

COMPANIES
HOUSE

HIT Training Limited
FINANCIAL STATEMENTS
for the year ended
31 July 2012

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COMPANIES HOUSE

HIT Training Limited

COMPANY INFORMATION

DIRECTORS

J Hyde
J Whittaker
S Goldie
S Segal
L Martin

REGISTERED OFFICE

24 Cecil Pashley Way
Shoreham Airport
Shoreham by Sea
West Sussex
BN43 5FF

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Gleneagles Court
Brighton Road
Crawley
West Sussex
RH10 6AD

LAWYERS

Paul Davidson Taylor
Chancery Court
Queens Street
Horsham
West Sussex
RH13 5AD

BANKERS

Clydesdale Bank Plc
5 Peveril Court
6-8 London Road
Crawley
RH10 8JE

HIT Training Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of HIT Training Limited for the year ended 31 July 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the provision of work-based learning to the hospitality and catering, adult care and employability sectors

HIT Training Limited ("HIT") was formed in 2006 to meet the training needs of the hospitality and catering sector following the publication of the government white paper entitled "Further Education Raising Skills, Improving Life Chances". This paper, together with the funding announced to support the aims of the paper, presented an opportunity to new entrants to the work-based learning provider network. Further, the paper called for lifelong learning to recognise the skills of not only those traditionally involved with learning programmes, that is young people, but to include the aim of a better skilled workforce from school leaver to retirement. The Board of Directors is delighted that the current Coalition Government has seen the benefits of work based learning and has not only continued the investment of the previous government but has increased it significantly.

In the first operating period the company invested in the infrastructure required to meet its aims, and by April 2007 the company was trading profitably. We continue to operate profitably.

The Company saw significant growth in turnover in 2012. Our hospitality and catering business has continued to expand but the current economic downturn has presented new challenges in this sector, particularly for unskilled young adults seeking their first job. Our adult care and employability arms have grown during the year reflecting both the need to care for an aging population and an increase in unemployed people seeking skills. The Board of Directors has embarked upon a strategic reorganisation of the business to ensure that it is equal to the challenges faced by what has become a larger and more diverse organisation in an increasingly competitive market. The guiding principle of the Company has always been, and will continue to be, that the learner is at the centre of everything we do.

The Board of Directors is pleased to report that the company was equal to the challenges it encountered during the year ended 31st July 2012 and has both increased turnover and continued to be profitable during that period.

FUTURE DEVELOPMENTS

In 2013 the Company will expand provision both geographically and in our chosen sectors. During 2012 the company was assessed as Good by OFSTED. We will continue to invest in our commitment to serve our learners with good quality training and assessment.

HIT has offices throughout the country and is extremely well placed to expand the business with the current operating centres. With continued controlled growth and a sensible level of profitability it is our intention to continue to grow the Company during the coming financial year.

RISKS AND UNCERTAINTIES

The country's economic situation has improved little. Staff turnover in our clients' workplaces has slowed and new roles are not as readily available as they have been in the past. This, coupled with a hard-working and skilled European migrant workforce, means that new apprentice roles for young people looking to enter the workforce are few and far between. To ameliorate the impact of this we are looking to work closely with local authorities and the Education Funding Agency to equip young adults with appropriate skills before they enter the workforce.

Government funding for adults over the age of 23 at Level 3 and above will be replaced by a loan system in August 2013. This is likely to have some impact on the participation of this age group in work placed learning.

The Board of Directors has taken these risks and uncertainties into account when planning for the future, and is satisfied that all possible steps are being taken to minimise business risk.

HIT Training Limited

DIRECTORS' REPORT

THE DIRECTORS

The directors who served the company during the year were

J Hyde
J Whittaker
S Goldie
S Segal
L Martin

EMPLOYEE INVOLVEMENT

The Company continues to encourage the involvement of its employees in its management through regular meetings and the provision of regular information

DISABLED PERSONS

The Company will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. The Company works with employees who have been injured or disabled in the course of their employment so that, where possible, they can continue in employment with the Company.

During employment the Company seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

CHARITABLE DONATIONS

During the year the company donated £1,516 (2011 £16,662) to hospitality sector charities and to charities with direct relevance to its staff.

RESULTS AND DIVIDENDS

During the year the company made a profit after tax of £1,003,000. The directors have declared and paid a dividend of £1.50 per share during the period.

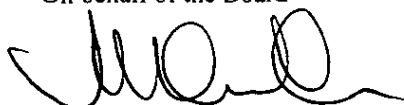
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed as far as they are aware, that there is no relevant information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

A resolution to appoint Baker Tilly UK Audit LLP as auditor will be put forward to the members at the annual general meeting.

On behalf of the Board



J Whittaker
Director

Date 24 November 2012

HIT Training Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 period. 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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c 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 requirements of 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIT TRAINING LIMITED

We have audited the financial statements on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As more fully explained in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

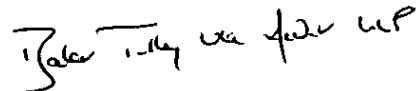
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Jonathan Ericson (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

12 Gleneagles Court

Brighton Road

Crawley

West Sussex

RH10 6AD

Date 10 December 2012

HIT Training Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 July 2012

	<i>Notes</i>	2012	2011
		£000	£000
TURNOVER		17,940	13,239
Cost of sales		15,063	10,031
Gross profit		2,877	3,208
Administrative expenses		1,561	1,049
OPERATING PROFIT	1	1,316	2,159
Interest receivable		25	22
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,341	2,181
Taxation	4	338	560
PROFIT FOR THE FINANCIAL YEAR		1,003	1,621

The operating profit for the year arises from the company's continuing operations

There were no other recognised gains or losses other than the profit for the financial year


HIT Training Limited

BALANCE SHEET

31 July 2012

	Notes	2012 £000	2011 £000
FIXED ASSETS			
Tangible assets	6	143	139
Investments	7	251	251
		<u>394</u>	<u>390</u>
CURRENT ASSETS			
Stocks		291	87
Debtors	8	2,122	1,898
Cash at bank		2,470	3,396
		<u>4,883</u>	<u>5,381</u>
CREDITORS			
Amounts falling due within one year	9	(2,040)	(1,707)
NET CURRENT ASSETS		<u>2,843</u>	<u>3,674</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,237</u>	<u>4,064</u>
Provisions for liabilities			
	10	(258)	(288)
		<u>2,979</u>	<u>3,776</u>
CAPITAL AND RESERVES			
Called up equity share capital	13	1,200	1,200
Share premium account	14	1	1
Profit and loss account	15	1,778	2,575
EQUITY SHAREHOLDERS' FUNDS	16	<u>2,979</u>	<u>3,776</u>

The financial statements on pages 6 to 15 were approved by the board of directors and authorised for issue on 29 Nov 2012 and are signed on their behalf by


J Whittaker
Director

HIT Training Limited

CASH FLOW STATEMENT

31 July 2012

		2012 £000	2011 £000
Net cash flow from operating activities	Notes 17 a	1,145	2,049
Returns on investments and servicing of finance	17 b	25	22
Taxation	17 b	90	(908)
Capital expenditure and financial investment	17 b	(153)	(410)
Equity dividends paid		(2,040)	(1,200)
DECREASE IN CASH IN THE YEAR		<u>(933)</u>	<u>(447)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

		2012 £000	2011 £000
Decrease in cash in the year		(933)	(447)
Change in net funds	17 c	<u>(933)</u>	<u>(447)</u>
Net funds at 1 August	17 c	3,396	3,843
Net funds at 31 July	17 c	<u>2,463</u>	<u>3,396</u>

HIT Training Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax. Turnover relating to contracts is recognised only when it is capable of being claimed from the client.

FIXED ASSETS AND DEPRECIATION

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office equipment	- straight line over three years
Motor vehicles	- straight line over four years
Computer equipment	- straight line over two years

STOCK

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

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease.

PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

GROUP ACCOUNTING

The accounts present information about the company as an individual undertaking and not about its group, as the company has taken advantage of section 402 of the Companies Act 2006 not to prepare consolidated financial statements as the directors consider that all the company's subsidiaries should be excluded from consolidation because they are immaterial for the purpose of providing a true and fair view.

INVESTMENTS

Fixed asset investments are held at cost less provision for impairment.

HIT Training Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

1 OPERATING PROFIT

Operating profit is stated after charging

	2012 £000	2011 £000
Depreciation of owned fixed assets	149	111
Pension contributions	250	239
Auditor's remuneration	13	13
Operating lease costs		
- Land and buildings	-	40
- Plant and equipment	786	721

2 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year was

	2012 Number	2011 Number
Directors	4	4
Other staff	334	244
	<u>338</u>	<u>248</u>

The aggregate payroll costs of the above were

	2012 £000	2011 £000
Wages and salaries	7,674	5,575
Social security costs	728	560
Other pension costs	250	239
	<u>8,652</u>	<u>6,374</u>

3 DIRECTORS' REMUNERATION

The directors' aggregate emoluments in respect of qualifying services were

	2012 £000	2011 £000
Emoluments receivable	429	434
Value of company pension contributions to money purchase schemes	49	31
	<u>478</u>	<u>465</u>

Emoluments excluding pension scheme contributions for the highest paid director amounted to £155,441 (2011 £141,906) Company contributions to the pension scheme for the highest paid director amount to £nil (2011 £Nil)

There were 3 directors (2011 3) accruing benefits under company pension schemes

HIT Training Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

4 TAXATION

(a) Analysis of charge in the period	2012 £000	2011 £000
Current tax		
In respect of the period		
UK Corporation tax based on the results for the period at 25 33% (2011 27 33%)	368	261
Adjustment in respect of prior year	-	(1)
Total current tax	<u>368</u>	<u>260</u>
Deferred tax		
Origination and reversal of timing differences		
Fixed asset timing difference	(10)	-
Short term timing differences	(20)	300
Tax on profit on ordinary activities	<u>338</u>	<u>560</u>

(b) Tax on profit on ordinary activities

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 25 33% (2011 27 33%)

	2012 £000	2011 £000
Profit on ordinary activities before taxation	<u>1,341</u>	<u>2,181</u>
Profit on ordinary activities by rate of tax	340	596
Expenses not deductible for tax purposes	22	3
Adjustments in respect of prior periods	-	(1)
Marginal relief	(1)	(9)
Other short term timing differences	(3)	(324)
Capital allowances less than/ (in excess) of depreciation	10	(5)
Total current tax	<u>368</u>	<u>260</u>

(c) Factors that may affect future tax charges

On 29 March 2012 the Government announced that the main rate of Corporation Tax would be reduced from 26% to 24% with effect from 1 April 2012. The main rate of corporation tax for the year from 1 April 2013 has been set at 23% by inclusion in the Finance Bill 2012. This was substantively enacted on 3 July 2012. As such, in accordance with UK GAAP, the rate of 23% is used for the calculation of the deferred tax provision at 31 July 2012 (2011 26%).

5 DIVIDENDS

	2012 £000	2011 £000
Ordinary dividend	<u>1,800</u>	<u>240</u>

During the year the directors have declared and paid a dividend in respect of the year ending 31 July 2011 of £1 50 per share (2011 £0 20 per share)

HIT Training Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

6 TANGIBLE FIXED ASSETS

	Equipment £000	Total £000
Cost		
At 1 August 2011	424	424
Additions	153	153
Disposals	(175)	(175)
At 31 July 2012	<u>402</u>	<u>402</u>
Depreciation		
At 1 August 2011	285	285
Charge for the year	149	149
Disposals	(175)	(175)
At 31 July 2012	<u>259</u>	<u>259</u>
Net book value		
At 31 July 2012	<u>143</u>	<u>143</u>
At 31 July 2011	<u>139</u>	<u>139</u>

7 INVESTMENTS

	Subsidiary undertakings £000's	Other investments £000's	Total £000's
Cost			
At 1 August 2011 and 31 July 2012	<u>1</u>	<u>250</u>	<u>251</u>
Net book value			
At 31 July 2012	<u>1</u>	<u>250</u>	<u>251</u>
At 31 July 2011	<u>1</u>	<u>250</u>	<u>251</u>

On the 13 November 2008, HIT Training Ltd purchased at par the entire allotted share capital of £1 of Connect 2 Care Ltd, a dormant company incorporated in England & Wales. The company's registered office is 24 Cecil Pashley Way, Shoreham Airport, Shoreham by Sea, West Sussex, BN43 5FF.

On 30 June 2011, the company invested £250,000 in Big Screen Productions 18 LLP, which constitutes a capital investment of 0.82% of the total partnership capital of that entity. The partnership is registered in England & Wales, at the registered office of 15 Golden Square, London, W1F 9JG. The principal activity of the partnership is the production of films.

Contingent liability

The films are still yet to be released and therefore their ultimate profitability cannot currently be determined. Should the investment not generate the returns anticipated the company may incur losses in excess of its original investment.

HIT Training Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

8 DEBTORS

	2012 £000	2011 £000
Trade debtors	1,814	1,470
Prepayments and accrued income	201	333
Other debtors	107	5
Corporation tax	-	90
	<u>2,122</u>	<u>1,898</u>

9 CREDITORS Amounts falling due within one year

	2012 £000	2011 £000
Bank overdrafts	7	-
Trade creditors	1,251	802
Corporation tax	368	-
Other tax and social security	268	175
Other creditors	21	100
Accruals and deferred income	125	390
Dividends payable	-	240
	<u>2,040</u>	<u>1,707</u>

Included within the above are £21,426 (2011 £20,929) of outstanding pension contributions

10 DEFERRED TAXATION

The movement in the deferred taxation provision during the period was	2012 £000	2011 £000
Balance brought forward	(288)	12
Profit and loss account movement arising during the period	30	(300)
Balance carried forward	<u>(258)</u>	<u>(288)</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2012 £000	2011 £000
Fixed asset timing differences	4	(6)
Short term timing differences	(262)	(282)
	<u>(258)</u>	<u>(288)</u>

HIT Training Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

11 COMMITMENTS UNDER OPERATING LEASES

At 31 July 2012 the company had annual commitments under non-cancellable operating leases as set out below

	2012		2011	
	Land & buildings	Other	Land & buildings	Other
	£000	£000	£000	£000
Operating leases which expire				
Within 1 year	-	54	24	252
Within 2 to 5 years	-	561	-	373
Over 5 years	-	-	-	-
	<u>-</u>	<u>615</u>	<u>24</u>	<u>625</u>

12 RELATED PARTY TRANSACTIONS

J Whittaker, a director of the company, was also a director of Haley's Limited up to 21 September 2011. During the period up to this date the company paid £10,000 (2011 £71,375) to Haley's Limited for accounting and support services provided. There were other payments made totalling £1,673 during the year (2011 £14,797) relating to the provision of IT and telecoms services for the company. The amount outstanding at the year end totals £15,112 (2011 £17,950). These transactions were on an arms' length basis.

All 5 directors own shares in the company and hence received a dividend of £1.50 per share based on the dividend set out in note 5 (2011 £0.20 per share). The directors' total shareholdings, including beneficial interests, as at 31 July 2012 were 435,700 (31 July 2011 548,200) ordinary shares of £1 each.

S Segal, a director of the company, is also a director of Aegis Management Services Limited. During the year the company paid £14,400 (2011 £16,170) to Aegis Management Services Limited for consultancy services provided. The amount outstanding at the year end was £nil (2011 £4,320). S Segal is also a director of TDLC Limited and during the year the company paid £54,306 (2011 £nil) to TDLC Limited. The amount outstanding at the year end was £13,261 (2011 £nil).

13 SHARE CAPITAL

	2012	2011
	£000	£000
Authorised		
1,200,000 Ordinary shares of £1 each	<u>1,200</u>	<u>1,200</u>
	2012	2011
	£000	£000
Allotted, called up and fully paid		
1,200,000 Ordinary shares of £1 each	<u>1,200</u>	<u>1,200</u>

14 SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year.

15 PROFIT AND LOSS ACCOUNT

	2012	2011
	£000	£000
At 1 August	2,575	1,194
Profit for the financial year	1,003	1,621
Dividends payable	(1,800)	(240)
At 31 July	<u>1,778</u>	<u>2,575</u>

HIT Training Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £000	2011 £000
Profit for the financial year	1,003	1,621
Dividends payable	(1,800)	(240)
Opening shareholders' funds	3,776	2,395
Closing shareholders' funds	<u>2,979</u>	<u>3,776</u>

17 CASH FLOWS

a Reconciliation of operating profit to net cash inflow from operating activities

	2012 £000	2011 £000
Operating profit	1,316	2,159
Depreciation	149	111
(Increase) in stocks	(204)	(87)
(Increase) in debtors	(314)	(455)
Increase in creditors	198	321
Net cash inflow from operating activities	<u>1,145</u>	<u>2,049</u>

b Analysis of cash flows for headings netted in the cash flow

Returns on investment and servicing of finance

	2012 £000	2011 £000
Interest received	25	22
Net cash outflow from returns on investments and servicing of finance	<u>25</u>	<u>22</u>

Taxation

	2012 £000	2011 £000
Taxation	90	(908)

Capital expenditure and financial investment

	2012 £000	2011 £000
Payments to acquire tangible fixed assets	(153)	(160)
Purchase of trade investments	-	(250)
Net cash outflow for capital expenditure and financial investment	<u>(153)</u>	<u>(410)</u>

c Analysis of net debt

	At 1 Aug 2011 £000	Cash flows £000	At 31 Jul 2012 £000
Cash in hand and at bank	3,396	(933)	2,463
Total	<u>3,396</u>	<u>(933)</u>	<u>2,463</u>