

Registration number 60275

Platt & Hill Limited

Abbreviated accounts

for the year ended 31 December 2002



Platt & Hill Limited

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Platt & Hill Limited

Directors' report for the year ended 31 December 2002

The directors present their report and the accounts for the year ended 31 December 2002.

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.

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:

	Ordinary shares	
	31/12/02	01/01/02 or date of appointment
A R Hill	15,779	15,779
J P Platt	21,210	21,210
D S Hill	16,120	16,120
M D Iwanowytch	-	-
R Westthorp Resigned 28 February 2003	-	-
N Bonner	-	-

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.

Platt & Hill Limited

**Directors' report
for the year ended 31 December 2002**

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.

The directors recommend that Wrigley Partington remain in office until further notice.

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 12 June 2003 and signed on its behalf by

M. Iwanowytch.

M D Iwanowytch
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 17 together with the financial statements of Platt & Hill Limited for the year ended 31 December 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

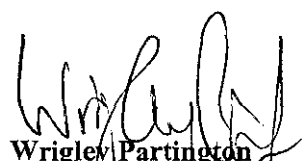
The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the 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 2002, and the abbreviated accounts on pages 4 to 17 are properly prepared in accordance with that provision.



**Wrigley Partington
Chartered Accountants and
Registered Auditor**

16th June 2003

**Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY**

Platt & Hill Limited

Abbreviated profit and loss account
for the year ended 31 December 2002

		Continuing operations	
		2002	2001
	Notes	£	£
Gross profit		3,843,262	4,180,314
Staff costs	5	(3,203,091)	(3,257,436)
Depreciation on fixed assets		(227,032)	(212,169)
Other operating charges		(569,712)	(589,200)
Operating (loss)/profit	2	(156,573)	121,509
Other interest receivable and similar income		46	1,654
Interest payable and similar charges	4	(42,612)	(55,796)
(Loss)/profit on ordinary activities before taxation		(199,139)	67,367
Tax on (loss)/profit on ordinary activities	7	59,085	(31,861)
(Loss)/retained profit for the year		(140,054)	35,506
Retained profit brought forward		1,533,320	1,497,814
Retained profit carried forward		1,393,266	1,533,320

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 17 form an integral part of these financial statements.

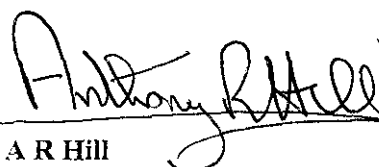
Platt & Hill Limited

Abbreviated balance sheet
as at 31 December 2002

		2002		2001	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		1,419,678		1,445,279
Investments	9		3,051		3,051
			<u>1,422,729</u>		<u>1,448,330</u>
Current assets					
Stocks	10	826,752		706,851	
Debtors	11	2,239,380		2,287,575	
Cash at bank and in hand		292		505	
		<u>3,066,424</u>		<u>2,994,931</u>	
Creditors: amounts falling due within one year	12	(2,471,340)		(2,210,369)	
Net current assets			<u>595,084</u>		<u>784,562</u>
Total assets less current liabilities			2,017,813		2,232,892
Creditors: amounts falling due after more than one year	13		(482,433)		(521,417)
Provisions for liabilities and charges	14		(42,914)		(78,955)
Net assets			<u>1,492,466</u>		<u>1,632,520</u>
Capital and reserves					
Called up share capital	16		99,200		99,200
Profit and loss account			<u>1,393,266</u>		<u>1,533,320</u>
Shareholders' funds	17		<u>1,492,466</u>		<u>1,632,520</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 on 12 June 2003 and signed on its behalf by



A R Hill
Director

The notes on pages 7 to 17 form an integral part of these financial statements.

Platt & Hill Limited

Cash flow statement
for the year ended 31 December 2002

	Notes	2002 £	2001 £
Reconciliation of operating (loss)/profit to net cash inflow from operating activities			
Operating (loss)/profit		(156,573)	121,509
Depreciation		227,032	212,169
(Increase) in stocks		(119,901)	76,718
Decrease in debtors		71,239	55,527
Increase in creditors		68,462	(94,563)
Net cash inflow from operating activities		<u>90,259</u>	<u>371,360</u>
Cash flow statement			
Net cash inflow from operating activities		90,259	371,360
Returns on investments and servicing of finance	20	(42,566)	(54,142)
Taxation	20	(23,044)	(33,424)
Capital expenditure	20	(160,433)	(91,869)
		<u>(135,784)</u>	<u>191,925</u>
Financing	20	(10,513)	(104,261)
Decrease in cash in the year		<u>(146,297)</u>	<u>87,664</u>
Reconciliation of net cash flow to movement in net debt (Note 21)			
Decrease in cash in the year		(146,297)	87,664
Cash inflow from decrease in debts and lease financing		10,513	104,261
		<u>(135,784)</u>	<u>191,925</u>
Change in net debt resulting from cash flows		(135,784)	191,925
New finance leases and hire purchase contracts		(41,000)	(17,513)
		<u>(176,784)</u>	<u>174,412</u>
Movement in net debt in the year		(176,784)	174,412
Net debt at 1 January 2002		<u>(738,392)</u>	<u>(912,804)</u>
Net debt at 31 December 2002		<u>(915,176)</u>	<u>(738,392)</u>

Platt & Hill Limited

Notes to the abbreviated financial statements for the year ended 31 December 2002

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
Motor vehicles	-	25% 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 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.

1.8. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2002

..... continued

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.

2. Operating (loss)/profit	2002	2001
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation and other amounts written off tangible assets	226,212	213,579
Loss on disposal of tangible fixed assets	820	(1,410)
Operating lease rentals		
- Plant and machinery	55,981	54,172
Auditors' remuneration	10,000	9,500
	<u> </u>	<u> </u>
and after crediting:		
Profit on foreign currencies	2,077	7,314
	<u> </u>	<u> </u>
3. Interest receivable and similar income	2002	2001
	£	£
Bank interest	46	344
Other interest	-	1,310
	<u> </u>	<u> </u>
	46	1,654
	<u> </u>	<u> </u>
4. Interest payable and similar charges	2002	2001
	£	£
On bank loans and overdrafts	6,795	3,750
On loans repayable between two and five years	3,088	5,187
On loans repayable in five years or more	29,607	44,330
Lease finance charges and hire purchase interest	3,122	2,529
	<u> </u>	<u> </u>
	42,612	55,796
	<u> </u>	<u> </u>

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2002

..... continued

5. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

	2002	2001
Management	15	15
Administration	26	26
Production	162	181
	<u>203</u>	<u>222</u>

Employment costs

	2002 £	2001 £
Wages and salaries	2,864,265	2,913,902
Social security costs	229,557	229,900
Other pension costs	109,269	113,634
	<u>3,203,091</u>	<u>3,257,436</u>

5.1. Directors' emoluments

	2002 £	2001 £
Remuneration and other emoluments	413,323	261,337
Pension contributions	75,926	76,138
	<u>489,249</u>	<u>337,475</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	90,492	92,461
Pension contributions	16,533	21,773
	<u>107,025</u>	<u>114,234</u>

Platt & Hill Limited

Notes to the abbreviated financial statements for the year ended 31 December 2002

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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 £109,269 (2001 : £113,634). There is no ongoing commitment to pay contributions to the scheme.

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

Analysis of charge in period	2002 £	2001 £
UK corporation tax	(23,044)	23,044
Prior period adjustments	-	(145)
Total current tax charge	<u>(23,044)</u>	<u>22,899</u>
Deferred tax		
Timing differences, origination and reversal	(36,041)	8,962
Total deferred tax	<u>(36,041)</u>	<u>8,962</u>
Tax on profit on ordinary activities	<u>(59,085)</u>	<u>31,861</u>

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (20 per cent). The differences are explained below:

	2002 £	2001 £
(Loss)/profit on ordinary activities before taxation	<u>(199,139)</u>	<u>67,367</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (31 December 2001 : 20%)	(39,828)	13,473
Expenses not deductible for tax purposes (primarily goodwill amortisation)	2,476	2,963
Capital allowances for period in excess of depreciation	6,360	6,608
Adjustments to tax charge in respect of previous periods	-	(145)
Bad debt provision release	(11,481)	-
Tax losses carried forward	19,429	-
Current tax charge for period	<u>(23,044)</u>	<u>22,899</u>

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2002

..... continued

8.	Tangible fixed assets	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Computer equipment £	Total £
	Cost						
	At 1 January 2002	1,106,483	2,784,370	284,317	12,993	475,436	4,663,599
	Additions	-	181,916	154	-	27,967	210,037
	Disposals	-	(23,575)	(3,804)	-	-	(27,379)
	At 31 December 2002	1,106,483	2,942,711	280,667	12,993	503,403	4,846,257
	Depreciation						
	At 1 January 2002	223,104	2,377,488	224,584	9,746	383,399	3,218,321
	On disposals	-	(17,575)	(380)	-	-	(17,955)
	Charge for the year	27,662	146,550	11,218	3,247	37,535	226,212
	At 31 December 2002	250,766	2,506,463	235,422	12,993	420,934	3,426,578
	Net book values						
	At 31 December 2002	855,717	436,248	45,245	-	82,469	1,419,679
	At 31 December 2001	883,379	406,882	59,733	3,247	92,037	1,445,278

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

Asset description	2002		2001	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	64,512	11,606	41,118	10,481
Equipment	8,023	1,003	9,026	1,003
	<u>72,535</u>	<u>12,609</u>	<u>50,144</u>	<u>11,484</u>

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2002

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9. Fixed asset investments	Subsidiary undertakings shares £	Total £
Cost		
At 1 January 2002		
At 31 December 2002	8,100	8,100
Provisions for diminution in value:		
At 1 January 2002		
At 31 December 2002	5,049	5,049
Net book values		
At 31 December 2002	3,051	3,051
At 31 December 2001	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		Ordinary	100%
David Moore & Co Ltd	England & Wales		Ordinary	100%

The amounts of aggregate share capital and reserves at 31st December 2002 were equal to the amount of the investments shown above. Both subsidiary companies are dormant.

10. Stocks	2002 £	2001 £
Raw materials and consumables	750,436	604,477
Finished goods and goods for resale	76,316	102,374
	826,752	706,851

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2002

..... continued

11. Debtors	2002 £	2001 £
Trade debtors	2,044,307	2,202,873
Other debtors	23,044	-
Prepayments and accrued income	172,029	84,702
	<u>2,239,380</u>	<u>2,287,575</u>
12. Creditors: amounts falling due within one year	2002 £	2001 £
Bank overdraft	332,987	186,905
Bank loan	79,211	13,940
Net obligations under finance leases and hire purchase contracts	20,835	16,635
Trade creditors	1,437,637	1,402,845
Amounts owed to connected companies	3,051	3,051
Corporation tax	-	23,044
Other taxes and social security costs	232,283	251,438
Accruals and deferred income	365,336	312,511
	<u>2,471,340</u>	<u>2,210,369</u>

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2002

..... continued

13. Creditors: amounts falling due after more than one year	2002 £	2001 £
Bank loan	438,576	491,958
Net obligations under finance leases and hire purchase contracts	43,857	29,459
	<u>482,433</u>	<u>521,417</u>
Loans		
Repayable in one year or less, or on demand (Note 12)	79,211	13,940
Repayable between one and two years	85,149	28,207
Repayable between two and five years	135,769	113,667
Repayable in five years or more	217,658	350,084
	<u>517,787</u>	<u>505,898</u>

The Bank loans and overdraft are secured by legal mortgages and a debenture to National Westminster Bank plc

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

Repayable within one year	20,835	16,635
Repayable between one and five years	43,857	29,459
	<u>64,692</u>	<u>46,094</u>

14 Provisions for liabilities and charges

	Deferred taxation (Note 15) £	Total £
At 1 January 2002	78,955	78,955
Movements in the year	36,041	36,041
At 31 December 2002	<u>42,914</u>	<u>42,914</u>

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2002

..... continued

15. Provision for deferred taxation

	2002 £	2001 £
Accelerated capital allowances	67,753	74,650
Deferred tax on other items	4,305	4,305
Tax losses carried forward	(29,144)	-
Undiscounted provision for deferred tax	<u>42,914</u>	<u>78,955</u>

16. Share capital

	2002 £	2001 £
Authorised equity		
100,000 Ordinary shares of 1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid equity		
99,200 Ordinary shares of 1 each	<u>99,200</u>	<u>99,200</u>

17. Reconciliation of movements in shareholders' funds

	2002 £	2001 £
(Loss)/profit for the year	(140,054)	35,506
Opening shareholders' funds	<u>1,632,520</u>	<u>1,597,014</u>
Closing shareholders' funds	<u>1,492,466</u>	<u>1,632,520</u>

18. Financial commitments

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as follows:

	2002 £	Other 2001 £
Expiry date:		
Within one year	5,783	4,988
Between one and five years	<u>42,998</u>	<u>40,066</u>
	<u>48,781</u>	<u>45,054</u>

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2002

..... continued

19. Capital commitments

2002	2001
£	£

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

Contracted for but not provided in the financial statements

-	110,000
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20. Gross cash flows

2002	2001
£	£

Returns on investments and servicing of finance

Interest received

46	1,654
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Interest paid

(39,490)	(53,267)
----------	----------

Interest element of finance lease rental payments

(3,122)	(2,529)
---------	---------

(42,566)	(54,142)
----------	----------

Taxation

Corporation tax paid

(23,044)	(33,424)
----------	----------

Capital expenditure

Payments to acquire tangible assets

(169,037)	(97,720)
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Receipts from sales of tangible assets

8,604	5,851
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(160,433)	(91,869)
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Financing

New long term bank loan

70,000	(25,847)
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Repayment of short term bank loan

(58,111)	(59,245)
----------	----------

Capital element of finance lease contracts

(22,402)	(19,169)
----------	----------

(10,513)	(104,261)
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Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2002

..... continued

21. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	505	(213)		292
Overdrafts	(186,905)	(146,082)		(332,987)
	<u>(186,400)</u>	<u>(146,295)</u>		<u>(332,695)</u>
Debt due within one year	(13,940)	13,940	(79,211)	(79,211)
Debt due after one year	(491,958)	(70,000)	123,382	(438,576)
Finance leases and hire purchase contracts	(46,094)	26,602	(45,200)	(64,692)
	<u>(551,992)</u>	<u>(29,458)</u>	<u>(1,029)</u>	<u>(582,479)</u>
Net funds	<u>(738,392)</u>	<u>(175,753)</u>	<u>(1,029)</u>	<u>(915,174)</u>