

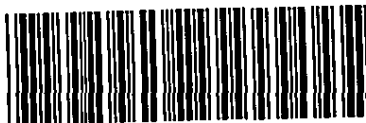
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HW Group Services Limited

Financial Statements

31 March 2010

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HW Group Services Limited

Financial Statements

Year ended 31 March 2010

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HW Group Services Limited

Company Information

Directors

G C Fairclough (retired 30 April 2010)
A S Minifie
R H Style (appointed 14 May 2010)

Company secretary

D W Smith

Registered office

11A Park House
Milton Park
Abingdon
OX14 4RS

Company Number

0932971

H W Group Services Limited

Directors' Report

Year ended 31 March 2010

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2010

Principal activities and business review

The principal activity of the company was that of the provision of support services to professional accountancy practices

Results

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements

Directors

The directors during the year under review were G C Fairclough and A S Minifie

The directors who served the company during the year had no beneficial interests in the shares of the company. The company is wholly-owned subsidiary of Haines Watts Limited and the interests of the directors in shares of group undertakings are disclosed in the financial statements of the holding company.

Directors' responsibilities

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Exemption statement

No auditors have been appointed as the company qualifies as a small company and is exempted from the obligation to appoint auditors.

The report of the directors has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

On behalf of the board



A S Minifie, Director

Approved by the board of directors on 7 October 2010

HW Group Services Limited

Profit and Loss Account

Year ended 31 March 2010

	Note	2010 £	2009 £
Turnover	2	2,623,982	2,752,708
Cost of sales		<u>2,523,354</u>	<u>2,687,500</u>
Gross Profit		100,628	65,208
Administrative expenses		<u>117,141</u>	<u>107,990</u>
Operating Loss	3	(16,513)	(42,782)
Interest receivable and similar income		1,556	12,932
Interest payable and similar charges		<u>(17,321)</u>	<u>(11,986)</u>
Loss on Ordinary Activities Before Taxation		(32,278)	(41,836)
Tax on Loss on ordinary activities	4	(321)	(7,949)
Retained Loss for the Financial Year		<u>(31,957)</u>	<u>(33,887)</u>

The notes on pages 5 to 9 form part of these financial statements

HW Group Services Limited

Balance Sheet

As at 31 March 2010

	Note	2010 £	£	2009 £	£
Fixed Assets					
Tangible assets	5		2,518		3,296
Investments	6		50,000		-
Current Assets					
Debtors	7	1,519,107		1,708,093	
Cash at bank and in hand		1,033,218		692,724	
		2,552,325		2,400,817	
Creditors' Amounts falling due within one year	8	2,123,177		1,890,490	
Net Current Assets			429,148		510,327
Total Assets Less Current Liabilities			481,666		513,623
Creditors. Amounts falling due after more than one year	9		400,000		400,000
Net Assets			81,666		113,623
Capital and Reserves					
Called-up share capital	10		108		108
Profit and loss account	11		81,558		113,515
Shareholders' Funds			81,666		113,623

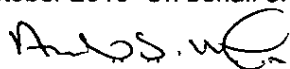
For the year ending 31 March 2010 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved and authorised for issue by the Board on 7 October 2010 On behalf of the Board,


A. S. Minifie

DIRECTOR

Date 7/10/10.

The notes on pages 5 to 9 form part of these financial statements.

HW Group Services Limited

Notes to the Financial Statements

Year ended 31 March 2010

1 Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Turnover

The turnover shown in the profit and loss account represents net amounts invoicable during the year excluding VAT

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows

Fixtures and fittings	- 20% on cost
Office Equipment	- 33% on cost

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is a reasonable probability that the liability will not arise in the foreseeable future

2 Turnover

The turnover and loss before tax are attributable to the one principal activity

An analysis of turnover is given below

	2010 £	2009 £
United Kingdom	<u>2,623,982</u>	<u>2,752,708</u>

3. Operating Loss

Operating loss is stated after charging

Depreciation – owned assets	<u>1,903</u>	<u>2,756</u>
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HW Group Services Limited

Notes to the Financial Statements

Year ended 31 March 2010

4. Tax on Loss on ordinary activities

	2010 £	2009 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 21% (2009 21%)	-	(8,124)
Adjustments in respect of previous periods	(321)	175
Tax on Loss on ordinary activities	<u>(321)</u>	<u>(7,949)</u>

5. Tangible fixed assets

	Fixtures, and fittings £	Office Equipment £	Total £
Cost			
At 1 April 2009	14,071	71,263	85,334
Additions	-	1,125	1,125
Disposals	-	-	-
At 31 March 2010	<u>14,071</u>	<u>72,388</u>	<u>86,459</u>
Depreciation			
At 1 April 2009	12,394	69,644	82,038
Charge for the year	1,145	758	1,903
On disposals	-	-	-
At 31 March 2010	<u>13,539</u>	<u>70,402</u>	<u>83,941</u>
Net Book Value			
At 31 March 2010	<u>532</u>	<u>1,986</u>	<u>2,518</u>
At 31 March 2009	<u>1,677</u>	<u>1,619</u>	<u>3,296</u>

HW Group Services Limited

Notes to the Financial Statements

Year ended 31 March 2010

6 Investments

	£	
At 1 April 2009	-	
Additions	50,000	
Disposals	-	
	<hr/>	
At 31 March 2010	50,000	
	<hr/>	
Depreciation		
At 1 April 2009	-	
Charge for the year	-	
On disposals	-	
	<hr/>	
At 31 March 2010	-	
	<hr/>	
Net Book Value		
At 31 March 2010	50,000	
	<hr/>	
At 31 March 2009	-	
	<hr/>	
	2010	2009
	£	£
Unlisted investment	50,000	-

The unlisted Investment consists of the following company incorporated in Guernsey

Investment	% shareholding	Retained loss for the year	Shareholders funds 31 March 2010
Trading HW Trust Company Limited	100%	(13,541)	78,673

7. Debtors

	2010 £	2009 £
Amounts due within one year		
Trade debtors	1,005,219	1,191,583
Taxation	-	8,124
Other debtors	-	1,123
Subordinated Loan (note 14)	400,000	-
Prepayments and accrued income	113,888	107,263
Total due within in a year	1,519,107	1,308,093
Amounts due within more than one year		
Subordinated Loan (note 14)	-	400,000
	1,519,107	1,708,093

HW Group Services Limited

Notes to the Financial Statements

Year ended 31 March 2010

8 Creditors: Amounts falling due within one year

	2010 £	2009 £
Trade creditors	1,232,504	1,282,000
Other creditors	801,667	552,952
Other taxes & social security	23,898	7,085
Taxation	-	-
Accrued expenses	65,108	48,453
	<u>2,123,177</u>	<u>1,890,490</u>

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

Bank loans and overdrafts	<u>400,000</u>	<u>400,000</u>
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A bank loan of £400,000 is repayable on 31 March 2014. The loan is secured by a debenture over the assets of the company and a right of set off against cash deposits.

10. Share capital

Authorised share capital:

10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
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Allotted, issued and fully paid.

	2010		2009	
	No	£	No	£
Ordinary shares of £1 each	<u>108</u>	<u>108</u>	<u>108</u>	<u>108</u>

11. Reserves

Profit and Loss Account	2010 £	2009 £
Balance brought forward	113,515	147,402
Retained Loss for the year	(31,957)	(33,887)
Balance carried forward	<u>(81,558)</u>	<u>113,515</u>

12. Leasing Commitments

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as detailed below:

Operating leases due to expire		
Within one year	1,119	226
Within two to five years	23,333	28,510
	<u>24,452</u>	<u>28,736</u>

HW Group Services Limited

Notes to the Financial Statements

Year ended 31 March 2010

13. Transactions with directors

During the financial year the company continued arrangements with HW accountancy practices and related companies in some of which the directors are partners, members or directors and shareholders. Under the terms of those arrangements the company supplies support services and recharges insurance premiums to those practices.

During the year the value of services supplied and premiums recharged to the HW accountancy practices amounted to £2,611,982 (£2,740,708 in 2009). At the balance sheet date the balance due from the practices to the Company, in respect of those services, amounted to £1,005,269 (£1,191,583 in 2009) and is included in Trade Debtors.

At the balance sheet date, Other Creditors included £751,667 (£552,952 in 2009) in respect of monies collected from and held on behalf of practices towards the meeting of possible Professional Indemnity Insurance claims. Any unutilised monies will be returned to the practices.

At the balance sheet date, Other Creditors also included £50,000 (£- in 2009) in respect of monies lent to the Company by practices in order to purchase the investment in HW Trust Company Limited. This is interest free with no set repayment date although it is not expected to be repaid until such time as the shares in HW Trust Company Limited are sold or redeemed.

14 Related party transactions

An interest free loan of £400,000 was made to HW Financial Services Limited on 30 April 2007 and is due to be repaid on or before 14 January 2011 subject to that company meeting the Financial Services Authority finance resource requirements on the date of repayment. HW Financial Services Limited ceased to be a related party on 14 January 2010.

15. Ultimate holding company

The ultimate holding company is Haines Watts Limited which is incorporated in England. The ultimate holding company is owned by HW accountancy practices in some of which the directors are partners, members or directors and shareholders.