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**High Gain**

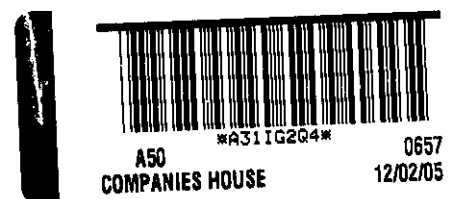
**Business Consultancy Limited**

**Annual Report**

**For the year ended**

**31 July 2004**

**Registered No: 2892273**



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## **High Gain Business Consultancy Limited**

### **Annual report for the year ended**

**31 July 2004**

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# **High Gain Business Consultancy Limited**

## **Directors and Advisers**

### **Directors**

T P Pratt  
R Q Lucas  
T M Capron  
B J Fergie

### **Secretary and Registered Office**

B J Fergie  
Northumberland College  
College Road  
Ashington  
Northumberland  
NE63 9RG

### **Registered Auditors**

Baker Tilly  
1 St. James Gate  
Newcastle upon Tyne  
NE1 4AD

### **Solicitors**

Watson Burton  
1 St. James Gate  
Newcastle upon Tyne  
NE99 1YQ

### **Bankers**

The Cooperative Bank Plc  
53-57 Blandford Square  
Newcastle upon Tyne  
NE99 1AN

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# **High Gain Business Consultancy Limited**

## **Directors' Report**

### **for the year ended 31 July 2004**

The directors present their report and the audited financial statements for the year ended 31 July 2004.

#### **Principal activity**

The principal activity of the company is the running of training courses and seminars for companies and businesses.

#### **Review of business and future developments**

Turnover growth of 7% has taken annual income to £860,745. The increase in turnover has resulted in a 4% increase in profit before the gift aid payment to Northumberland College. For the year ended 31 July 2004 a gift aid payment of £39,205 (2003: £22,361) was made. The directors believe that the company is well placed to increase its profits further in future years.

#### **Directors**

The directors who served during the period were as follows:

T P Pratt  
R Q Lucas  
T M Capron  
B J Fergie

The directors of the company had no interest in the shares of the company. None of the directors had an interest in any material contract during the year relating to the business of the company.

#### **Donations**

The company made a charitable donation a under gift aid payment to Northumberland College of £39,205 (2003: £22,361).

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## High Gain Business Consultancy 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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

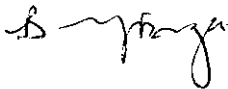
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

A resolution to reappoint Baker Tilly as auditors will be proposed at the annual general meeting.

### By order of the board



B J Fergie  
Secretary  
12 January 2005

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**HIGH GAIN BUSINESS CONSULTANCY LIMITED**  
**AUDITORS' REPORT TO THE SHAREHOLDERS**  
**YEAR ENDED 31 July 2004**

**Independent auditors' report to the shareholders of High Gain Business Consultancy Limited**

We have audited the financial statements on pages 5 to 11

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 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective Responsibilities of the Directors and Auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of Audit 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 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.

**Opinion**

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

Baker Tilly  
Chartered Accountants & Registered Auditors  
1 St. James Gate  
Newcastle upon Tyne  
NE1 4AD

8 February 2005

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## High Gain Business Consultancy Limited

### Profit and Loss Account

for the year ended 31 July 2004

	<i>Notes</i>	<i>2004</i> £	<i>2003</i> £
<b>Turnover</b>		860,745	805,135
Cost of sales		<u>(653,383)</u>	<u>(600,864)</u>
Gross profit		207,362	204,271
Administration expenses	2	<u>(207,362)</u>	<u>(188,949)</u>
<b>Profit on ordinary activities before taxation</b>		-	15,322
Taxation on profit on ordinary activities	4	-	-
<b>Retained Profit for the period</b>	10	<u>-</u>	<u>15,322</u>

All activities of the company are continuing.

There are no recognised gains and losses for the current financial year and preceding financial year other than as stated in the profit and loss account.

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## High Gain Business Consultancy Limited

### Balance Sheet

at 31 July 2004

	Notes	2004 £	2003 £
<b>Fixed Assets</b>			
Tangible fixed assets	5	1,080	1,560
<b>Current assets</b>			
Debtors	6	223,297	264,484
Stock		8,945	8,662
Cash at bank and in hand		23,956	81,614
		<u>256,198</u>	<u>354,760</u>
<b>Creditors:</b>			
Amounts falling due within one year	7	<u>(257,178)</u>	<u>(356,220)</u>
<b>Net current liabilities</b>		<u>(980)</u>	<u>(1,460)</u>
<b>Total net assets/(liabilities)</b>		<u>100</u>	<u>(100)</u>
<b>Capital and reserves</b>			
Called-up share capital	9	100	100
Profit and loss account	10	<u>-</u>	<u>-</u>
<b>Equity shareholders' funds</b>	11	<u>100</u>	<u>100</u>

The financial statements on pages 5 to 11 were approved by the board of directors on 12 January 2005 and signed on their behalf by:

Director





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# High Gain Business Consultancy Limited

## Notes to the Financial Statements

for the period ended 31 July 2004

### 1 Principal Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

The company prepares its financial statements on the historical cost basis of accounting. The company is a small company within the definition of S247 of the Companies Act 1985 and as such is exempt under paragraph 5(f) of Financial Reporting Standard 1 "Cash Flow Statements" from preparing a statement of cash flows.

#### **Turnover**

Turnover represents sales to United Kingdom customers, less returns, and is stated exclusive of value added tax.

#### **Tangible fixed assets – Plant and Equipment**

Plant and equipment costing less than £1,000 per individual item is written off to the profit and loss account in the period of acquisition. All other plant and equipment is capitalised at cost and depreciated over its expected useful economic life at 20% per annum on a straight line basis.

#### **Stock**

Stock held for resale is valued at the lower of cost and net realisable value.

#### **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 the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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## High Gain Business Consultancy Limited

### 2 Administration Expenses

	2004 £	2003 £
Auditors' remuneration	1,900	-
Charitable donation made under gift aid	39,205	22,361
Other costs	166,257	166,588
	<u>207,362</u>	<u>188,949</u>

The company had no employees during the period (2003: nil).  
Depreciation in respect of own assets is £480 (2003: £1,652) and is included in cost of sales.

### 3 Directors' Emoluments

No remuneration was paid to the directors during the period in respect of the duties as directors of the company (2003: nil).

### 4 Tax on profit on ordinary activities

	2004 £	2003 £
In respect of the year:		
Corporation tax based on the results for the year at 19% (2003 – 19%)	0	0
	<u>0</u>	<u>0</u>

#### Factors affecting tax charge for period

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

	2004 £	2003 £
Profit on ordinary activities before tax	<u>0</u>	<u>15,322</u>
Profit on ordinary activities multiplied by standard rate of corporation tax (19%) (2003 – 19%)	0	2,911
Effects of:		
Depreciation for the period in excess of Capital Allowances	29	230
Utilisation of losses	0	(2,611)
Small companies rate of nil	(29)	(530)
Current tax charge for period (see above)	<u>0</u>	<u>0</u>

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## High Gain Business Consultancy Limited

### 5 Tangible Fixed Assets

	<b>Plant and Equipment</b>
	<b>£</b>
<b>Cost</b>	
At 1 August 2003	11,538
Additions	-
Disposals	-
At 31 July 2004	<u>11,538</u>
<b>Depreciation</b>	
At 1 August 2003	9,978
Charge for the year	480
Eliminated in respect of disposals	-
At 31 July 2004	<u>10,458</u>
<b>Net book value</b>	
At 31 July 2004	<u>1,080</u>
At 31 July 2003	<u>1,560</u>

### 6 Debtors

	<i>2004</i>	<i>2003</i>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Trade debtors	186,260	189,488
Amounts owed by parent undertaking	37,037	69,835
Other debtors	-	5,161
	<u>223,297</u>	<u>264,484</u>

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## High Gain Business Consultancy Limited

### 7 Creditors: Amounts Falling Due Within One Year

	2004 £	2003 £
Trade Creditors	6,426	15,365
Amounts owed to parent undertaking	243,934	318,802
Accruals and deferred income	6,818	22,053
	<u>257,178</u>	<u>356,220</u>

### 8 Deferred Taxation

No provision for deferred taxation is considered necessary. No amounts of deferred taxation are unprovided.

### 9 Called-up Share Capital

	2004 £	2003 £
<b>Authorised</b>		
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<b>Allotted, called-up and fully paid</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 10 Profit and Loss Account

	£
At 1 August 2003	-
Retained profit for the year	<u>-</u>
At 31 July 2004	<u>-</u>

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## High Gain Business Consultancy Limited

### 11 Reconciliation of Movements in Shareholders' Funds

	2004 £	2003 £
Opening shareholders' funds	100	(15,222)
Result for the financial year	<u>-</u>	<u>15,322</u>
Closing shareholders' funds	<u>100</u>	<u>100</u>

### 12 Related Party Transactions

The company is wholly owned by Northumberland College. As such, the company has pursuant to paragraph 17 of FRS 8 "Related Party Disclosures" not disclosed details of transactions with the College. There are no other related party transactions requiring disclosure in these financial statements.

### 13 Parent Undertaking

The company is a wholly owned subsidiary of Northumberland College, College Road, Ashington, NE63 9RG. The College is an exempt charity formed under the Further and Higher Education Act 1992.