

**THE SAFFRON PARTNERSHIP LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**28 FEBRUARY 2005**



**Rothman**  
**Pantall**  **&Co**

CHARTERED ACCOUNTANTS

BANK HOUSE  
1 - 7 SUTTON COURT ROAD  
SUTTON  
SURREY  
SM1 4SP

**THE SAFFRON PARTNERSHIP LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 28 FEBRUARY 2005**

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**THE SAFFRON PARTNERSHIP LIMITED**  
**COMPANY INFORMATION OFFICERS AND PROFESSIONAL ADVISERS**

**The board of directors**

A J Champion  
L R Dunmow

**Company secretary**

L R Dunmow

**Registered office**

Bank House  
1/7 Sutton Court Road  
Sutton  
Surrey  
SM1 4SP

# THE SAFFRON PARTNERSHIP LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 28 FEBRUARY 2005

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 28 February 2005.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year continued to be that of advertising and design project management.

### THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 28 February 2005	At 1 March 2004
A J Champion	50	50
L R Dunmow	<u>50</u>	<u>50</u>

### SMALL COMPANY PROVISIONS

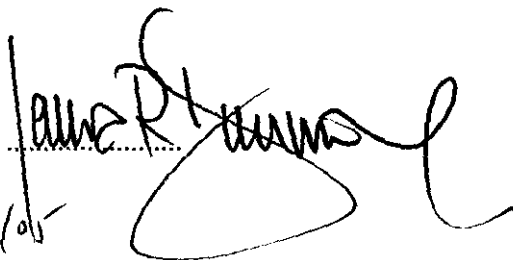
This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the directors

L R DUNMOW  
Company Secretary

Approved by the directors on .....

25/10/05



**THE SAFFRON PARTNERSHIP LIMITED**  
**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF**  
**DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF THE**  
**SAFFRON PARTNERSHIP LIMITED**

**YEAR ENDED 28 FEBRUARY 2005**

In accordance with the engagement letter dated 18 October 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 28 February 2005 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

*Rothman Pantall & Co.*

**ROTHMAN PANTALL & CO**  
Chartered Accountants

Bank House  
1 - 7 Sutton Court Road  
Sutton  
Surrey  
SM1 4SP

*28/10/05*  
.....

# THE SAFFRON PARTNERSHIP LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 28 FEBRUARY 2005

	Note	2005 £	2004 £
<b>TURNOVER</b>		<b>482,690</b>	<b>758,220</b>
Cost of sales		<u>211,360</u>	<u>279,394</u>
<b>GROSS PROFIT</b>		<b>271,330</b>	<b>478,826</b>
Administrative expenses		<u>265,965</u>	<u>270,334</u>
<b>OPERATING PROFIT</b>	<b>2</b>	<b>5,365</b>	<b>208,492</b>
Other provisions		<u>(48)</u>	<u>-</u>
		<b>5,317</b>	<b>208,492</b>
Interest receivable		<b>2,474</b>	<b>1,800</b>
Interest payable and similar charges		<u>(700)</u>	<u>(798)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>7,091</b>	<b>209,494</b>
Tax on profit on ordinary activities	<b>3</b>	<b>4,365</b>	<b>42,772</b>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>2,726</b>	<b>166,722</b>
Equity dividends paid		<u>-</u>	<u>120,000</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	<b>13</b>	<b>2,726</b>	<b>46,722</b>

The notes on page 1 form part of these financial statements.

# THE SAFFRON PARTNERSHIP LIMITED

## BALANCE SHEET

28 FEBRUARY 2005

	Note	2005 £	£	2004 £	£
<b>FIXED ASSETS</b>					
Tangible assets	4		35,701		52,304
<b>CURRENT ASSETS</b>					
Stocks		11,795		10,219	
Debtors	5	48,682		35,581	
Cash at bank		53,406		301,785	
		<u>113,883</u>		<u>347,585</u>	
<b>CREDITORS: Amounts falling due within one year</b>	6	<u>52,348</u>		<u>297,332</u>	
<b>NET CURRENT ASSETS</b>			61,535		50,253
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>97,236</u>		<u>102,557</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	7		<u>-</u>		<u>5,763</u>
			97,236		96,794
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Deferred taxation	8		2,848		5,132
			<u>94,388</u>		<u>91,662</u>

The Balance sheet continues on the following page.  
The notes on page 1 form part of these financial statements.

# THE SAFFRON PARTNERSHIP LIMITED

## BALANCE SHEET *(continued)*

28 FEBRUARY 2005

	Note	2005 £	2004 £
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	12	100	100
Profit and loss account	13	94,288	91,562
<b>SHAREHOLDERS' FUNDS</b>		<u>94,388</u>	<u>91,662</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 25/10/05 and are signed on their behalf by:

  
A J CHAMPION

The notes on page 1 form part of these financial statements.



# **THE SAFFRON PARTNERSHIP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 28 FEBRUARY 2005**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 20% per annum
Motor Vehicles	- 20% per annum
Office Equipment	- 33% per annum

Improvements to the leasehold are written off over the term of the lease.

#### **Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Deferred taxation**

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

# THE SAFFRON PARTNERSHIP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2005

### 2. OPERATING PROFIT

Operating profit is stated after charging:

	2005 £	2004 £
Directors' emoluments	96,690	96,000
Depreciation of owned fixed assets	18,699	15,544
Depreciation of assets held under hire purchase agreements	<u>1,596</u>	<u>1,330</u>

### 3. TAXATION ON ORDINARY ACTIVITIES

	2005 £	2004 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	<u>6,649</u>	<u>40,122</u>
Total current tax	6,649	40,122
Deferred tax:		
Origination and reversal of timing differences (note 8)		
Capital allowances	<u>(2,284)</u>	<u>2,650</u>
Tax on profit on ordinary activities	<u>4,365</u>	<u>42,772</u>

# THE SAFFRON PARTNERSHIP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2005

### 4. TANGIBLE FIXED ASSETS

	Improvements to property	Fixtures & Fittings	Motor Vehicles	Office Equipment	Total
	£	£	£	£	£
<b>COST</b>					
At 1 March 2004	1,498	26,297	19,551	48,006	95,352
Additions	—	1,594	—	2,098	3,692
<b>At 28 February 2005</b>	<b>1,498</b>	<b>27,891</b>	<b>19,551</b>	<b>50,104</b>	<b>99,044</b>
<b>DEPRECIATION</b>					
At 1 March 2004	—	3,525	13,751	25,772	43,048
Charge for the year	76	5,351	3,911	10,957	20,295
<b>At 28 February 2005</b>	<b>76</b>	<b>8,876</b>	<b>17,662</b>	<b>36,729</b>	<b>63,343</b>
<b>NET BOOK VALUE</b>					
<b>At 28 February 2005</b>	<b>1,422</b>	<b>19,015</b>	<b>1,889</b>	<b>13,375</b>	<b>35,701</b>
At 29 February 2004	1,498	22,772	5,800	22,234	52,304

#### Hire purchase agreements

Included within the net book value of £35,701 is £Nil (2004 - £14,629) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £1,596 (2004 - £1,330).

### 5. DEBTORS

	2005	2004
	£	£
Trade debtors	39,531	27,640
Other debtors	5,148	—
Prepayments and accrued income	4,003	7,941
	<b>48,682</b>	<b>35,581</b>

# THE SAFFRON PARTNERSHIP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2005

### 6. CREDITORS: Amounts falling due within one year

	2005 £	2004 £
Trade creditors	31,893	46,591
Other creditors including taxation and social security:		
Proposed dividends	-	120,000
Corporation tax	6,649	40,121
PAYE and social security	5,136	12,734
VAT	5,099	32,755
Hire purchase agreements	-	5,320
Other creditors	420	2,079
Accruals and deferred income	3,151	37,732
	<u>52,348</u>	<u>297,332</u>

### 7. CREDITORS: Amounts falling due after more than one year

	2005 £	2004 £
Hire purchase agreements	<u>-</u>	<u>5,763</u>

### 8. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2005 £	2004 £
Provision brought forward	5,132	2,482
Profit and loss account movement arising during the year	(2,284)	2,650
Provision carried forward	<u>2,848</u>	<u>5,132</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2005 £	2004 £
Excess of taxation allowances over depreciation on fixed assets	2,848	5,132
	<u>2,848</u>	<u>5,132</u>

# THE SAFFRON PARTNERSHIP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2005

### 9. COMMITMENTS UNDER OPERATING LEASES

At 28 February 2005 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2005 £	2004 £
Operating leases which expire: Within 1 year	<u>16,810</u>	<u>14,515</u>

### 10. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES CONTINGENCIES

There were no capital commitments or contingent liabilities as at 28 February 2005 (2004 - nil.)

### 11. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under FRSSE.

### 12. SHARE CAPITAL

Authorised share capital:

	2005 £	2004 £
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

### 13. PROFIT AND LOSS ACCOUNT

	2005 £	2004 £
Balance brought forward	91,562	44,840
Retained profit for the financial year	2,726	46,722
Balance carried forward	<u>94,288</u>	<u>91,562</u>

# **THE SAFFRON PARTNERSHIP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 28 FEBRUARY 2005**

### **14. ULTIMATE CONTROLLING PARTY**

A J Champion and L R Dunmow, acting in concert, are the ultimate controlling party by virtue of their combined shareholding.