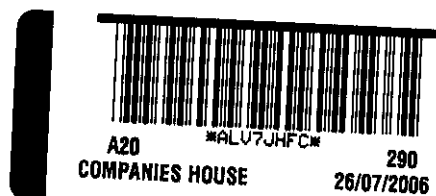


Reg.

Registration number 60275

Platt & Hill Limited
Abbreviated accounts
for the year ended 31 December 2005



Platt & Hill Limited

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Platt & Hill Limited

Directors' report for the year ended 31 December 2005

The directors present their report and the accounts for the year ended 31 December 2005.

Principal activity

The principal activity of the company has continued to be the manufacture of flexible foam and fibre products.

Business review and future developments

Trading during the year was satisfactory upto the summer, but the second half of the year was disappointing, resulting in a loss for the year. Small losses have continued into 2006 and the directors have taken steps to reduce overhead costs further, which will start to have an effect in the second half of 2006.

The trend in the UK to import increasing amounts of manufactured goods from the Far East and Eastern Europe has narrowed the potential customer base and this, combined with the downturn in consumer spending in the UK, has combined to provide a challenging environment for the company.

The steps that have been taken mean that the directors can look forward to the future with confidence, working from a reduced cost base and a number of potentially exciting projects are being investigated. The finances of the company remain sound, with cash flow and stock under tight control. We continue to operate well within our available resources.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a final dividend.

Employment policy

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. During the year, the policy of providing employees with information about the company has been continued and meetings are held between management and employees to allow the free flow of information and ideas.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

		Class of share	31/12/05	01/01/05 or date of appointment
A R Hill		Ordinary shares	15,779	15,779
J P Platt		Ordinary shares	21,210	21,210
D S Hill		Ordinary shares	16,120	16,120
M D Iwanowytch		Ordinary shares	-	-
N Bonner	Resigned 1/12/05	Ordinary shares	-	-
A D Hill	Appointed 1/11/05	Ordinary shares	-	-
J R Platt	Appointed 1/11/05	Ordinary shares	-	-

Platt & Hill Limited

**Directors' report
for the year ended 31 December 2005**

..... continued

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Wrigley Partington be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 13/07/06..... and signed on its behalf by

M. Iwanowytsch.

M D Iwanowytsch
Secretary

**Independent auditors' report to Platt & Hill Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 4 to 18 together with the financial statements of Platt & Hill Limited for the year ended 31 December 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

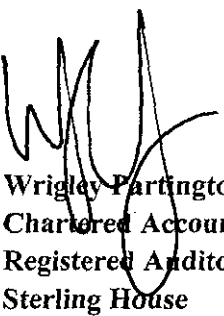
The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 31 December 2005, and the abbreviated accounts on pages 4 to 18 are properly prepared in accordance with that provision.



Wrigley Partington
Chartered Accountants and
Registered Auditor
Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

13th July 2006

Platt & Hill Limited

**Abbreviated profit and loss account
for the year ended 31 December 2005**

		Continuing operations	
		2005	2004
	Notes	£	£
Gross profit		3,404,257	3,611,840
Staff costs	5	(2,847,718)	(2,904,929)
Depreciation on fixed assets		(133,028)	(163,710)
Other operating charges		(541,826)	(479,250)
Operating (loss)/profit	2	(118,315)	63,951
Other interest receivable and similar income	3	-	73
Interest payable and similar charges	4	(35,829)	(33,849)
(Loss)/profit on ordinary activities before taxation		(154,144)	30,175
Tax on (loss)/profit on ordinary activities	7	(14,941)	(7,586)
(Loss)/retained profit for the year		(169,085)	22,589
Retained profit brought forward		1,230,491	1,207,902
Retained profit carried forward		<u>1,061,406</u>	<u>1,230,491</u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 18 form an integral part of these financial statements.

Platt & Hill Limited

**Abbreviated balance sheet
as at 31 December 2005**

		2005		2004	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		977,934		1,071,236
Investments	9		3,051		3,051
			<u>980,985</u>		<u>1,074,287</u>
Current assets					
Stocks	10	599,399		744,416	
Debtors	11	1,595,253		1,865,440	
Cash at bank and in hand		83,554		369	
		<u>2,278,206</u>		<u>2,610,225</u>	
Creditors: amounts falling due within one year	12	(1,815,683)		(2,025,714)	
Net current assets			<u>462,523</u>		<u>584,511</u>
Total assets less current liabilities			1,443,508		1,658,798
Creditors: amounts falling due after more than one year	13		(282,902)		(329,107)
Net assets			<u>1,160,606</u>		<u>1,329,691</u>
Capital and reserves					
Called up share capital	15		99,200		99,200
Profit and loss account			1,061,406		1,230,491
Shareholders' funds	16		<u>1,160,606</u>		<u>1,329,691</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies .

The abbreviated accounts were approved by the Board on13/07/06..... and signed on its behalf by



D S Hill
Director

The notes on pages 7 to 18 form an integral part of these financial statements.

Platt & Hill Limited

**Cash flow statement
for the year ended 31 December 2005**

	Notes	2005 £	2004 £
Reconciliation of operating (loss)/profit to net cash inflow from operating activities			
Operating (loss)/profit		(118,315)	63,951
Depreciation		133,028	163,710
Decrease in stocks		145,017	(174,447)
Decrease in debtors		255,247	152,470
(Decrease) in creditors		(57,803)	(71,834)
Net cash inflow from operating activities		<u>357,174</u>	<u>133,850</u>

Cash flow statement

Net cash inflow from operating activities		357,174	133,850
Returns on investments and servicing of finance	19	(35,829)	(33,776)
Taxation	19	(4,226)	-
Capital expenditure	19	(39,726)	(11,094)
		<u>277,393</u>	<u>88,980</u>
Financing	19	(68,837)	(107,250)
Increase in cash in the year		<u>208,556</u>	<u>(18,270)</u>

Reconciliation of net cash flow to movement in net funds (Note 20)

Increase in cash in the year		208,556	(18,270)
Cash outflow from increase in debts and lease financing		68,837	107,250
Change in net funds resulting from cash flows		<u>277,393</u>	<u>88,980</u>
New finance leases and hire purchase contracts		-	(16,057)
Movement in net funds in the year		<u>277,393</u>	<u>72,923</u>
Net funds at 1 January 2005		<u>(523,957)</u>	<u>(596,880)</u>
Net debt at 31 December 2005		<u>(246,564)</u>	<u>(523,957)</u>

Platt & Hill Limited

Notes to the abbreviated financial statements for the year ended 31 December 2005

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention .

1.2. Turnover

Turnover represents product sales less all returns and rebates payable thereon, and excluding value added tax.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	12.5% Straight Line
Fixtures, fittings and equipment	-	10% Straight Line
Computer equipment	-	20% Straight Line

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

1.6. Stock

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

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

Platt & Hill Limited

Notes to the abbreviated financial statements for the year ended 31 December 2005

..... continued

1.8. 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.9. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

1.10. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts. These accounts therefore present information about the company as an individual undertaking and not about its group.

2. Operating (loss)/profit	2005 £	2004 £
Operating (loss)/profit is stated after charging:		
Depreciation and other amounts written off tangible assets	137,028	160,710
Operating lease rentals		
- Plant and machinery	17,595	17,595
- Motor vehicles	54,031	48,275
Auditors' remuneration	12,000	12,000
and after crediting:		
Profit on disposal of tangible fixed assets	4,000	(3,000)
Profit on foreign currencies	1,254	6,324
Operating lease rentals receivable	28,423	45,811

Platt & Hill Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2005**

..... continued

3. Interest receivable and similar income	2005	2004
	£	£
Bank interest	-	73
	<u>-</u>	<u>73</u>
4. Interest payable and similar charges	2005	2004
	£	£
Interest payable on loans < 1 yr	11,883	5,491
On loans repayable between two and five years	-	2,377
On loans repayable in five years or more	21,065	22,727
Lease finance charges and hire purchase interest	2,881	3,254
	<u>35,829</u>	<u>33,849</u>
5. Employees		
Number of employees	2005	2004
The average monthly numbers of employees (including the directors) during the year were:		
Management	19	14
Administration	23	24
Production	142	154
	<u>184</u>	<u>192</u>
Employment costs	2005	2004
	£	£
Wages and salaries	2,523,776	2,593,872
Social security costs	220,768	226,001
Other pension costs	103,174	85,056
	<u>2,847,718</u>	<u>2,904,929</u>

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2005

..... continued

5.1. Directors' emoluments	2005	2004
	£	£
Remuneration and other emoluments	350,970	374,444
Pension contributions	48,823	44,932
Compensation for loss of office	-	1,831
	<u>399,793</u>	<u>421,207</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>3</u>	<u>3</u>
Highest paid director	£	£
Amounts included above:		
Emoluments and other benefits	87,725	85,938
Pension contributions	16,274	14,605
	<u>103,999</u>	<u>100,543</u>

6. Pension costs

The company operates a defined contribution pension scheme in respect of the directors and senior management staff. The scheme assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £103,174 (2004 : £85,056). There is no ongoing commitment to pay contributions to the scheme.

Platt & Hill Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2005**

..... continued

7. Tax on (loss)/profit on ordinary activities

Analysis of charge in period	2005	2004
	£	£
Current tax		
UK corporation tax at 19.00% (2004 - 19.00%)	(4,226)	4,226
Total current tax charge	(4,226)	4,226
Deferred tax		
Timing differences, origination and reversal	19,167	3,360
Total deferred tax	19,167	3,360
Tax on (loss)/profit on ordinary activities	14,941	7,586

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (19 per cent). The differences are explained below:

	2005	2004
	£	£
(Loss)/profit on ordinary activities before taxation	(154,144)	30,175
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (31 December 2004 : 19%)	(29,287)	5,733
Effects of:		
Expenses not deductible for tax purposes	2,544	2,098
Capital allowances for period in excess of depreciation	4,773	8,971
Utilisation of tax losses	-	(10,170)
General bad debt provision release	(13,217)	(1,351)
Tax losses carried forward	29,907	-
Marginal relief	1,054	(1,055)
Current tax charge for period	(4,226)	4,226

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2005

..... continued

8. Tangible fixed assets	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost						
At 1 January 2005	1,106,483	2,940,342	278,544	12,993	504,993	4,843,355
Additions	-	21,179	17,193	-	5,354	43,726
Disposals	-	-	-	(12,993)	-	(12,993)
At 31 December 2005	1,106,483	2,961,521	295,737	-	510,347	4,874,088
Depreciation						
At 1 January 2005	306,091	2,721,514	254,972	12,993	476,549	3,772,119
On disposals	-	-	-	(12,993)	-	(12,993)
Charge for the year	27,660	74,229	11,853	-	23,286	137,028
At 31 December 2005	333,751	2,795,743	266,825	-	499,835	3,896,154
Net book values						
At 31 December 2005	772,732	165,778	28,912	-	10,512	977,934
At 1 January 2005	800,392	218,828	23,572	-	28,444	1,071,236

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2005		2004	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	36,631	8,044	44,674	8,044
Equipment	4,693	766	5,459	766
	41,324	8,810	50,133	8,810

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2005

..... continued

9. Fixed asset investments	Subsidiary undertakings shares £	Total £
Cost		
At 1 January 2005 and At 31 December 2005	8,100	8,100
Provisions for diminution in value:		
At 1 January 2005 and At 31 December 2005	5,049	5,049
Net book values		
At 31 December 2005	3,051	3,051
At 1 January 2005	3,051	3,051

9.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking				
Tranquility Products Limited	England & Wales	Dormant	Ordinary	100%
David Moore & Co Ltd	England & Wales	Dormant	Ordinary	100%

The aggregate amount of capital and reserves of each subsidiary at 31st December 2005 were equal to the amount of the investments shown above.

10. Stocks	2005 £	2004 £
Raw materials and consumables	552,171	720,299
Finished goods and goods for resale	47,228	24,117
	599,399	744,416

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2005

..... continued

11. Debtors	2005 £	2004 £
Trade debtors	1,463,039	1,666,560
Other debtors	4,226	19,167
Prepayments and accrued income	127,988	179,713
	<u>1,595,253</u>	<u>1,865,440</u>
12. Creditors: amounts falling due within one year	2005 £	2004 £
Bank overdraft	-	125,370
Bank loan	32,756	54,196
Net obligations under finance leases and hire purchase contracts	14,460	15,652
Trade creditors	1,269,020	1,287,052
Amounts owed to connected companies	3,051	3,051
Corporation tax	-	4,226
Other taxes and social security costs	243,146	219,811
Other creditors	3,619	-
Accruals and deferred income	249,631	316,356
	<u>1,815,683</u>	<u>2,025,714</u>

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2005

..... continued

13. Creditors: amounts falling due after more than one year	2005 £	2004 £
Bank loan	268,159	299,904
Net obligations under finance leases and hire purchase contracts	14,743	29,203
	<u>282,902</u>	<u>329,107</u>
Loans		
Repayable in one year or less, or on demand (Note 12)	32,756	54,196
Repayable between one and two years	36,167	38,501
Repayable between two and five years	128,963	128,095
Repayable in five years or more	103,029	133,308
	<u>300,915</u>	<u>354,100</u>
Repayable in five years or more:		
Bank loan	103,029	133,308
	<u>103,029</u>	<u>133,308</u>

The Bank loan and overdraft are secured by an unscheduled mortgage debenture, incorporating a fixed and floating charge over all current and future assets of the company and first legal charges over the company's land and buildings. The bank loan is repayable in monthly installments, with an expiry date of December 2012. Interest is charged at an annual rate being the higher of 2% above the bank's base rate and 6%.

**Net obligations under finance leases
and hire purchase contracts**

Repayable within one year	14,460	15,652
Repayable between one and five years	14,743	29,203
	<u>29,203</u>	<u>44,855</u>

Finance lease and hire purchase creditors are secured on the assets financed, details of which are shown in note 9 to the financial statements.

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2005

..... continued

14. Provision for deferred taxation	2005	2004
	£	£
Accelerated capital allowances	-	22,396
Deferred tax on other items	-	2,726
Tax losses carried forward	-	(44,289)
Undiscounted provision for deferred tax	-	(19,167)
Provision at 1 January 2005	(19,167)	
Deferred tax charge in profit and loss account	19,167	
Provision at 31 December 2005	-	
15. Share capital	2005	2004
	£	£
Authorised equity		
100,000 Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid equity		
99,200 Ordinary shares of £1 each	99,200	99,200
16. Reconciliation of movements in shareholders' funds	2005	2004
	£	£
(Loss)/profit for the year	(169,085)	22,589
Opening shareholders' funds	1,329,691	1,307,102
Closing shareholders' funds	1,160,606	1,329,691

Platt & Hill Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2005**

..... continued

17. Financial commitments

At 31 December 2005 the company had annual commitments under non-cancellable operating leases as follows:

	Other	
	2005	2004
	£	£
Expiry date:		
Within one year	19,348	-
Between one and five years	45,938	47,273
	<u>65,286</u>	<u>47,273</u>

18. Capital commitments

2005	2004
£	£

Details of capital commitments at the accounting date are as follows:

Contracted for but not provided in the financial statements

-	14,692
<u>-</u>	<u>14,692</u>

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2005

..... continued

19. Gross cash flows

	2005 £	2004 £
Returns on investments and servicing of finance		
Interest received	-	73
Interest paid	(32,948)	(30,595)
Interest element of finance lease rental payments	(2,881)	(3,254)
	<u>(35,829)</u>	<u>(33,776)</u>
Taxation		
Corporation tax paid	<u>(4,226)</u>	<u>-</u>
Capital expenditure		
Payments to acquire tangible assets	(43,726)	(15,594)
Receipts from sales of tangible assets	4,000	4,500
	<u>(39,726)</u>	<u>(11,094)</u>
Financing		
Repayment of long term bank loan	(53,185)	(82,155)
Capital element of finance lease contracts	(15,652)	(25,095)
	<u>(68,837)</u>	<u>(107,250)</u>

20. Analysis of changes in net funds

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	369	83,185		83,554
Overdrafts	(125,370)	125,370		-
	<u>(125,001)</u>	<u>208,555</u>		<u>83,554</u>
Debt due within one year	(54,196)	53,185	(31,745)	(32,756)
Debt due after one year	(299,904)	-	31,745	(268,159)
Finance leases and hire purchase contracts	(44,855)	15,652	-	(29,203)
	<u>(398,955)</u>	<u>68,837</u>	<u>-</u>	<u>(330,118)</u>
Net funds	<u>(523,956)</u>	<u>277,392</u>	<u>-</u>	<u>(246,564)</u>