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**Phoenix Beard**  
**REPORT AND FINANCIAL STATEMENTS**  
for the year ended  
31 December 2005

THURSDAY



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05/07/2007  
COMPANIES HOUSE

Company Registration No 1268721

# Phoenix Beard

## DIRECTORS AND OFFICERS

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### DIRECTORS

RJ Poynton  
SJ Farrant  
EP O'Brien  
DG Cannon  
R Buck  
PD Coggan  
RDI Holland  
R Emmerson  
CJ Gabriel  
J Foxton  
R Witton

### SECRETARY

SJ Farrant

### REGISTERED OFFICE

7-10 Chandos Street  
Cavendish Square  
London W1G 9EH

### AUDITORS

Baker Tilly UK Audit LLP  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

# Phoenix Beard

## DIRECTORS' REPORT

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The directors present their report and the financial statements of Phoenix Beard for the year ended 31 December 2005

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company trades as surveyors, valuers and property consultants. The directors are satisfied with the operating performance of the company and the financial position at the year end.

### DIVIDEND

The directors do not recommend payment of a dividend (2004 £Nil)

### DIRECTORS

The following directors have held office since 1 January 2005

RJ Poynton  
SJ Farrant  
EP O'Brien  
DG Cannon  
R Buck  
PD Coggan  
RDI Holland  
R Emmerson  
CJ Gabriel  
J Foxton  
R Witton

### CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations amounting to £1,625 (2004 £952)

### AUDITORS

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

The company has elected by elective resolution to dispense with the annual reappointment of auditors. Accordingly, Baker Tilly UK Audit LLP, Chartered Accountants, will continue as auditors within the provisions of Section 386 of the Companies Act 1985.

By order of the board



SJ Farrant  
Secretary

14 June 2007

# Phoenix Beard

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c 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 requirements of 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PHOENIX BEARD

We have audited the financial statements on pages 5 to 12

This report is made solely to the company's members, as a body, in accordance with section 235 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' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

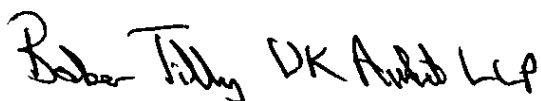
### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY UK AUDIT LLP  
Registered Auditor  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

14 June 2007

# Phoenix Beard

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2005

	<i>Notes</i>	2005 £	2004 £
TURNOVER		4,069,712	4,883,467
Subcontractors' fees		(11,627)	(148,837)
Net turnover		<u>4,058,085</u>	<u>4,734,630</u>
Administrative expenses		(4,466,830)	(4,681,894)
OPERATING (LOSS)/PROFIT		<u>(408,745)</u>	<u>52,736</u>
Bank interest receivable		2,148	1,805
Interest payable	1	(26,542)	(37,993)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>(433,139)</u>	<u>16,548</u>
Taxation	4	(1,662)	(11,757)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	9	<u>(434,801)</u>	<u>4,791</u>

Turnover and the operating loss for the year arise from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account

# Phoenix Beard

## BALANCE SHEET

31 December 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible assets	5	247,911	316,344
CURRENT ASSETS			
Debtors	6	1,756,194	1,980,564
Cash at bank and in hand		272	192
		1,756,466	1,980,756
CREDITORS Amounts falling due within one year	7	(1,765,595)	(1,623,517)
NET CURRENT (LIABILITIES)/ASSETS		(9,129)	357,239
NET ASSETS		238,782	673,583
CAPITAL AND RESERVES			
Called up share capital	8	25,000	25,000
Profit and loss account	9	213,782	648,583
SHAREHOLDERS' FUNDS	10	238,782	673,583

The financial statements on pages 5 to 12 were approved by the board of directors and authorised for issue on 14 June 2007 and signed on its behalf by

RJ Poynton

Director



SJ Farrant

Director



# Phoenix Beard

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

### TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets at a rate calculated to write each asset down to its estimated residual value over the expected useful life as follows

Short leasehold	Straight line over the life of the lease
Furniture and equipment	20%-50% straight line
Motor vehicles	25% straight line

### 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

### LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term

### PENSION SCHEME

The company operates certain defined contribution pension schemes. Pension costs charged against profits represent the contributions payable by the company during the year to such schemes

### TURNOVER

Turnover represents the income earned for services provided to customers during the year after deducting shared fees attributable to third parties



# Phoenix Beard

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

1	INTEREST PAYABLE	2005 £	2004 £
	Bank interest	22,889	31,183
	Hire purchase interest	3,653	6,810
		<u>26,542</u>	<u>37,993</u>
2	(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2005 £	2004 £
	(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting)		
	Depreciation and amounts written off tangible fixed assets		
	Charge for the year		
	owned assets	98,760	136,322
	assets held under finance leases and hire purchase	-	24,342
	Operating lease rentals		
	land and buildings	205,187	376,065
	other operating leases	20,795	41,088
	Loss/(profit) on disposal of fixed assets	5,526	(2,067)
	Auditors' remuneration – as auditors	20,000	16,000
		<u></u>	<u></u>
3	EMPLOYEES	2005 No	2004 No
	The average monthly number of persons (including directors) employed by the company during the year was		
	Management	11	11
	Professionals	18	17
	Administrative	42	46
		<u>71</u>	<u>74</u>
		<u></u>	<u></u>
		2005 £	2004 £
	Staff costs for the above persons		
	Wages and salaries	2,462,505	2,398,968
	Social security costs	248,615	249,707
	Pension contributions	154,986	132,288
		<u>2,866,106</u>	<u>2,780,963</u>
		<u></u>	<u></u>

# Phoenix Beard

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

3	EMPLOYEES (continued)	2005 £	2004 £
	DIRECTORS' REMUNERATION		
	Remuneration	880,037	740,083
	Compensation for loss of office	-	30,000
	Contributions to money purchase pension schemes	117,787	99,509
		<u>997,824</u>	<u>869,592</u>
	The emoluments of the highest paid director were		
	Remuneration	115,247	112,496
	Amount paid to money purchase pension scheme	24,135	14,250
		<u>139,382</u>	<u>126,746</u>
	There were 11 (2004 11) directors to whom money purchase retirement benefits were accruing during the year		
4	TAXATION	2005 £	2004 £
	Current tax		
	UK corporation tax on profits of the year	-	-
	Adjustments in respect of previous periods	349	7,515
	Total current tax	<u>349</u>	<u>7,515</u>
	Deferred taxation		
	Origination and reversal of timing differences	1,313	4,242
	Tax on (loss)/profit on ordinary activities	<u>1,662</u>	<u>11,757</u>
	Factors affecting tax charge for period	2005 £	2004 £
	The tax assessed for the year is lower from the standard rate of corporation tax (30%) The differences are explained below		
	(Loss)/profit on ordinary activities before tax	<u>(433,139)</u>	<u>16,548</u>
	(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax 30% (2004 30%)	<u>(129,942)</u>	<u>4,964</u>
	Effects of		
	Expenses not deductible for tax purposes	17,109	16,431
	Capital allowances less than depreciation	700	3,805
	Losses surrendered from group company	-	(18,763)
	Marginal relief	(157)	(1,500)
	Other adjustments	2,250	(4,937)
	Tax losses not utilised	110,040	-
	Adjustments to tax charges in respect of previous periods	349	7,515
	Current tax charge for period	<u>349</u>	<u>7,515</u>

# Phoenix Beard

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

5	TANGIBLE FIXED ASSETS	<i>Short leasehold £</i>	<i>Furniture &amp; equipment £</i>	<i>Motor vehicles £</i>	<i>Total £</i>
	Cost				
	1 January 2005	189,866	511,903	70,854	772,623
	Additions	29,823	11,530	-	41,353
	Disposals	(31,504)	-	(20,995)	(52,499)
	31 December 2005	<u>188,185</u>	<u>523,433</u>	<u>49,859</u>	<u>761,477</u>
	Depreciation				
	1 January 2005	41,289	356,044	58,946	456,279
	Charge for the year	25,025	65,478	8,257	98,760
	Disposals	(20,478)	-	(20,995)	(41,473)
	31 December 2005	<u>45,836</u>	<u>421,522</u>	<u>46,208</u>	<u>513,566</u>
	Net book value				
	31 December 2005	<u>142,349</u>	<u>101,911</u>	<u>3,651</u>	<u>247,911</u>
	31 December 2004	<u>148,577</u>	<u>155,859</u>	<u>11,908</u>	<u>316,344</u>

The net book value of motor vehicles includes £Nil (2004 £11,048) in respect of assets held under finance lease and hire purchase contracts

6	DEBTORS	2005 £	2004 £
	Due within one year		
	Trade debtors	1,265,741	1,205,021
	Amounts owed by group undertakings	-	15,808
	Corporation tax recoverable	10,248	-
	Other debtors	151,561	208,954
	Prepayments and accrued income	294,957	515,781
		<u>1,722,507</u>	<u>1,945,564</u>
	Due in more than one year		
	Deferred tax asset	33,687	35,000
		<u>1,756,194</u>	<u>1,980,564</u>

The deferred tax asset relates primarily to depreciation in excess of capital allowances. At the year end there was an unprovided deferred tax asset of £110,040 (2004 £Nil) relating to trading losses carried forward, the timing of the recovery of these losses is uncertain

# Phoenix Beard

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2005

7	CREDITORS Amounts falling due within one year	2005 £	2004 £
	Bank overdraft	549,006	449,723
	Obligations under finance leases and hire purchase contracts	365	5,122
	Trade creditors	790,497	651,262
	Amounts owed to group undertakings	69,527	-
	Other taxation and social security costs	140,473	199,261
	Other creditors	56,023	184,467
	Accruals and deferred income	159,704	133,682
		<u>1,765,595</u>	<u>1,623,517</u>

The bank overdraft is secured by a debenture giving fixed and floating charges over all the assets of the company

Obligations under finance leases and hire purchase contracts are secured on the related assets

8	SHARE CAPITAL	2005 £	2004 £
	Authorised		
	80,000 ordinary shares of £1 each	80,000	80,000
	20,000 management shares of £1 each	20,000	20,000
		<u>100,000</u>	<u>100,000</u>
	Allotted, issued and fully paid		
	5,000 ordinary shares of £1 each	5,000	5,000
	20,000 management shares of £1 each	20,000	20,000
		<u>25,000</u>	<u>25,000</u>

All of the allotted, called up and fully paid ordinary and management shares of the company are owned by the ultimate holding company. Details of the separate rights of the different classes of the company's share capital are, accordingly, not summarised in these financial statements as the directors consider to do so would not be of benefit to the sole shareholder. Details of the separate rights are set out in the company's Articles of Association.

9	PROFIT AND LOSS ACCOUNT	2005 £	2004 £
	1 January 2005	648,583	643,792
	(Loss)/profit for the year	(434,801)	4,791
	31 December 2005	<u>213,782</u>	<u>648,583</u>

# Phoenix Beard

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2005

10	RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS	2005 £	2004 £
	(Loss)/profit for the financial year	(434,801)	4,791
	Opening equity shareholders' funds	673,583	668,792
	Closing equity shareholders' funds	<u>238,782</u>	<u>673,583</u>

## 11 COMMITMENTS UNDER OPERATING LEASES

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

	2005 £	2004 £
Land and buildings		
expiring in the second to fifth years	100,000	134,596
expiring after five years	177,200	177,200
Other		
expiring in the first year	12,393	12,606
expiring in the second to fifth years	-	12,393
	<u>289,593</u>	<u>336,795</u>

The leases of land and buildings are subject to periodic rent reviews

## 12 CONTINGENT LIABILITY

The company has guaranteed the bank loan of its holding company, Phoenix Beard Group Limited, up to a maximum of £3,100,000. The balance of this loan at 31 December 2005 was £3,062,180 (2004 £3,007,206)

## 13 RELATED PARTY TRANSACTIONS

During the year the company rendered property management services of £51,834 (2004 £72,560) to its parent company Phoenix Beard Group Limited and also paid to it rent and management charges of £59,067 (2004 £177,200). Details of the year end balances with the parent company are set out in notes 6 and 7

## 14 ULTIMATE HOLDING COMPANY

The ultimate holding company is Phoenix Beard Group Limited, which is the company's controlling party