

Registration number 60275

Platt & Hill Limited
Abbreviated accounts
for the year ended 31 December 2003



Platt & Hill Limited

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Platt & Hill Limited

Directors' report for the year ended 31 December 2003

The directors present their report and the accounts for the year ended 31 December 2003.

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.

The directors were aware of the challenges facing the company and they implemented a number of initiatives to maintain income levels and reduce costs. The largest part of the loss sustained during the year arose during the first six months of trading. The significant cost savings achieved during 2003 started to take effect in the latter part of the year, which resulted in a return to profitable trading.

The trend has continued into 2004 and the directors are continuing to focus on achieving further cost savings. Results for the first four months of 2004 are encouraging and the outlook for the remainder of this year is positive.

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	
		31/12/03	01/01/03
		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 Iwanowytsch		-	-
R Westhorp	Resigned 28 February 2003	-	-
N Bonner		-	-

Platt & Hill Limited

**Directors' report
for the year ended 31 December 2003**

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 28 May 2004 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 19 together with the financial statements of Platt & Hill Limited for the year ended 31 December 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company's shareholders, as a body, 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 2003, and the abbreviated accounts on pages 4 to 19 are properly prepared in accordance with that provision.


Wrigley Dartington
Chartered Accountants and
Registered Auditor

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

4th June 2004

Platt & Hill Limited

**Abbreviated profit and loss account
for the year ended 31 December 2003**

		Continuing operations	
		2003	2002
	Notes	£	£
Gross profit		3,447,483	3,789,660
Other operating income		41,842	53,602
Staff costs	6	(2,869,144)	(3,203,091)
Depreciation on fixed assets		(219,515)	(227,032)
Other operating charges		(540,923)	(503,565)
Operating loss	3	(207,409)	(156,573)
Other interest receivable and similar income	4	576	46
Interest payable and similar charges	5	(43,972)	(42,612)
Loss on ordinary activities before taxation		(250,805)	(199,139)
Tax on loss on ordinary activities	8	65,441	59,085
Loss on ordinary activities after taxation		(185,364)	(140,054)
Loss for the year		(185,364)	(140,054)
Retained profit brought forward		1,393,266	1,533,320
Retained profit carried forward		<u>1,207,902</u>	<u>1,393,266</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 19 form an integral part of these financial statements.

Platt & Hill Limited

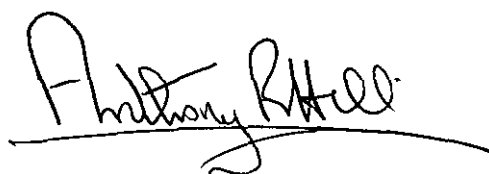
**Abbreviated balance sheet
as at 31 December 2003**

		2003		2002	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		1,207,796		1,419,678
Investments	10		3,051		3,051
			<u>1,210,847</u>		<u>1,422,729</u>
Current assets					
Stocks	11	569,969		826,752	
Debtors	12	2,021,270		2,239,380	
Cash at bank and in hand		422		292	
		<u>2,591,661</u>		<u>3,066,424</u>	
Creditors: amounts falling due within one year	13	(2,101,622)		(2,471,340)	
Net current assets			<u>490,039</u>		<u>595,084</u>
Total assets less current liabilities			1,700,886		2,017,813
Creditors: amounts falling due after more than one year	14		(393,784)		(482,433)
Provisions for liabilities and charges	15		-		(42,914)
Net assets			<u>1,307,102</u>		<u>1,492,466</u>
Capital and reserves					
Called up share capital	17		99,200		99,200
Profit and loss account			1,207,902		1,393,266
Shareholders' funds	18		<u>1,307,102</u>		<u>1,492,466</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 28 May 2004 and signed on its behalf by

**A R Hill
Director**



The notes on pages 7 to 19 form an integral part of these financial statements.

Platt & Hill Limited

**Cash flow statement
for the year ended 31 December 2003**

	Notes	2003 £	2002 £
Reconciliation of operating loss to net cash inflow from operating activities			
Operating loss		(207,409)	(156,573)
Depreciation		219,515	227,032
Decrease in stocks		256,783	(119,901)
Decrease in debtors		217,593	71,239
(Decrease) in creditors		(140,203)	68,462
Net cash inflow from operating activities		<u>346,279</u>	<u>90,259</u>
Cash flow statement			
Net cash inflow from operating activities		346,279	90,259
Returns on investments and servicing of finance	21	(43,396)	(42,566)
Taxation	21	23,044	(23,044)
Capital expenditure	21	16,184	(160,433)
		<u>342,111</u>	<u>(135,784)</u>
Financing	21	(115,516)	(10,513)
Increase in cash in the year		<u>226,595</u>	<u>(146,297)</u>
Reconciliation of net cash flow to movement in net funds (Note 22)			
Increase in cash in the year		226,595	(146,297)
Cash outflow from increase in debts and lease financing		115,516	10,513
		<u>342,111</u>	<u>(135,784)</u>
Change in net funds resulting from cash flows		342,111	(135,784)
New finance leases and hire purchase contracts		(23,817)	(41,000)
Movement in net funds in the year		318,294	(176,784)
Net debt at 1 January 2003		(915,174)	(738,390)
Net debt at 31 December 2003		<u>(596,880)</u>	<u>(915,174)</u>

Platt & Hill Limited

Notes to the abbreviated financial statements for the year ended 31 December 2003

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.

Platt & Hill Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2003**

..... 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;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

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.

Platt & Hill Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2003**

..... continued

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

	2003	2002
Geographical market		
UK	10,064,749	10,241,422
Europe	179,165	282,869
Rest of the World	20,227	22,960
	<u>10,264,141</u>	<u>10,547,251</u>

3. Operating loss

	2003 £	2002 £
Operating loss is stated after charging:		
Depreciation and other amounts written off tangible assets	207,916	226,212
Loss on disposal of tangible fixed assets	11,599	820
Operating lease rentals		
- Motor vehicles	56,009	55,981
Auditors' remuneration	10,000	10,000
	<u> </u>	<u> </u>
and after crediting:		
Profit on foreign currencies	(295)	(2,077)
	<u> </u>	<u> </u>

4. Interest receivable and similar income

	2003 £	2002 £
Bank interest	-	46
Other interest	576	-
	<u>576</u>	<u>46</u>

5. Interest payable and similar charges

	2003 £	2002 £
Interest payable on loans < 1 yr	13,465	6,795
On loans repayable between two and five years	2,556	3,088
On loans repayable in five years or more	24,442	29,607
Lease finance charges and hire purchase interest	3,509	3,122
	<u>43,972</u>	<u>42,612</u>

Platt & Hill Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2003**

..... continued

6. Employees

Number of employees	2003	2002
The average monthly numbers of employees (including the directors) during the year were:		
Management	14	15
Administration	23	26
Production	153	162
	<u>190</u>	<u>203</u>
 Employment costs	 2003	 2002
	£	£
Wages and salaries	2,556,746	2,864,265
Social security costs	219,767	229,557
Other pension costs	92,631	109,269
	<u>2,869,144</u>	<u>3,203,091</u>

6.1. Directors' emoluments

	2003	2002
	£	£
Remuneration and other emoluments	361,928	413,323
Pension contributions	55,905	75,926
	<u>417,833</u>	<u>489,249</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	96,523	90,492
Pension contributions	15,228	16,533
	<u>111,751</u>	<u>107,025</u>

Platt & Hill Limited

Notes to the abbreviated financial statements for the year ended 31 December 2003

..... continued

7. 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 £92,631 (2002 : £109,269). There is no ongoing commitment to pay contributions to the scheme.

8. Tax on loss on ordinary activities

Analysis of charge in period	2003 £	2002 £
Current tax		
UK corporation tax	-	(23,044)
Total current tax charge	-	(23,044)
Deferred tax		
Timing differences, origination and reversal	(65,441)	(36,041)
Total deferred tax	(65,441)	(36,041)
Tax on loss on ordinary activities	(65,441)	(59,085)

Factors affecting tax charge for period

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

	2003 £	2002 £
Loss on ordinary activities before taxation	(250,805)	(199,139)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (31 December 2002 : 20%)	(47,653)	(39,828)
Effects of:		
Expenses not deductible for tax purposes (primarily goodwill amortisation)	2,194	2,476
Capital allowances for period in excess of depreciation	16,164	6,360
Bad debt provision release	(5,875)	(11,481)
Tax losses carried forward	35,170	19,429
Current tax charge for period	-	(23,044)

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2003

..... continued

9. Tangible fixed assets	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost						
At 1 January 2003	1,106,483	2,942,711	280,668	12,993	503,403	4,846,258
Additions	-	21,226	4,317	-	1,590	27,133
Disposals	-	(45,000)	(6,686)	-	-	(51,686)
At 31 December 2003	1,106,483	2,918,937	278,299	12,993	504,993	4,821,705
Depreciation						
At 1 January 2003	250,767	2,506,463	235,422	12,993	420,935	3,426,580
On disposals	-	(19,250)	(1,337)	-	-	(20,587)
Charge for the year	27,662	139,978	10,501	-	29,775	207,916
At 31 December 2003	278,429	2,627,191	244,586	12,993	450,710	3,613,909
Net book values						
At 31 December 2003	828,054	291,746	33,713	-	54,283	1,207,796
At 31 December 2002	855,716	436,248	45,246	-	82,468	1,419,678

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

Asset description	2003		2002	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	50,218	8,044	64,512	11,606
Equipment	6,225	766	8,023	1,003
	<u>56,443</u>	<u>8,810</u>	<u>72,535</u>	<u>12,609</u>

Platt & Hill Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2003**

..... continued

10. Fixed asset investments	Subsidiary undertakings shares £	Total £
Cost		
At 1 January 2003		
At 31 December 2003	3,051	3,051
Net book values		
At 31 December 2003	3,051	3,051
At 31 December 2002	3,051	3,051

10.1. 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 2003 were equal to the amount of the investments shown above. Both subsidiary companies are dormant.

11. Stocks	2003 £	2002 £
Raw materials and consumables	519,861	750,436
Finished goods and goods for resale	50,108	76,316
	<u>569,969</u>	<u>826,752</u>

Platt & Hill Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2003**

..... continued

12. Debtors	2003 £	2002 £
Trade debtors	1,840,212	2,044,307
Other debtors	22,527	23,044
Prepayments and accrued income	158,531	172,029
	<u>2,021,270</u>	<u>2,239,380</u>
 13. Creditors: amounts falling due within one year	 2003 £	 2002 £
Bank overdraft	106,519	332,987
Bank loan	82,154	79,211
Net obligations under finance leases and hire purchase contracts	14,845	20,835
Trade creditors	1,444,899	1,437,637
Amounts owed to connected companies	3,051	3,051
Other taxes and social security costs	264,902	232,283
Accruals and deferred income	185,252	365,336
	<u>2,101,622</u>	<u>2,471,340</u>

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2003

..... continued

14. Creditors: amounts falling due after more than one year	2003 £	2002 £
Bank loan	354,736	438,576
Net obligations under finance leases and hire purchase contracts	39,048	43,857
	<u>393,784</u>	<u>482,433</u>
Loans		
Repayable in one year or less, or on demand (Note 13)	82,154	79,211
Repayable between one and two years	56,966	85,149
Repayable between two and five years	125,985	135,769
Repayable in five years or more	171,785	217,658
	<u>436,890</u>	<u>517,787</u>
Repayable in five years or more:		
Bank loan	171,785	217,658
	<u>171,785</u>	<u>217,658</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	14,845	20,835
Repayable between one and five years	39,048	43,857
	<u>53,893</u>	<u>64,692</u>

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2003

..... continued

15. Provisions for liabilities and charges

	Deferred taxation (Note 16) £	Total £
At 1 January 2003	42,914	42,914
Movements in the year	42,914	42,914
At 31 December 2003	-	-

16. Provision for deferred taxation

	2003 £	2002 £
Accelerated capital allowances	30,529	67,753
Deferred tax on other items	2,726	4,305
Tax losses carried forward	(33,255)	(29,144)
Undiscounted provision for deferred tax	-	42,914
Provision at 1 January 2003	42,914	
Deferred tax charge in profit and loss account	(65,441)	
Transfer deferred tax asset to other debtors	22,527	
Provision at 31 December 2003	-	

17. Share capital

	2003 £	2002 £
Authorised		
100,000 Ordinary shares of 1 each	100,000	100,000
Allotted, called up and fully paid		
99,200 Ordinary shares of 1 each	99,200	99,200

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2003

..... continued

18. Reconciliation of movements in shareholders' funds	2003 £	2002 £
Loss for the year	(185,364)	(140,054)
Opening shareholders' funds	1,492,466	1,632,520
Closing shareholders' funds	<u>1,307,102</u>	<u>1,492,466</u>

19. Financial commitments

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as follows:

	2003 £	Other 2002 £
Expiry date:		
Within one year	4,349	5,783
Between one and five years	38,608	42,998
	<u>42,957</u>	<u>48,781</u>

20. Capital commitments	2003 £	2002 £
Details of capital commitments at the accounting date are as follows:		
Contracted for but not provided in the financial statements	<u>20,595</u>	<u>-</u>

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2003

..... continued

21. Gross cash flows

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	576	46
Interest paid	(40,463)	(39,490)
Interest element of finance lease rental payments	(3,509)	(3,122)
	<u>(43,396)</u>	<u>(42,566)</u>
 Corporation tax paid	 <u>23,044</u>	 <u>(23,044)</u>
 Capital expenditure		
Payments to acquire tangible assets	(3,316)	(169,037)
Receipts from sales of tangible assets	19,500	8,604
	<u>16,184</u>	<u>(160,433)</u>
 Financing		
New long term bank loan	-	70,000
Repayment of short term bank loan	(80,897)	(58,111)
Capital element of finance lease contracts	(34,619)	(22,402)
	<u>(115,516)</u>	<u>(10,513)</u>

Platt & Hill Limited

Notes to the abbreviated financial statements
for the year ended 31 December 2003

..... continued

22. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	292	130		422
Overdrafts	(332,987)	226,468		(106,519)
	<u>(332,695)</u>	<u>226,598</u>		<u>(106,097)</u>
Debt due within one year	(79,211)	80,897	(83,840)	(82,154)
Debt due after one year	(438,576)	-	83,840	(354,736)
Finance leases and hire purchase contracts	(64,692)	34,616	(23,817)	(53,893)
	<u>(582,479)</u>	<u>115,513</u>	<u>(23,817)</u>	<u>(490,783)</u>
Net funds	<u>(915,174)</u>	<u>342,111</u>	<u>(23,817)</u>	<u>(596,880)</u>