

HCTC ENTERPRISES LIMITED
(Registered Number 2962551)

ANNUAL REPORT

YEAR ENDED 31 AUGUST 1998



PANNELL KERR FORSTER
Chartered Accountants

HCTC ENTERPRISES LIMITED
(Registered Number 2962551)
ANNUAL REPORT
YEAR ENDED 31 AUGUST 1998

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HCTC ENTERPRISES LIMITED
DIRECTORS, OFFICERS AND REGISTERED OFFICE

Directors

Mr A R Bull
Prof. C P Clare (resigned 31 August 1998)
Mr J N Davis
Mr A Halpin
Mr L H Jones

Secretary

Mr A C Holmewood FCA

Registered Office

9 Maberley Road
London
SE19 2JH

Auditors

Pannell Kerr Forster
Chartered Accountants
New Garden House
78 Hatton Garden
London
EC1N 8JA

Bankers

National Westminster Bank Plc
83-84 High Street
South Norwood
London
SE25 6YC

**HCTC ENTERPRISES LIMITED
DIRECTORS' REPORT**

The directors submit their report and the financial statements for the year ended 31 August 1998 which show the state of the company's affairs.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

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.

During the year the company entered into a fixed fee contract with the facility managers, Marriott Food Services Limited for the operation for the Lewis Sports & Leisure Centre. The business of Marriott Food Services Limited was acquired by Gardner Merchant Limited during the year.

The profit after taxation for the year amounted to £3,776. This will be taken to reserves.

DIRECTORS

A list of the directors of the company who served during the year appears on page 1. Professor C P Clare resigned as a director on 31 August 1998. No director had any interest in the shares of the company during the year. The Hon P A Harris was appointed a director on 24 November 1998.

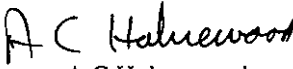
DIRECTORS' LIABILITY

The company participates in a directors' liability insurance policy taken out by the parent company. The Hon P A Harris was appointed a director on 24 November 1998.

AUDITORS

A resolution to reappoint Pannell Kerr Forster as auditors will be proposed at the annual general meeting.

BY ORDER OF THE BOARD


A C Holmewood
Secretary

24 November 1998

HCTC ENTERPRISES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial period and of the income and expenditure account for that period.

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;
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS' REPORT TO THE MEMBERS OF
HCTC ENTERPRISES LIMITED**

We have audited the financial statements on pages 5 to 8 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards. 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 governors 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 August 1998 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

London

21 December 1998


PANNELL KERR FORSTER
Chartered Accountants
Registered Auditors

HCTC ENTERPRISES LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 AUGUST 1998

	<u>Notes</u>	<u>£</u>	<u>1998</u>	<u>£</u>	<u>1997</u>	<u>£</u>
Turnover	1(a)		6,773		10,859	
Cost of sales			6,620		9,152	
Gross profit			153		1,707	
Administrative expenses		(10,377)		(10,875)		
Other operating income		14,000		14,003		
			3,623		3,128	
Profit on ordinary activities before and after taxation	2		3,776		4,835	
Balance at 1 September 1997			4,835		-	
Balance at 31 August 1998			8,611		4,835	

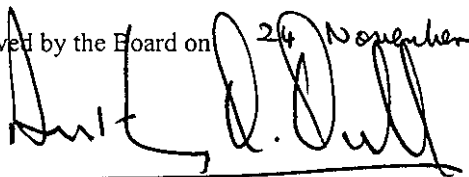
All amounts relate to continuing operations.

The company had no recognised gains or losses in the year other than those included in arriving at the result for the year.

HCTC ENTERPRISES LIMITED
BALANCE SHEET
31 AUGUST 1998

	<u>Notes</u>	£	<u>1998</u>	£	£	<u>1997</u>	£
CURRENT ASSETS							
Stock	1(c),5			1,397			1,511
Debtors	6			19,922			10,684
Cash at bank and in hand				2,519			673
				<hr/>			<hr/>
				23,838			12,868
CURRENT LIABILITIES							
Taxation and social security		506				1,461	
Accruals		1,433				1,275	
Amount due to parent undertaking		13,286				5,295	
		<hr/>				<hr/>	
				15,225			8,031
NET CURRENT ASSETS							
				<hr/>			<hr/>
				8,613			4,837
CAPITAL AND RESERVES							
Called up share capital	7			2			2
Profit				8,611			4,835
				<hr/>			<hr/>
EQUITY SHAREHOLDERS' FUNDS	8			8,613			4,837
				<hr/>			<hr/>

Approved by the Board on 24 November 1998



A R BULL

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DIRECTOR

HCTC ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 1998

1 ACCOUNTING POLICIES

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

The principal accounting policies applied are described below.

(a) Turnover

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

(b) Value added tax

The cost of value added tax has been included in administration expenses to the extent that it is not recoverable from HM Customs and Excise.

(c) Stock

Stock is stated at the lower of cost and net realisable value.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION

The profit on ordinary activities before and after taxation is stated after charging:	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Auditors' remuneration	1,050	1,000
	<u> </u>	<u> </u>

3 TAXATION

The liability for Corporation Tax on the profit for the year will be relieved by tax losses from earlier periods. Unrealised losses available to offset future trading profits amounted to £73,519 at 31 August 1998.

4 STAFF COSTS

The company had no employees throughout the year. The directors received no remuneration for their services.

5 STOCK	£	£
Goods for resale	1,397	1,511
	<u> </u>	<u> </u>

6 DEBTORS

Trade debtors	19,922	10,684
	<u> </u>	<u> </u>