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Company Registration No. 1716002 (England and Wales)

1 - NOV 2005

PALMER HARGREAVES LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2005



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COMPANIES HOUSE 02/11/2005

PALMER HARGREAVES LIMITED

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PALMER HARGREAVES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005

The directors present their report and financial statements for the year ended 31 March 2005.

Principal activities and review of the business

The principal activity of the company continued to be that of providing marketing services of every description and as trade and business consultants.

No significant change in the nature of these activities occurred during the year.

Results and dividends

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

The directors' have recommended a final dividend payable of £29,629.

Directors

The following directors have held office since 1 April 2004:

P Cowley
A C Clift
J O Vize

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2005	1 April 2004
P Cowley	1,000	1,000
A C Clift	4,500	4,500
J O Vize	4,500	4,500

Auditors

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

PALMER HARGREAVES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



P Cowley
Director

30 September 2005

PALMER HARGREAVES LIMITED

INDEPENDENT AUDITORS' REPORT TO PALMER HARGREAVES LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 15, together with the financial statements of the company for the year ended 31 March 2005 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

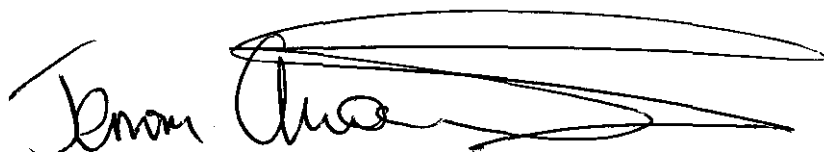
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of 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 audit 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 to be delivered 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 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, and the abbreviated accounts on pages 4 to 15 are properly prepared in accordance with that provision.



Jerrom Associates

30 September 2005

**Chartered Certified Accountants
Registered Auditor**

The Exchange, Haslucks Green Road
Shirley, Solihull
West Midlands
B90 2EL

PALMER HARGREAVES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

		2005	2004
	Notes	£	£
Gross profit		805,807	564,708
Administrative expenses		(832,697)	(759,345)
Operating loss	2	(26,890)	(194,637)
Investment income	3	225,000	-
Interest payable and similar charges	4	-	(265)
Profit/(loss) on ordinary activities before taxation		198,110	(194,902)
Tax on profit/(loss) on ordinary activities	5	(49,209)	-
Profit/(loss) on ordinary activities after taxation	15	148,901	(194,902)

PALMER HARGREAVES LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MARCH 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Intangible assets	6	215,490		330,974	
Tangible assets	7	43,477		51,928	
Investments	8	15,803		15,803	
			274,770		398,705
Current assets					
Stocks	9	9,408		19,826	
Debtors	10	921,078		718,430	
Cash at bank and in hand		129,419		-	
		1,059,905		738,256	
Creditors: amounts falling due within one year	11	(1,345,751)		(1,297,348)	
Net current liabilities			(285,846)		(559,092)
Total assets less current liabilities			(11,076)		(160,387)
Provisions for liabilities and charges	12		(409)		-
			(11,485)		(160,387)
Capital and reserves					
Called up share capital	14	10,000		10,000	
Profit and loss account	15	(21,485)		(170,387)	
Shareholders' funds - equity interests	16		(11,485)		(160,387)

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

The financial statements were approved by the Board on 30 September 2005


P Cowley
Director

PALMER HARGREAVES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	2005		2004	
	£	£	£	£
Net cash inflow/(outflow) from operating activities		457,398		(383,685)
Returns on investments and servicing of finance				
Interest paid	-		(265)	
Dividends received	225,000		-	
	<u>225,000</u>		<u>-</u>	
Net cash inflow/(outflow) for returns on investments and servicing of finance		225,000		(265)
Capital expenditure				
Payments to acquire intangible assets	(81,216)		(391,922)	
	<u>(81,216)</u>		<u>(391,922)</u>	
Net cash outflow for capital expenditure		(81,216)		(391,922)
		<u>601,182</u>		<u>(775,872)</u>
Net cash inflow/(outflow) before management of liquid resources and financing		601,182		(775,872)
		<u>601,182</u>		<u>(775,872)</u>
Increase/(decrease) in cash in the year		<u>601,182</u>		<u>(775,872)</u>

PALMER HARGREAVES LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

1	Reconciliation of operating loss to net cash inflow/(outflow) from operating activities	2005	2004
		£	£
	Operating loss	(26,890)	(194,637)
	Depreciation of tangible assets	8,451	10,179
	Amortisation of intangible assets	196,701	196,702
	Loss on disposal of tangible assets	-	1,338
	Decrease/(increase) in stocks	10,418	(19,826)
	(Increase)/decrease in debtors	(202,648)	410,519
	Increase/(decrease) in creditors within one year	471,366	(787,960)
	Net cash inflow/(outflow) from operating activities	457,398	(383,685)

2	Analysis of net funds/(debt)	1 April 2004	Cash flow	Other non- cash changes	31 March 2005
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	-	129,419	-	129,419
	Bank overdrafts	(471,763)	471,763	-	-
		(471,763)	601,182	-	129,419
	Net (debt)/funds	(471,763)	601,182	-	129,419

3	Reconciliation of net cash flow to movement in net funds/(debt)	2005	2004
		£	£
	Increase/(decrease) in cash in the year	601,182	(775,872)
	Movement in net funds/(debt) in the year	601,182	(775,872)
	Opening net (debt)/funds	(471,763)	304,109
	Closing net funds/(debt)	129,419	(471,763)

PALMER HARGREAVES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	over the term of the lease
Fixtures, fittings & equipment	15% reducing balance

1.5 Leasing

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

1.6 Investments

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

1.7 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.9 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

PALMER HARGREAVES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

2	Operating loss	2005	2004
		£	£
	Operating loss is stated after charging:		
	Amortisation of intangible assets	196,701	196,702
	Depreciation of tangible assets	8,451	10,179
	Loss on disposal of tangible assets	-	1,338
	Operating lease rentals		
	- Plant and machinery	22,906	-
	- Other assets	18,620	8,563
	Auditors' remuneration	2,500	2,500
	and after crediting:		
	Profit on foreign exchange transactions	-	(27,074)

3	Investment income	2005	2004
		£	£
	Income from shares in group undertakings	225,000	-

A dividend was received from Palmer Hargreaves Wallis Tomlinson Limited on 31st March 2005 for £225,000.

4	Interest payable	2005	2004
		£	£
	On bank loans and overdrafts	-	265

PALMER HARGREAVES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2005

5 Taxation	2005	2004
	£	£
Domestic current year tax		
U.K. corporation tax	48,800	-
Current tax charge	48,800	-
Deferred tax		
Origination and reversal of timing differences	409	-
	49,209	-
Factors affecting the tax charge for the year		
Profit/(loss) on ordinary activities before taxation	198,110	(194,902)
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.71% (2004: 0.00%)	56,877	-
Effects of:		
Non deductible expenses	58,049	-
Depreciation add back	2,426	-
Capital allowances	(3,955)	-
Dividends and distributions received	(64,597)	-
	(8,077)	-
Current tax charge	48,800	-

PALMER HARGREAVES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2005**

6 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2004	611,012
Additions	81,217
	<hr/>
At 31 March 2005	692,229
	<hr/>
Amortisation	
At 1 April 2004	280,038
Charge for the year	196,701
	<hr/>
At 31 March 2005	476,739
	<hr/>
Net book value	
At 31 March 2005	215,490
	<hr/> <hr/>
At 31 March 2004	330,974
	<hr/> <hr/>

7 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 April 2004 & at 31 March 2005	82,216	225,779	307,995
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2004	82,216	173,851	256,067
Charge for the year	-	8,451	8,451
	<hr/>	<hr/>	<hr/>
At 31 March 2005	82,216	182,302	264,518
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2005	-	43,477	43,477
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2004	-	51,928	51,928
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

PALMER HARGREAVES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 April 2004 & at 31 March 2005	<u>15,803</u>

Holdings of more than 20%

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

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Palmer Hargreaves Wallis Tomlinson GMBH	Germany	Ordinary Shares	100
Palmer Hargreaves Wallis Tomlinson Limited	Great Britain	Ordinary Shares	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2005 £	Profit for the year 2005 £
Palmer Hargreaves Wallis Tomlinson GMBH	413,946	132,364
Palmer Hargreaves Wallis Tomlinson Limited	<u>1,623</u>	<u>(227,408)</u>

9 Work in progress

	2005 £	2004 £
Work in progress	<u>9,408</u>	<u>19,826</u>

10 Debtors

	2005 £	2004 £
Trade debtors	633,321	656,932
Amounts owed by parent and fellow subsidiary undertakings	202,293	61,488
Other debtors	85,464	10
	<u>921,078</u>	<u>718,430</u>

PALMER HARGREAVES LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2005**

11 Creditors: amounts falling due within one year	2005	2004
	£	£
Bank loans and overdrafts	-	471,763
Trade creditors	-	4,777
Amounts owed to parent and fellow subsidiary undertakings	1,187,377	583,667
Corporation tax	48,800	-
Other taxes and social security costs	4,382	60,643
Accruals and deferred income	105,192	176,498
	<u>1,345,751</u>	<u>1,297,348</u>

12 Provisions for liabilities and charges

	Deferred tax liability
	£
Profit and loss account	409
Balance at 31 March 2005	<u>409</u>

The deferred tax liability is made up as follows:

	2005	2004
	£	£
Accelerated capital allowances	<u>409</u>	<u>-</u>

13 Pension costs

Defined contribution

	2005	2004
	£	£
Contributions payable by the company for the year	<u>17,287</u>	<u>26,467</u>

PALMER HARGREAVES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

14 Share capital	2005	2004
	£	£
Authorised		
20,000 Ordinary shares of £1 each	20,000	20,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u> </u>	<u> </u>
15 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 April 2004		(170,386)
Retained profit for the year		148,901
		<u> </u>
Balance at 31 March 2005		(21,485)
		<u> </u>
16 Reconciliation of movements in shareholders' funds	2005	2004
	£	£
Profit/(Loss) for the financial year	148,901	(194,902)
Opening shareholders' funds	(160,387)	34,515
	<u> </u>	<u> </u>
Closing shareholders' funds	(11,485)	(160,387)
	<u> </u>	<u> </u>

17 Financial commitments

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

	Land and buildings			Other
	2005	2004	2005	2004
	£	£	£	£
Expiry date:				
Within one year	83,538	-	-	-
Between two and five years	-	83,538	-	6,335
In over five years	59,076	59,076	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	142,614	142,614	-	6,335
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

PALMER HARGREAVES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2005

18 Directors' emoluments	2005	2004
	£	£
Company pension contributions to money purchase schemes	-	18,000

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2005	2004
	Number	Number
Management	-	4

Employment costs

	£	£
Wages and salaries	383,159	198,270
Other pension costs	17,287	26,467
	400,446	224,737

20 Ultimate parent company

The company is under the control of the directors, who jointly have a beneficial interest in 100% of the issued share capital of the company.

21 Insolvent position

The company was insolvent at the balance sheet date and is continuing to trade under the support of the directors.