

REGISTRAR OF COMPANIES

**HCTC
Enterprises
Limited**

Annual Report and Accounts

31 August 2004



Company Registration Number
2962551 (England and Wales)

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Legal and administrative information

Directors	Mr A R Bull Mr J N Davis Mr A Halpin Hon P A Harris
Secretary	Mr A C Holmewood FCA
Registered office	9 Maberley Road London SE19 2JH
Company registration number	2962551 (England and Wales)
Auditors	Buzzacott 12 New Fetter Lane London EC4A 1AG
Bankers	National Westminster Bank plc 83 – 84 High Street South Norwood London SE25 6YZ

Directors' report 31 August 2004

The directors submit their report and the financial statements for the year ended 31 August 2004 which show the state of the company's affairs.

Principal activity and objectives

The principal activity of the company is to carry on business as a general commercial company for the benefit of Harris City Technology College. To this end, the company operates the College Bookshop and the Lewis Sports and Leisure Centre.

Review of business

The Lewis Sports and Leisure Centre earned a profit of £11,701 in the first full year of direct operation by the company (2003 - £14,598). The main cause of the decrease was increased staff costs. The directors are disappointed with this result and are considering options for the future management of the centre which will result in a significant reduction in costs.

The College shop traded with an improved margin during the year, but sales were significantly reduced due to the non availability of volunteer staff to operate the shop.

Directors

The directors who served during the year were:

Mrs C A Bates (resigned 31 August 2004)

Mr A R Bull

Mr J N Davis

Mr A Halpin

Hon P A Harris

None of the directors had any interest in the share capital of the company. The parent undertaking, Harris City Technology College, is a company limited by guarantee and has no share capital.

Directors' liability

The company participates in a directors' liability insurance policy taken out by the parent company.

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which 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 those accounts, the directors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- ◆ prepare the accounts 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 accounts 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.

Auditors

The auditors, Buzzacott, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the board of directors:

A handwritten signature in dark ink, appearing to read 'A C Hewwood'.

Secretary

Approved by the board on: 14 December 2004

Independent auditors' report to the shareholder of HCTC Enterprises Limited

We have audited the accounts on pages 6 to 11 which have been prepared, under the historical cost convention, and in accordance with the accounting policies set out on page 8.

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 independent auditors

As described on page 3, the company's directors are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, if 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 transactions with the company 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 opinion

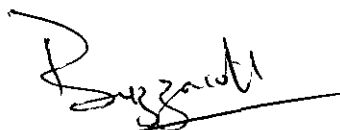
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Independent auditors' report 31 August 2004

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 August 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Buzzacott

Chartered Accountants and Registered Auditors
12 New Fetter Lane
London
EC4A 1AG

14 December 2004

Profit and loss account Year to 31 August 2004

	Notes	2004 £	2003 £
Turnover	1	92,643	82,027
Cost of sales		(76,439)	(64,332)
Gross profit		16,204	17,695
Administrative expenses		(7,820)	(7,129)
Profit on ordinary activities before taxation		8,384	10,566
Taxation	4	—	—
Profit on ordinary activities after taxation	2	8,384	10,566
Retained profits brought forward at 1 September 2003		19,686	9,120
Retained profits carried forward at 31 August 2004		28,070	19,686

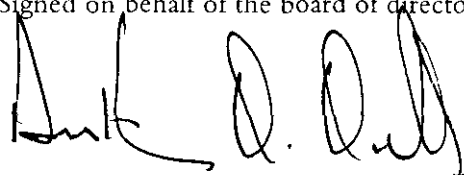
All of the company's activities derived from continuing operations during the above two financial periods.

The company has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet 31 August 2004

	Notes	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Tangible fixed assets	5		—		—
Current assets					
Stock	6	1,178		2,445	
Debtors	7	16,258		6,514	
Cash at bank		17,860		18,534	
		35,296		27,493	
Creditors: amounts falling due within one year	8	(7,224)		(7,805)	
Net current assets			28,072		19,688
Net assets			28,072		19,688
Capital and reserves					
Called up share capital	9		2		2
Profit and loss account			28,070		19,686
Equity shareholder's funds	10		28,072		19,688

Signed on behalf of the board of directors by:



Director

Approved by the board on: 14 December 2004

Principal accounting policies 31 August 2004

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents the total amount receivable in the ordinary course of business in respect of bookshop sales, exclusive of value added tax.

Tangible fixed assets

Depreciation on tangible fixed assets is provided on a straight-line basis at rates calculated to write off the cost of assets over their estimated useful economic lives as follows:

- ◆ Furniture and equipment 20% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value.

Cash flow statement

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under Financial Reporting Standard 1, 'Cash Flow Statements'.

Notes to the accounts 31 August 2004

1 Turnover

All turnover is attributable to the principal activity of the company and arose within the UK.

2 Profit on ordinary activities before and after taxation

This is stated after charging:

	2004 £	2003 £
Auditors' remuneration	1,225	1,175
Depreciation	—	6,068

3 Staff costs

There were 5 employees during the year (2003 - 5). Their employment costs were:

	2004 £	2003 £
Wages and salaries	59,006	37,975
Social Security Costs	3,664	2,400
Recruitment costs	273	679
	62,943	41,054

None of the directors received any emoluments in respect of their services during the year (2003 - none).

4 Taxation

There is no taxation charge this year due to the availability of tax losses brought forward.

5 Tangible fixed assets

	Furniture and equipment £
Cost	
At 1 September 2003 and 31 August 2004	30,340
Depreciation	
At 1 September 2003	30,340
Charge for year	—
At 31 August 2004	30,340
Net book values	
At 31 August 2004	—
At 31 August 2003	—

Notes to the accounts 31 August 2004

6 Stock

	2004 £	2003 £
Goods for resale	1,178	2,445

7 Debtors

	2004 £	2003 £
Trade debtors	15,700	5,372
Prepaid expenses	558	623
Amounts due from parent undertaking	—	519
	16,258	6,514

8 Creditors: amounts falling due within one year

	2004 £	2003 £
Amounts due to parent undertaking	515	—
Taxation and social security	2,311	2,291
Accruals and income in advance	4,398	5,514
	7,224	7,805

9 Called up share capital

	Authorised		Allotted, called up and fully paid	
	2004 £	2003 £	2004 £	2003 £
£1 Ordinary shares	100	100	2	2

10 Equity shareholder's funds

	2004 £	2003 £
Shareholder's funds at 1 September 2003	19,688	9,122
Retained profit for the year	8,384	10,566
Shareholder's funds at 31 August 2004	28,072	19,688

Notes to the accounts 31 August 2004

11 Ultimate parent undertaking

Harris City Technology College ('HCTC'), incorporated in the UK, is the ultimate holding company. Its registered office is 9 Maberley Road, London, SE19 2JH.

The transactions with HCTC were as follows:

	2004 £	2003 £
Management charges levied by HCTC	3,000	3,000
Sales to HCTC	3,924	5,520
Amounts due (to) from HCTC at 31 August 2004	(515)	519

There were no other related party transactions.