

**PJH Holdings Limited**

**Directors' report and financial  
statements**

Registered number 2873109

31 December 2004



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

### Principal activities

The principal activity of the company is the provision of management services to its subsidiary undertakings.

### Business review

The directors are satisfied with the results for the year.

### Proposed dividend and transfer to reserves

An ordinary dividend of £1,200,000 has been proposed. After deducting dividends of £1,200,000 the loss for the year retained in the company is £100,000.

### Directors and directors' interests

The directors who held office during the year were as follows:

D Lewis  
D Riley  
G Godlington  
A Yates  
M Clark (resigned 28<sup>th</sup> May 2004)

The interest of the directors who held office at the end of the financial year in the shares of PJH Company Limited are disclosed in those financial statements.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

### Employees


The company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities, and wherever possible the company continues the employment of, and arranges for the appropriate training of, employees who become disabled while employed by the company. Disabled employees are treated no differently from other employees as regards training, career development and promotion opportunities. The policy was operated by the company throughout the year.

The company recognises the benefits of keeping employees informed of the progress of the business and by involving them in their company's performance. During the year employees were regularly provided with information regarding the performance of their company and on other matters of concern to them as employees.

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

  
G Godlington  
Secretary

Alder House  
Kearsley  
Bolton  
BL4 8SL

25/2 | 2005

## Statement of 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## KPMG LLP

St James' Square  
Manchester  
M2 6DS  
United Kingdom

### Report of the independent auditors to the members of PJH Holdings Limited

We have audited the financial statements on pages 4 to 14.

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 are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 transactions with the company is not disclosed.

#### Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 of the state of the company's affairs as at 31 December 2004 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP  
Chartered Accountants  
Registered Auditor

*KPMG LLP*

*9 March* 2005

**Profit and loss account**  
*for the year ended 31 December 2004*

	<i>Note</i>	<b>2004</b> <b>£000</b>	<b>2003</b> <b>£000</b>
<b>Turnover</b>		-	335
Cost of sales		-	-
		<hr/>	<hr/>
<b>Gross (loss)/profit</b>		-	335
Administrative expenses		(1)	(344)
		<hr/>	<hr/>
<b>Operating loss</b>		(1)	(9)
Income from shares in group companies		1,100	300
Interest receivable and similar income		-	-
Interest payable and similar charges	5	-	(2)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	2-5	1,099	289
Tax on profit on ordinary activities	6	1	(7)
		<hr/>	<hr/>
<b>Profit for the financial year</b>		1,100	282
Dividends paid	7	(1,200)	(400)
		<hr/>	<hr/>
<b>Retained loss for the financial year</b>	14	(100)	(118)
		<hr/>	<hr/>

All amounts relate to continuing operations. There are no other recognised gains and losses except as shown in the profit and loss account.

## Balance sheet

at 31 December 2004

	Note	2004 £000	2003 £000
<b>Fixed assets</b>			
Tangible assets	8	200	200
Investments	9	17,426	17,426
		<hr/>	<hr/>
<b>Current assets</b>		17,626	17,626
Debtors	10	6	9
<b>Creditors: amounts falling due within one year</b>	11	(9,127)	(9,030)
		<hr/>	<hr/>
<b>Net current liabilities</b>		(9,121)	(9,021)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		8,505	8,605
		<hr/>	<hr/>
<b>Provisions for liabilities and charges</b>	12	(19)	(19)
		<hr/>	<hr/>
<b>Net assets</b>		8,486	8,586
		<hr/>	<hr/>
<b>Capital and reserves</b>			
<b>Attributable to equity interests</b>			
Called up share capital	13	400	400
Profit and loss account	14	28	128
Share premium account	14	363	363
Capital redemption reserve	14	7,695	7,695
		<hr/>	<hr/>
<b>Shareholder's funds</b>		8,486	8,586
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 25/2/2005 and were signed on its behalf by:

  
D Riley  
Director

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

#### ***Group financial statements***

In accordance with the exemptions allowed by Section 228(2) of the Companies Act 1985 the company has not presented consolidated financial statements being itself a wholly-owned subsidiary of PJH Company Limited, a company registered in England and Wales.

#### ***Cash flow statement***

The company is a wholly owned subsidiary of a company incorporated in the United Kingdom. Therefore, in accordance with the provisions of Financial Reporting Standard 1 (revised) 'Cash flow statements', the company has not prepared a cash flow statement.

#### ***Related party transactions***

The directors have taken advantage of the exemption in FRS 8 'Related Party Transactions' and have not disclosed transactions and balances with entities which are more than 90% owned.

#### ***Fixed assets and depreciation***

Depreciation is provided by the company to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings                      -                      2% per annum

No depreciation is provided on freehold land.

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### ***Pension costs***

The group operates a pension scheme which provides benefits based on final pensionable salary. The assets of the scheme are held separately from those of the group, being invested by pension fund managers in treasury stocks and unit trusts. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

#### ***Taxation***

Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### ***Turnover***

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

**Notes** *(continued)*

**2 Profit on ordinary activities before taxation**

	<b>2004</b>	2003
	<b>£000</b>	£000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration		
Audit	-	-
Other services	-	-
Depreciation and other amounts written off tangible fixed assets:		
Owned	-	9
	<hr/>	<hr/>

**3 Remuneration of directors**

	<b>2004</b>	2003
	<b>£000</b>	£000
Directors' emoluments	-	123
Amounts paid to third parties in respect of directors' services	-	5
	<hr/>	<hr/>
	-	128
	<hr/>	<hr/>

The aggregate emoluments of the highest paid director were £nil (2003: £41,883). He is a member of a defined benefit scheme, his accrued pension at the year end is disclosed in the financial statements for PJH Company Limited.

**Notes (continued)**

**4 Staff numbers and costs**

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	<b>Number of employees</b>	
	<b>2004</b>	<b>2003</b>
Sales	-	1
Administration	-	3
	<hr/>	<hr/>
	-	4
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	<b>2004</b>	<b>2003</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	-	201
Social security costs	-	22
Other pension costs	-	45
	<hr/>	<hr/>
	-	268
	<hr/>	<hr/>

**5 Interest payable and similar charges**

	<b>2004</b>	<b>2003</b>
	<b>£000</b>	<b>£000</b>
On bank loans overdrafts and other loans wholly repayable within five years	-	2
	<hr/>	<hr/>

## Notes (continued)

### 6 Taxation

#### Analysis of charge/credit in period

	2004 £000	2003 £000
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	(1)	-
	<hr/>	<hr/>
Total current tax	(1)	-
Deferred tax (see note 12)	-	7
	<hr/>	<hr/>
Tax on profit on ordinary activities	(1)	7
	<hr/>	<hr/>

#### Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2003: lower) than the standard rate of corporation tax in the UK 30%, (2003: 30 %). The differences are explained below.

	2004 £000	2003 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	1,099	289
	<hr/>	<hr/>
Current tax at 30% (2003: 30%)	330	87
<i>Effects of:</i>		
Adjustment in respect of prior years	(1)	7
Losses available for group relief	-	3
Dividends received from group companies	(330)	(90)
	<hr/>	<hr/>
Total current tax charge (see above)	(1)	7
	<hr/>	<hr/>

#### Factors that may affect future tax charges

The company does not envisage any material changes in its effective rate of tax in future years.

**Notes (continued)**

**7 Dividends**

	<b>2004</b>	<b>2003</b>
	<b>£000</b>	<b>£000</b>
Ordinary - final	<b>1,200</b>	400
	<hr/>	<hr/>
	<b>1,200</b>	400
	<hr/>	<hr/>

**8 Tangible fixed assets**

	<b>Freehold land and buildings</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
<i>Cost</i>		
At beginning and end of year	200	200
	<hr/>	<hr/>
<i>Depreciation</i>		
At beginning and end of year	-	-
	<hr/>	<hr/>
<i>Net book value</i>		
At 31 December 2004	<b>200</b>	<b>200</b>
	<hr/>	<hr/>
At 31 December 2003	200	200
	<hr/>	<hr/>

## Notes (continued)

### 9 Fixed asset investments

	Shares in group undertakings £000
<i>Cost and net book value</i>	
At beginning and end of year	17,426

The companies in which the company has a significant interest are as follows:

	Country of incorporation	Principal activity	Class and percentage of shares held
<i>Subsidiary undertakings</i>			
PJH Group Limited	England & Wales	Distribution	100
Keephelp Limited	England & Wales	Dormant	-
PJH Trustees Limited	England & Wales	Employee benefit trust	100

Keephelp Limited is owned by PJH Group Limited.

### 10 Debtors

	2004 £000	2003 £000
Amounts owed by group undertakings	-	-
Net deferred tax assets	6	6
Other debtors	-	3
	<u>6</u>	<u>9</u>

All amounts are due within one year.

### 11 Creditors: amounts falling due within one year

	2004 £000	2003 £000
Bank loans and overdrafts	9,027	8,962
Amounts owed to group undertakings	100	66
Trade creditors	-	2
	<u>9,127</u>	<u>9,030</u>

## Notes (continued)

### 12 Provisions for liabilities and charges

#### (i) Pension

The company is unable to identify its share of the underlying assets and liabilities of the defined benefit scheme and will therefore, on adoption of FRS 17 'Retirement Benefits' account for the scheme as a defined contribution scheme.

	Pensions and similar obligations £000
At beginning of year	19
Charge to the profit and loss account for the year	-
Paid in the year	-
	<hr/>
At year end	19
	<hr/>

#### (ii) Deferred taxation

	Deferred taxation £000
At beginning of year	(6)
Charge to the profit and loss account for the year	-
	<hr/>
At year end	(6)
	<hr/>

The elements of deferred taxation are as follows:

	2004 £000	2003 £000
Difference between accumulated depreciation and capital allowances	-	-
Other timing differences	(6)	(6)
	<hr/>	<hr/>
Undiscounted deferred tax asset	(6)	(6)
	<hr/>	<hr/>

**Notes (continued)**

**13 Called up share capital**

	2004 £000	2003 £000
<i>Authorised</i>		
Equity:		
120,000 Ordinary shares of £1 each	120	120
280,000 Preferred ordinary shares of £1 each	280	280
Non equity:		
10,050,000 cumulative redeemable preference shares of 90p each	9,045	9,045
	<u>9,445</u>	<u>9,445</u>
<i>Allotted, called up and fully paid</i>		
Equity:		
120,000 Ordinary shares of £1 each	120	120
280,000 Preferred ordinary shares of £1 each	280	280
	<u>400</u>	<u>400</u>

**14 Share premium and reserves**

	Share premium account £000	Profit and loss account £000	Capital redemption reserve £000
At beginning of year	363	128	7,695
Retained loss for the year	-	(100)	-
	<u>363</u>	<u>28</u>	<u>7,695</u>
At end of year	<u>363</u>	<u>28</u>	<u>7,695</u>

**15 Contingent liabilities**

The company has given unlimited cross guarantees for facilities provided by the HSBC Bank Plc to PJH Group Limited, PJH Company Limited and Keephelp Limited. The aggregate amount of borrowings covered by the guarantees at 31 December 2004 was £nil (2003: £nil).

## Notes (continued)

### 16 Commitments

There are no capital commitments at the end of the financial year (2003: £nil).

The company has no annual commitments under operating leases at 31 December 2004 (2003: £nil).

### 17 PJH Trustees Limited

PJH Trustees Limited is an Employee Benefit Trust which was been established to purchase and hold shares in PJH Company Limited for the benefit of employees. PJH Trustees Limited is a wholly owned subsidiary of PJH Holdings Limited.

### 18 Reconciliation of movements in shareholders' funds

	2004 £000	2003 £000
Profit for the financial year	-	282
Dividends paid	(1,200)	(400)
Dividends received	1,100	-
Net reduction in shareholders' funds	(100)	(118)
Opening shareholders' funds	8,586	8,704
Closing shareholders' funds	8,486	8,586

### 19 Ultimate parent company and parent undertaking and group financial statements

The ultimate parent company is a company registered in England and Wales. The consolidated financial statements of PJH Company Limited may be obtained from Companies House in Cardiff.