

Company Registration No. 3842083

Accountax Consulting Limited

Report and Financial Statements

1 December 2007 to 31 December 2008



Accountax Consulting Limited

Report and Financial Statements 2008

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Accountax Consulting Limited Report and Financial Statements 2008

Officers and Professional Advisers

DIRECTORS

D Smith
M Boddington (Resigned 21 October 2008)
D Harmer (Appointed 7 September 2008)
C Davison (Appointed 21 October 2008)
A F Green (Appointed 21 October 2008)
C Ward (Appointed 21 October 2008)
T Capes (Resigned 29 January 2008)

Secretary

T Capes (Resigned 29 January 2008)
C Smith (Appointed 1 February 2008, Resigned 21 October 2008)
A F Green (Appointed 21 October 2008)

Registered Office

Minories House
2-5 Minories
London
EC3N 1BJ

Principal Trading Office

Trinity House
2 Opal Drive
Fox Milne
Milton Keynes
MK15 0DF

Auditors

Deloitte LLP
Chartered Accountants
London

Accountax Consulting Limited

Directors' Report

The directors present their annual report and the audited financial statements for the 13 months ended 31 December 2008.

Review of the business

The principal activity of the Company in the period under review was that of tax consultants.

During the period, the trading performance has been in line with expectations. The financial development of the business is shown on pages 6 to 15. The Company uses a variety of key performance indicators to monitor and manage the business. The main performance measures are active cases per consultant, income per full time equivalent member of staff, average staff costs per full time equivalent member of staff and investment income yield.

On 29 January 2008, the Company repurchased 34 of its ordinary £1 shares out of distributable profits for a total consideration of £986,000.

On 21 October 2008, the Company acquired the activities, assets and liabilities of Accountax Law LLP for nil consideration. Following this transaction, on 21 October 2008, 100 percent of the equity in the Company was acquired by Abbey Protection Group Limited. Immediately following the acquisition by Abbey Protection Group Limited, the activities, assets and liabilities of the Company's subsidiary, Accountax UK Limited were hived up into Accountax Consulting Limited and the activities, assets and liabilities of Accountax Consulting Limited were hived up into Abbey Protection Group Limited.

For the trading period 1 December 2007 to 21 October 2008, profits for Accountax Consulting Limited before tax were £418,000 (2007: £622,000) and after tax were £274,000 (2007: £430,000).

Following the hive-up on 21 October 2008, the business now trades as a division of Abbey Protection Group Limited and the legal entity, Accountax Consulting Limited together with its subsidiary, Accountax UK Limited, have ceased trading. As a result of this, the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to the holding company at their book value.

Directors

The directors set out on page 1 held office during the whole of the period from 1 December 2007 to the date of this report unless otherwise stated.

Directors' Indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

General meetings

The Company has elected, in pursuance of Section 252, Companies Act 1985, not to lay accounts before the members in general meeting.

Risk Management

The directors recognised that the Company's success was reliant on high levels of service being delivered to its client base, and operated a pro-active strategy of monitoring the service levels provided by its consultants.

The Company's business involved the acceptance and management of risk. It was exposed to market, credit, liquidity and operational risks and therefore operates a risk management process to ensure that all significant risks are identified, managed and contained. These risks were reviewed by the Company's senior management and then at Board level. The factors mentioned below were not a complete list of all potential risks and uncertainties.

Accountax Consulting Limited

Directors' Report

Continued

Credit risk: this was the risk of loss if another party fails to perform its financial obligations to the Company. The risk was managed by tight financial control, regular review of procedures, correct insurance, and careful selection and management of its customers.

Liquidity risk: this was the risk that the Company did not have sufficient financial resources available to meet its obligations as they fall due. The risk was managed by careful monitoring of the Company's cash flow and suitable short term investment of the Company's cash resources.

Operational risks: this was the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. These risks were managed by a variety of actions such as a proper disaster recovery plan, adequate insurance cover, development of new products, review of Company procedures, staff appraisals and training reviews, and succession planning.

Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte LLP (formerly Deloitte & Touche LLP) were appointed auditor to the Company and has expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.



A F Green

Director

25 March 2009

Accountax Consulting Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the Financial Statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice.

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the group as at the end of the financial year and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. In preparing those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Accountax Consulting Limited

We have audited the financial statements of Accountax Consulting Limited for the 13 months ending 31 December 2008 which comprise the profit and loss account, balance sheet and the related notes 1 to 17. These financial statements have been prepared under 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 judgements 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.

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.

In forming our opinion we also evaluated the overall adequacy of the presentation of the financial statements. As the company was exempt from audit under section 249A Companies Act 1985 in the prior year we have not audited the corresponding amounts for that year.

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 2008 and of its profit for the period 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.

Emphasis of matter - Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
London
25 March 2009

Accountax Consulting Limited

Profit and loss account for the Period ended 31 December 2008

		<u>Audited</u> Period ended 31 December 2008 £	<u>Unaudited</u> Year ended 30 November 2007 £
	Note		
Turnover	1		
Advisory and other income		1,408,136	1,720,810
Interest receivable		8,807	21,220
		<hr/>	<hr/>
		1,416,943	1,742,030
 Operating expenses and charges		 (914,529)	 (1,082,474)
Interest payable		(84,743)	(37,967)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		417,671	621,589
Taxation	6	(143,797)	(191,856)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		273,874	429,733
		<hr/>	<hr/>
Retained profit for the period	15	273,874	429,733
		<hr/>	<hr/>

There were no recognised gains or losses, either in the current or preceding period, other than those included in the profit and loss account and therefore no statement of total recognised gains and losses has been presented.

The profit for the period has been calculated on the historical cost basis.

The Company's income and expenditure all relate to discontinued operations.

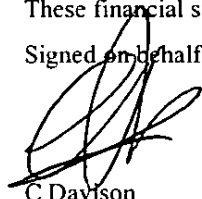
Accountax Consulting Limited

Balance sheet at 31 December 2008

		<u>Audited</u> 31 December 2008 £	<u>Unaudited</u> 30 November 2007 £
	Note		
Fixed assets			
Investments in subsidiary undertakings	7	666,995	773,850
Intangible assets	8	-	-
Tangible assets	9	-	1,166,555
		<u>666,995</u>	<u>1,940,405</u>
Current assets			
Debtors and prepayments	10	366,157	96,470
Cash at bank and in hand		-	568,575
		<u>366,157</u>	<u>665,045</u>
Creditors: amounts falling due within one year	11	<u>(666,995)</u>	<u>(953,717)</u>
Net current liabilities		<u>(300,838)</u>	<u>(288,672)</u>
Creditors: amounts falling due after more than one year	12	-	(568,276)
Provisions for liabilities - deferred tax	13	-	(5,174)
		<u>366,157</u>	<u>1,078,283</u>
Capital and reserves			
Called up share capital	14	66	100
Capital redemption reserve	15	34	-
Profit and loss account	15	366,057	1,078,183
Total equity shareholders' funds		<u>366,157</u>	<u>1,078,283</u>

These financial statements were approved by the Board of Directors and authorised for issue on 25 March 2009.

Signed on behalf of the Board of Directors



C Davison

Director



A Green

Director

Accountax Consulting Limited

Notes to the accounts

Period ended 31 December 2008

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. As explained in the Directors' Report, the company has transferred its trade, assets and liabilities to the holding company, Abbey Protection Group Limited on 21 October 2008 and has ceased trading. As required by FRS 18, Accounting Policies, the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. The particular accounting policies adopted are described below. They have all been applied consistently throughout the period and the preceding period.

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards. They are presented in pounds sterling, rounded to the nearest pound. The company has availed itself of the exemption under Financial Reporting Standard 1 (Revised) on 'Cash Flow Statements' on the grounds that it is a wholly owned subsidiary undertaking whose ultimate parent prepares a group cash flow statement in its financial statements. As such, no cash flow statement is presented.

The comparatives for the year ended 30 November 2008 are unaudited as the company was exempt from audit under section 249A Companies Act 1985 in the prior year.

Turnover

Turnover which is exclusive of VAT, represents fees for legal and tax representation work together with management fees from group companies.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at historical cost. Details of subsidiary undertakings are included in note 7.

Intangible fixed assets

The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is accounted for as goodwill and amortised through the profit and loss account in equal instalments over its estimated useful life of between 10 and 20 years. Provision is made for any impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off each asset evenly over its expected useful life as follows:

Freehold Property	-	not provided (see below)
Fixtures, fittings and other equipment	-	25% on reducing balance
Motor Vehicles	-	25% on reducing balance
Computer equipment	-	25% on reducing balance

The freehold property was acquired on 30 November 2004 and in view of its high residual value and long useful economic life, no depreciation was provided for it in the financial statements. The directors are of the opinion that the charge to depreciation would be immaterial.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Accountax Consulting Limited

Notes to the accounts

Period ended 31 December 2008

2. Segmental reporting

The income and operating profit for the period are derived from the company's principal activities carried out wholly in the UK and are considered to represent one operating segment and geographical market.

3. Profit on ordinary activities before taxation

	<u>Audited</u> Period ended 31 December 2008 £	<u>Unaudited</u> Year ended 30 November 2007 £
The profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets	21,887	27,128
Amortisation of goodwill	106,855	-
Negative goodwill written back	(29,858)	-
Auditors' remuneration for:		
- audit services	10,000	-
	<u>21,887</u>	<u>27,128</u>

4. Directors' remuneration

	<u>Audited</u> Period ended 31 December 2008 £	<u>Unaudited</u> Year ended 30 November 2007 £
Directors' emoluments	41,830	10,374

Messrs Davison, Ward and Green are also directors of the ultimate parent company, Abbey Protection plc. Their emoluments are disclosed within the ultimate parent company's financial statements.

5. Staff costs (including executive directors)

	<u>Audited</u> Period ended 31 December 2008 £	<u>Unaudited</u> Year ended 30 November 2007 £
Wages and salaries	514,558	412,185
Social security costs	52,277	45,606
Other pension costs	-	-
	<u>566,835</u>	<u>457,791</u>

Accountax Consulting Limited

Notes to the accounts

Period ended 31 December 2008

5. Staff costs (including executive directors) continued

Average number of employees in the group:

	<u>Audited</u> 2008 No.	<u>Unaudited</u> 2007 No.
Consulting services	19	17

6. Taxation

(a) Analysis of charge in the period

	<u>Audited</u> Period ended 31 December 2008 £	<u>Unaudited</u> Year ended 30 November 2007 £
Corporation tax charge at 28.5% (2007: 30%)	144,949	192,422
Deferred tax	(1,152)	(566)
	<u>143,797</u>	<u>191,856</u>

(b) Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	<u>Audited</u> Period ended 31 December 2008 £	<u>Unaudited</u> Year ended 30 November 2007 £
Profit on ordinary activities	417,671	621,589
Profit on ordinary activities multiplied by standard rate of corporation tax of 28.5% (2007: 30%)	119,036	186,477
Effects of:		
Non taxable income	-	(75)
Expenses not deductible for tax purposes	23,704	54
(Accelerated capital allowances)/depreciation in excess of capital allowances	822	5,966
Changes in the rate of corporation tax	1,387	-
Current tax charge for the period (see (a) above)	<u>144,949</u>	<u>192,422</u>

Accountax Consulting Limited

Notes to the accounts

Period ended 31 December 2008

7. Fixed asset investments

Shares in group undertakings

	£
At 30 November 2007	773,850
Acquisition of the business and assets of Accountax Law LLP	-
Transfer to goodwill on hive up of Accountax UK Limited	(106,855)
At 31 December 2008	<u>666,995</u>

A list of investments in subsidiaries is set out below:

Subsidiaries held directly by the company:	Country of incorporation and operation	Nature of business	Ordinary shares held
Accountax UK Limited	Great Britain	Tele-marketing & training	100%

The business and assets of Accountax law LLP were acquired on 21 October 2008 at nil consideration. The business and assets of Accountax UK Limited were hived up to Accountax Consulting Limited on 21 October 2008.

8. Intangible fixed assets

Goodwill

	<u>Audited</u> Period ended 31 December 2008 £	<u>Unaudited</u> Year ended 30 November 2007 £
Cost		
At the beginning of the period	-	-
Negative goodwill arising on acquisition of the business and assets of Accountax Law LLP	(29,858)	-
Goodwill arising on the hive up of Accountax UK Limited	106,855	-
Transfer to profit and loss account	(76,997)	-
At the end of the period	<u>-</u>	<u>-</u>

The goodwill arising from the acquisitions has been charged to profit and loss account prior to to the hive up of net assets to Abbey Protection Group Limited.

Accountax Consulting Limited

Notes to the accounts Period ended 31 December 2008

9. Tangible fixed assets

	Freehold Property	Improve- ments to Property	Office Equipment fixtures and fittings	Motor Vehicles	Computer Equipment	Total
	£	£	£	£	£	£
Cost						
At 30 November 2007	1,085,165	40,959	74,664	20,058	43,607	1,264,453
Additions in the period	-	-	2,900	-	13,900	16,800
Transfer to Group Company	(1,085,165)	(40,959)	(77,564)	(20,058)	(57,507)	(1,281,253)
At 31 December 2008	-	-	-	-	-	-
Depreciation						
At 30 November 2007	-	(21,516)	(46,612)	(5,014)	(24,756)	(97,898)
Charge for the period	-	(4,358)	(6,890)	(3,349)	(7,290)	(21,887)
Transfer to Group Company	-	25,874	53,502	8,363	32,046	119,785
At 31 December 2008	-	-	-	-	-	-
Net book value						
At 31 December 2008	-	-	-	-	-	-
At 30 November 2007	1,085,165	19,443	28,052	15,044	18,851	1,166,555

10. Debtors and prepayments

	<u>Audited</u> Period ended 31 December 2008 £	<u>Unaudited</u> Year ended 30 November 2007 £
<i>Due within one year</i>		
Trade Debtors	-	81,605
Other Debtors	-	12,792
Amounts owed by group undertakings	366,157	-
Prepayments	-	2,073
	<u>366,157</u>	<u>96,470</u>

Accountax Consulting Limited

Notes to the accounts

Period ended 31 December 2008

11. Creditors: Amounts falling due within one year

	<u>Audited</u> Period ended 31 December 2008 £	<u>Unaudited</u> Year ended 30 November 2007 £
Other loans – D Smith and T Capes	-	507,262
Trade creditors	-	17,515
Amounts owed to group undertakings	666,995	76,188
Corporation tax	-	192,422
Other taxes and social security	-	72,366
Other creditors	-	80,764
Accruals and deferred income	-	7,200
	<u>666,995</u>	<u>953,717</u>

12. Creditors: Amounts falling due after more than one year

	<u>Audited</u> Period ended 31 December 2008 £	<u>Unaudited</u> Year ended 30 November 2007 £
Commercial mortgage – secured, repayable by instalments	-	568,276

13. Deferred tax

	<u>Audited</u> Period ended 31 December 2008 £	<u>Unaudited</u> Year ended 30 November 2007 £
Balance at beginning of the period	5,174	5,740
Transfer to profit and loss account	(1,152)	(566)
Transfer on hive-up to Abbey Protection Group Limited	(4,022)	-
Balance at the end of the period	<u>-</u>	<u>5,174</u>
The deferred tax balance comprises:		
Accelerated capital allowances	<u>-</u>	<u>5,174</u>

Accountax Consulting Limited

Notes to the accounts Period ended 31 December 2008

14. Share capital

	<u>Audited</u> Period ended 31 December 2008 £	<u>Unaudited</u> Year ended 30 November 2007 £
Authorised		
<i>Equity shares:</i>		
1,000 (2007 - 1,000) ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Issued, allocated and fully paid		
<i>Equity shares:</i>		
66 (2007 - 100) ordinary shares of £1 each	66	100
	<u>66</u>	<u>100</u>

On 29 January 2008, the company repurchased 34 shares out of distributable profits. The repurchased shares were then cancelled.

15. Reconciliation of movement in shareholders' funds

	Share capital	Capital redemption reserve	Profit and loss account	Share-holders' funds
	£	£	£	£
Balance at 30 November 2007	100	-	1,078,183	1,078,283
Repurchase of shares out of distributable reserves	(34)	34	(986,000)	(986,000)
Profit for the period	-	-	273,874	273,874
Balance at 31 December 2008	<u>66</u>	<u>34</u>	<u>366,057</u>	<u>366,157</u>

Accountax Consulting Limited

Notes to the accounts

Period ended 31 December 2008

16. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 in respect of transactions with group companies included within the consolidated accounts of the ultimate holding company.

Management fees of £146,208 (2007: £88,369) were charged to Accountax UK Limited, a subsidiary undertaking.

Mr D Smith, Mr T Capes and their respective spouses loaned £97,000 to the Company. The balance outstanding at 31 December 2008 was £nil (30 November 2007 £97,000). Additionally, Mr D Smith and Mr T Capes operated Directors' loan accounts and advanced loans to the Company. The balance outstanding on these accounts at 31 December 2008 was £nil (30 November 2007 £410,262).

C Davison, C Ward and A F Green are also directors of Abbey Protection Group Limited and Abbey Protection plc.

17. Parent company

In the opinion of the directors, the company's immediate parent company is Abbey Protection Group Limited and its ultimate parent company is Abbey Protection plc. The financial statements of the ultimate parent company can be obtained from Minories House, 2-5 Minories, London, EC3N 1BJ.