,054	-
	At 31 December 2007	<u>1,369,388</u>	<u>3,999,940</u>
	At 31 December 2006	<u>1,296,334</u>	<u>3,999,940</u>
	The unlisted investment represents a partnership capital account in Haslers.		
7	Fixed Assets : Intangible		
			£
	Cost : Goodwill		
	At 1 January 2007 and 31 December 2007		<u>9,450,000</u>
	Amortisation		
	At 1 January 2007		72,000
	Amortisation for year		945,000
	At 31 December 2007		<u>1,017,000</u>
	Net Book Value		
	At 31 December 2007		<u>8,433,000</u>
	At 31 December 2006		<u>9,378,000</u>

HASLERS LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

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/(deficit) 2007 £	Profit for the year 2007 £
Haslers Consultants Limited	(3,294,279)	964,015

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

8 Debtors

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Trade debtors	1,260,630	451,206	1,260,630	451,206
Deferred tax asset (Note 11)	1,852,213	-	238,519	-
Loan account with subsidiary	-	-	12,807,046	765,047
Other debtors	<u>11,653</u>	<u>10,615</u>	<u>11,146</u>	<u>10,121</u>
	<u>3,124,496</u>	<u>461,821</u>	<u>14,317,341</u>	<u>1,226,374</u>

9 Creditors: amounts falling due within one year

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Trade creditors	8,415	294	8,415	294
Bank loans and Overdrafts	-	-	-	-
Taxation and social security	374,261	446,849	361,616	380,142
Other creditors	<u>134,582</u>	<u>283,621</u>	<u>132,582</u>	<u>245,873</u>
	<u>517,258</u>	<u>730,764</u>	<u>502,613</u>	<u>626,309</u>

HASLERS LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

10 Creditors : amounts falling due after one year

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Other creditors	<u>8,215,000</u>	<u>9,450,000</u>	<u>6,325,000</u>	<u>-</u>

11 Provisions for liabilities and charges

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Deferred taxation				
Balance 1 January 2007 (debit)	-	(441,000)	-	(133,000)
Tax on SIP contribution in year	(2,279,400)	(155,731)	(301,500)	(155,731)
Charge to profit and loss account (Note 5)	<u>427,187</u>	<u>596,731</u>	<u>62,981</u>	<u>288,731</u>
Balance 31 December 2007 (Note 8)	<u>(1,852,213)</u>	<u>Nil</u>	<u>(238,519)</u>	<u>Nil</u>

12 Pension costs

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

	2007 £	2006 £
Contributions payable by the Group for the year	<u>105,153</u>	<u>86,676</u>

13 Share Capital

	2007 £	2006 £
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

	2007 £	2006 £
3,708,000 ordinary shares of 1p each (2006 : 1,817,968 shares)	<u>37,080</u>	<u>18,180</u>

A further 1,890,032 ordinary shares of 1p each were issued during the year at a price of £4 per share.

HASLERS LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

14 Statement of movements on profit and loss account

Group

	Share Premium Account £	Other Reserves £	Profit and Loss Account £
Balance at 1 January 2007	3,993,680	(6,591,652)	3,548,456
Retained profit for the year	-	-	995,971
Shares issued	7,541,100	-	-
Investment in own shares	-	(7,598,000)	-
Deferred tax thereon (Note 11)	-	2,279,400	-
At 31 December 2007	<u>11,534,780</u>	<u>(11,910,252)</u>	<u>4,544,427</u>

Company

	Share Premium Account £	Other Reserves £	Profit and Loss Account £
Balance at 1 January 2007	3,993,680	(3,505,492)	4,105,430
Shares issued	7,541,100	-	-
Retained profit for the year	-	-	31,956
Investment in own shares	-	(1,005,000)	-
Deferred tax thereon (Note 11)	-	301,500	-
At 31 December 2007	<u>11,534,780</u>	<u>(4,208,992)</u>	<u>4,137,386</u>

Investment in own shares: Group

	Number held in Trust	Nominal Value £	Cost £
Shares held as at 1 January 2007	1,776,410	17,764	9,407,845
Deferred tax thereon	-	-	(2,816,193)
Shares purchased	1,899,500	18,995	7,598,000
Deferred tax thereon	-	-	(2,279,400)
Shares held at 31 December 2007	<u>3,675,910</u>	<u>36,759</u>	<u>11,910,252</u>
Held in:			
QUEST	206,660	2,066	-
SIP	<u>3,469,250</u>	<u>34,693</u>	-
	<u>3,675,910</u>	<u>36,719</u>	-

HASLERS LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

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.

15 Reconciliation of movements in shareholders' funds

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Profit for the financial year	995,971	1,665,903	31,956	797,133
Proceeds from issue of shares	7,560,000	-	7,560,000	-
Purchase of own shares net of tax	<u>(5,318,600)</u>	<u>(363,374)</u>	<u>(703,500)</u>	<u>(363,374)</u>
Net addition to shareholders funds	3,237,371	1,302,529	6,888,456	433,759
Opening shareholders' funds	<u>968,664</u>	<u>(333,865)</u>	<u>4,611,798</u>	<u>4,178,039</u>
Closing shareholders' funds	<u>4,206,035</u>	<u>968,664</u>	<u>11,500,254</u>	<u>4,611,798</u>

16 Employment costs

	Group 2007 £	Group 2006 £
Wages and salaries	3,895,046	3,530,300
Social security costs	410,683	380,228
Pension costs	<u>105,153</u>	<u>86,676</u>
	<u>4,410,882</u>	<u>3,997,204</u>

The average number of persons (including directors) employed by the company during the year was 117 (2006 : 103).

HASLERS LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

17 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	£4,520,729	(2006 - £5,166,821)
Costs paid to Haslers	£13,500	(2006 - £13,500)

At the period end £1,260,630 was due from Haslers (2006 - £451,206), £12,807,046 was due from Haslers Consultants Limited (2006 - £765,047) and £7,167 from Haslers Limited Trust (2006 - £7,167).

18 Reconciliation of Operating Profit to Operating Cash Flow

	2007 £	2006 £
Operating profit	1,387,686	2,491,435
Amortisation	945,000	-
(Increase)/decrease in debtors	(810,462)	(101,026)
Decrease/(increase) in creditors	<u>(1,448,506)</u>	<u>9,795,109</u>
Net cash inflow from operating activities	<u>73,718</u>	<u>12,185,518</u>

19 Analysis of Net Debt

	At 1 January 2007 £	Cash Flows £	At 31 December 2007 £
Cash at bank	13,273	(1,864)	11,409
Overdraft	-	-	-
	<u>13,273</u>	<u>(1,864)</u>	<u>11,409</u>

20 Reconciliation of Net Cash Flow to Movement in Net Debt

	2007 £	2006 £
(Decrease)/increase in cash for year	(1,864)	1,902,514
Net (debt) at 1 January 2007	<u>13,273</u>	<u>(1,889,241)</u>
Net (debt) cash at 31 December 2007	<u>11,409</u>	<u>13,273</u>

21 Control

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