

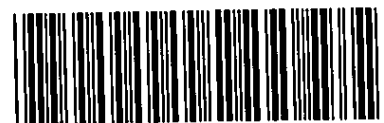
Registration number 60275

Platt & Hill Limited

Abbreviated accounts

for the year ended 31 December 2006

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Platt & Hill Limited

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Platt & Hill Limited

Directors' report for the year ended 31 December 2006

The directors present their report and the accounts for the year ended 31 December 2006

Principal activity and review of the business

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

Trading during the year was satisfactory and resulted in a small net profit. First quarter activity was poor, but the planned reduction in overhead costs began to have a positive impact in the second part of the year and this trend has continued into 2007.

Turnover fell slightly in 2006 compared to 2005 but we believe that this has now stabilised and that the company can look forward to a consistent level of turnover in the next few years. Gross margins have been maintained.

Our efforts to reduce stock levels and thereby improve cash flow have continued with year end stock being reduced from £744,000 in 2004 to £599,000 in 2005 to £455,000 in 2006. Stock levels have remained at this level in 2007. The company has continued to generate a positive cashflow from trading activities which in turn has reduced interest costs and has meant that, as has always been the case, suppliers have been paid on time and we have been able to take early payment discounts where available.

Transport costs have escalated over the past few years and have come under close scrutiny. Tighter controls have brought these costs in line with budgeted figures.

Potential further increases in interest rates and charges in 2007 could have an impact on business levels within the industry but should not have much effect directly on our finances.

The company continues to benefit from very low levels of staff turnover and has invested in training and promoting new management skills where it was felt to be necessary.

The directors are conscious of the challenges facing the industry but are optimistic about the future with the business under the close control of a young and energetic management team.

Results and dividends

The results for the year are set out on page 5.

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.

Platt & Hill Limited

Directors' report for the year ended 31 December 2006

continued

	Class of share	31/12/06	01/01/06
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	-	-
A D Hill	Ordinary shares	-	-
J R Platt	Ordinary shares	-	-

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice

-the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

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

Platt & Hill Limited

**Directors' report
for the year ended 31 December 2006**

continued

This report was approved and authorised for issue by the Board on 21 August 2007 and signed on its behalf by

M Iwanowysch.

**M D Iwanowysch
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 5 to 19 together with the financial statements of Platt & Hill Limited for the year ended 31 December 2006 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 work has been undertaken so that we might state to the company 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 as a body, for our 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 conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that bulletin 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.

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 2006, and the abbreviated accounts on pages 5 to 19 are properly prepared in accordance with that provision.



Wrigley Partington
Chartered Accountants and
Registered Auditor

21st August 2007

Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

Platt & Hill Limited

**Abbreviated profit and loss account
for the year ended 31 December 2006**

		Continuing operations	
		2006	2005
	Notes	£	£
Gross profit		3,363,860	3,404,257
Staff costs	5	(2,736,909)	(2,847,718)
Depreciation on fixed assets		(84,962)	(133,028)
Other operating charges		(516,149)	(541,826)
Operating profit/(loss)	2	25,840	(118,315)
Other interest receivable and similar income	3	106	-
Interest payable and similar charges	4	(21,254)	(35,829)
Profit/(loss) on ordinary activities before taxation		4,692	(154,144)
Tax on profit/(loss) on ordinary activities	7	(2,504)	(14,941)
Retained profit/(loss) for the year		2,188	(169,085)
Retained profit brought forward		1,061,406	1,230,491
Retained profit carried forward		<u>1,063,594</u>	<u>1,061,406</u>

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

There are no acquisitions or discontinued operations during either of the above two financial years

The notes on pages 8 to 19 form an integral part of these financial statements.

Platt & Hill Limited

**Abbreviated balance sheet
as at 31 December 2006**

		2006		2005	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		906,397		977,934
Investments	9		3,051		3,051
			<u>909,448</u>		<u>980,985</u>
Current assets					
Stocks	10	454,735		599,399	
Debtors	11	1,474,700		1,595,253	
Cash at bank and in hand		243,728		83,554	
		<u>2,173,163</u>		<u>2,278,206</u>	
Creditors: amounts falling due within one year	12	(1,686,663)		(1,815,683)	
Net current assets			<u>486,500</u>		<u>462,523</u>
Total assets less current liabilities			1,395,948		1,443,508
Creditors: amounts falling due after more than one year	13		(233,154)		(282,902)
Net assets			<u>1,162,794</u>		<u>1,160,606</u>
Capital and reserves					
Called up share capital	14		99,200		99,200
Profit and loss account			1,063,594		1,061,406
Equity shareholders' funds	15		<u>1,162,794</u>		<u>1,160,606</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 and authorised for issue by the Board on 21 August 2007 and signed on its behalf by



D S Hill
Director

The notes on pages 8 to 19 form an integral part of these financial statements.

Platt & Hill Limited

**Cash flow statement
for the year ended 31 December 2006**

	Notes	2006 £	2005 £
Reconciliation of operating profit/(loss) to net cash inflow from operating activities			
Operating profit/(loss)		25,840	(118,315)
Depreciation		84,962	133,028
Decrease in stocks		144,664	145,017
Decrease in debtors		116,327	255,247
(Decrease) in creditors		(130,527)	(57,803)
Net cash inflow from operating activities		<u>241,266</u>	<u>357,174</u>

Cash flow statement

Net cash inflow from operating activities		241,266	357,174
Returns on investments and servicing of finance	19	(21,148)	(35,829)
Taxation	19	4,226	(4,226)
Capital expenditure	19	(11,345)	(39,726)
		<u>212,999</u>	<u>277,393</u>
Financing	19	(52,825)	(68,837)
Increase in cash in the year		<u>160,174</u>	<u>208,556</u>

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

Increase in cash in the year		160,174	208,556
Cash outflow from increase in debts and lease financing		52,825	68,837
Change in net funds resulting from cash flows		212,999	277,393
New finance leases and hire purchase contracts		(2,080)	-
Movement in net funds in the year		<u>210,919</u>	<u>277,393</u>
Net debt at 1 January 2006		<u>(246,564)</u>	<u>(523,957)</u>
Net debt at 31 December 2006		<u>(35,645)</u>	<u>(246,564)</u>

Platt & Hill Limited

Notes to the abbreviated financial statements for the year ended 31 December 2006

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

Land and buildings	-	Straight line over forty years
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 2006

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 profit/(loss)	2006 £	2005 £
Operating profit/(loss) is stated after charging		
Depreciation and other amounts written off tangible assets	87,212	137,028
Operating lease rentals		
- Motor vehicles	52,672	54,031
Auditors' remuneration	12,000	12,000
	<u> </u>	<u> </u>
and after crediting		
Profit on disposal of tangible fixed assets	2,250	4,000
Net foreign exchange gain	(4,160)	1,254
Operating lease rentals receivable	58,824	28,423
	<u> </u>	<u> </u>

Platt & Hill Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

continued

3. Interest receivable and similar income	2006	2005
	£	£
Other interest	106	-
	<u>106</u>	<u>-</u>
4. Interest payable and similar charges	2006	2005
	£	£
Interest payable on bank loans due within one year	-	11,883
On bank loans repayable in five years or more	18,444	21,065
Lease finance charges and hire purchase interest	2,810	2,881
	<u>21,254</u>	<u>35,829</u>
5. Employees		
Number of employees	2006	2005
The average monthly numbers of employees (including the directors) during the year were		
Management	20	19
Administration	14	17
Production	132	142
	<u>166</u>	<u>178</u>
Employment costs	2006	2005
	£	£
Wages and salaries	2,436,743	2,523,776
Social security costs	208,896	220,768
Pension costs	91,270	103,174
	<u>2,736,909</u>	<u>2,847,718</u>

Platt & Hill Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

continued

5.1. Directors' emoluments	2006	2005
	£	£
Remuneration and other emoluments	294,763	350,970
Pension contributions	39,954	48,823
	<u>334,717</u>	<u>399,793</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	97,851	87,725
Pension contributions	19,100	16,274
	<u>116,951</u>	<u>103,999</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 £91,270 (2005: £103,174). 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 2006**

continued

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

Analysis of charge in period	2006	2005
	£	£
Current tax		
UK corporation tax at 19.00% (2005 - 19.00%)	2,504	(4,226)
Total current tax charge	2,504	(4,226)
Deferred tax		
Timing differences, origination and reversal	-	19,167
Total deferred tax	-	19,167
Tax on profit/(loss) on ordinary activities	2,504	14,941

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

	2006	2005
	£	£
Profit/(loss) on ordinary activities before taxation	4,692	(154,144)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (31 December 2005 - 19%)	891	(29,287)
Effects of:		
Expenses not deductible for tax purposes	2,801	2,544
Capital allowances for period in excess of depreciation	(782)	4,773
General bad debt provision release	-	(13,217)
Tax losses	-	29,907
Marginal relief	(406)	1,054
Current tax charge for period	2,504	(4,226)

Platt & Hill Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

continued

8. Tangible fixed assets	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost					
At 1 January 2006	1,106,483	2,961,521	295,736	510,347	4,874,087
Additions	-	14,373	-	1,302	15,675
Disposals	-	(6,333)	-	-	(6,333)
At 31 December 2006	1,106,483	2,969,561	295,736	511,649	4,883,429
Depreciation					
At 1 January 2006	333,751	2,795,742	266,825	499,835	3,896,153
On disposals	-	(6,333)	-	-	(6,333)
Charge for the year	27,672	44,701	7,596	7,243	87,212
At 31 December 2006	361,423	2,834,110	274,421	507,078	3,977,032
Net book values					
At 31 December 2006	745,060	135,451	21,315	4,571	906,397
At 1 January 2006	772,732	165,779	28,911	10,512	977,934

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

Asset description	2006		2005	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	30,407	8,304	36,631	8,044
Equipment	3,927	766	4,693	766
	<u>34,334</u>	<u>9,070</u>	<u>41,324</u>	<u>8,810</u>

Platt & Hill Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

continued

9. Fixed asset investments	Subsidiary undertakings shares £	Total £
Cost		
At 1 January 2006 and At 31 December 2006	8,100	8,100
Provisions for diminution in value:		
At 1 January 2006 and At 31 December 2006	5,049	5,049
Net book values		
At 31 December 2006	3,051	3,051
At 1 January 2006	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 2006 were equal to the amount of the investments shown above

10. Stocks	2006 £	2005 £
Raw materials and consumables	419,776	552,171
Finished goods and goods for resale	34,959	47,228
	<u>454,735</u>	<u>599,399</u>

Platt & Hill Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

continued

11. Debtors	2006 £	2005 £
Trade debtors	1,335,412	1,463,039
Other debtors	5,251	4,226
Prepayments and accrued income	134,037	127,988
	<u>1,474,700</u>	<u>1,595,253</u>
 12. Creditors: amounts falling due within one year	 2006 £	 2005 £
Bank loan	34,615	32,756
Net obligations under finance leases and hire purchase contracts	11,604	14,460
Trade creditors	1,118,004	1,269,020
Amounts owed to connected companies	3,051	3,051
Corporation tax	2,504	-
Other taxes and social security costs	271,311	243,146
Other creditors	99	3,619
Accruals and deferred income	245,475	249,631
	<u>1,686,663</u>	<u>1,815,683</u>

Platt & Hill Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

continued

13. Creditors: amounts falling due after more than one year	2006 £	2005 £
Bank loan	228,114	268,159
Net obligations under finance leases and hire purchase contracts	5,040	14,743
	<u>233,154</u>	<u>282,902</u>
Loans		
Repayable in one year or less, or on demand (Note 12)	34,615	32,756
Repayable between one and two years	38,284	36,167
Repayable between two and five years	136,869	128,963
Repayable in five years or more	52,961	103,029
	<u>262,729</u>	<u>300,915</u>
Repayable in five years or more		
Bank loan	52,961	103,029
	<u>52,961</u>	<u>103,029</u>

The Bank loan and overdraft facility 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 1.85% above the bank's base rate and 6%.

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

Repayable within one year	11,604	14,460
Repayable between one and five years	5,040	14,743
	<u>16,644</u>	<u>29,203</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 2006**

continued

14. Share capital	2006	2005
	£	£
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
Equity Shares		
99,200 Ordinary shares of £1 each	99,200	99,200
15. Reconciliation of movements in shareholders' funds	2006	2005
	£	£
Profit/(loss) for the year	2,188	(169,085)
Opening shareholders' funds	1,160,606	1,329,691
Closing shareholders' funds	1,162,794	1,160,606
16. Financial commitments		

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as follows

	Other	
	2006	2005
	£	£
Expiry date:		
Within one year	4,146	19,348
Between one and five years	46,660	45,938
	50,806	65,286

Platt & Hill Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

continued

18. Related party transactions

During the year the company sold goods on normal commercial terms to Mereda Limited, a company owned by a number of directors of Platt & Hill Limited. The total value of such sales was £10,761. In addition the company made a loan to Mereda Limited amounting to £5,200, which was still outstanding at the year end.

19. Gross cash flows

	2006	2005
	£	£
Returns on investments and servicing of finance		
Interest received	106	-
Interest paid	(18,444)	(32,948)
Interest element of finance lease rental payments	(2,810)	(2,881)
	<u>(21,148)</u>	<u>(35,829)</u>
Taxation		
Corporation tax paid	-	(4,226)
Corporation tax repaid	4,226	-
	<u>4,226</u>	<u>(4,226)</u>
Capital expenditure		
Payments to acquire tangible assets	(13,595)	(43,726)
Receipts from sales of tangible assets	2,250	4,000
	<u>(11,345)</u>	<u>(39,726)</u>
Financing		
Repayment of long term bank loan	(38,186)	(53,185)
Capital element of finance lease contracts	(14,639)	(15,652)
	<u>(52,825)</u>	<u>(68,837)</u>

Platt & Hill Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

continued

20. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	83,554	160,174		243,728
Debt due within one year	(32,756)	38,186	(40,045)	(34,615)
Debt due after one year	(268,159)	-	40,045	(228,114)
Finance leases and hire purchase contracts	(29,203)	12,559	-	(16,644)
	(330,118)	50,745	-	(279,373)
Net funds	(246,564)	210,919	-	(35,645)