

COMPANY REGISTRATION NUMBER 4661899

**HOWARTH LITCHFIELD PARTNERSHIP LIMITED**  
**ABBREVIATED ACCOUNTS**  
**31ST MARCH 2006**

SATURDAY



A61 \*AT6BKMKA\* 262  
27/01/2007  
COMPANIES HOUSE

**LEATHERS LLP**  
Chartered Accountants & Registered Auditors  
17th Floor  
Cale Cross House  
Pilgrim Street  
Newcastle-upon-Tyne  
NE1 6SU

# HOWARTH LITCHFIELD PARTNERSHIP LIMITED

## ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MARCH 2006

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# HOWARTH LITCHFIELD PARTNERSHIP LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE COMPANY

### PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

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We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 31st March 2006 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

#### RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 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 Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

#### BASIS OF OPINION

We have carried out the procedures we consider 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 Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

17th Floor  
Cale Cross House  
Pilgrim Street  
Newcastle-upon-Tyne  
NE1 6SU

26th January 2007

LEATHERS LLP  
Chartered Accountants  
& Registered Auditors



# HOWARTH LITCHFIELD PARTNERSHIP LIMITED

## ABBREVIATED BALANCE SHEET

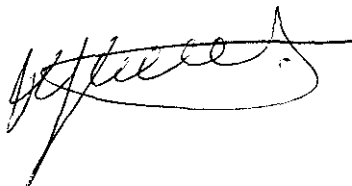
31ST MARCH 2006

	Note	2006		2005 (restated)	
		£	£	£	£
<b>FIXED ASSETS</b>	<b>2</b>				
Intangible assets			1,700,000		1,800,000
Tangible assets			<u>40,551</u>		<u>10,768</u>
			1,740,551		1,810,768
<b>CURRENT ASSETS</b>					
Debtors		860,513		916,343	
Cash at bank and in hand		<u>1,691,012</u>		<u>189,296</u>	
		2,551,525		1,105,639	
<b>CREDITORS: Amounts falling due within one year</b>		<u>810,496</u>		<u>344,988</u>	
<b>NET CURRENT ASSETS</b>			1,741,029		760,651
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,481,580		2,571,419
<b>CREDITORS: Amounts falling due after more than one year</b>			<u>640,000</u>		<u>640,000</u>
			<u>2,841,580</u>		<u>1,931,419</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	4		9		9
Share premium account			964,803		964,803
Profit and loss account			<u>1,876,768</u>		<u>966,607</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>2,841,580</u>		<u>1,931,419</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 26th January 2007 and are signed on their behalf by:

MR MJ LITCHFIELD  
Director



MR S HOWARTH  
Director



The notes on pages 3 to 5 form part of these abbreviated accounts.

# HOWARTH LITCHFIELD PARTNERSHIP LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MARCH 2006

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### 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 January 2005).

#### **Changes in accounting policies**

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-Financial Reporting Standard for Smaller Entities (effective January 2005); and

-FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)'.

#### **Financial Reporting Standard for Smaller Entities (effective January 2005)**

FRSSE 2005 has been adopted for the first time, with the exception of UITF 40, the adoption of the new FRSSE has resulted in no significant changes to the financial statements.

The effects of UITF 40 are explained below;

The result of the adoption of this accounting policy on the results of the prior year has been to increase the profit by £238,108 as a result of restating the previously disclosed work in progress by inclusion of the profit attributable to the period ended 31 March 2005. The work in progress figure has been taken to the profit and loss account as additional sales and shown on the balance sheet as trade debtors.

The effect of the adoption of UITF 40 on the results of the current period has been to decrease the profit, due to the net movement in the value of work in progress, by £151,536.

#### **FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)' and FRS 26 'Financial Instruments: Measurement (IAS 39)'**

The effect of the change in accounting policy to adopt the presentation requirements of FRS 25 was to reclassify preference shares of £640,000 (2005: £640,000) from equity to liabilities.

#### **Turnover**

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

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

#### **Amortisation**

Amortisation 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:

Goodwill - 20 years

#### **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 - 25% reducing balance  
Office Equipment - 25% straight line

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# HOWARTH LITCHFIELD PARTNERSHIP LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MARCH 2006

### 1. ACCOUNTING POLICIES *(continued)*

#### 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.

### 2. FIXED ASSETS

	Intangible Assets £	Tangible Assets £	Total £
<b>COST</b>			
At 1st April 2005	2,000,000	21,087	2,021,087
Additions	—	37,973	37,973
<b>At 31st March 2006</b>	<b>2,000,000</b>	<b>59,060</b>	<b>2,059,060</b>
<b>DEPRECIATION</b>			
At 1st April 2005	200,000	10,319	210,319
Charge for year	100,000	8,190	108,190
<b>At 31st March 2006</b>	<b>300,000</b>	<b>18,509</b>	<b>318,509</b>
<b>NET BOOK VALUE</b>			
<b>At 31st March 2006</b>	<b>1,700,000</b>	<b>40,551</b>	<b>1,740,551</b>
At 31st March 2005	1,800,000	10,768	1,810,768

### 3. RELATED PARTY TRANSACTIONS

In the opinion of the directors, at 31 March 2006 there was no ultimate controlling party.

During the year, £12,700 was paid to both Mr MJ Litchfield and Mr S Howarth, the managing directors, in respect of rent due on the premises.

The company provided financial assistance to HLP (Holdings) Ltd, the ultimate parent undertaking, by way of providing a guarantee for the bank borrowing of that company.

### 4. SHARE CAPITAL

#### Authorised share capital:

	2006 £	2005 (restated) £
200 Ordinary A shares of £0.01 each	-	2
900 Ordinary B shares of £0.01 each	-	9
1,100 Ordinary 1p shares of £0.01 each	11	-
640,000 Preference shares of £1 each	640,000	640,000
	<b>640,011</b>	<b>640,011</b>

#### Allotted, called up and fully paid:

	2006 No	£	2005 No	£
Ordinary B shares of £0.01 each	-	-	900	9
Ordinary 1p shares of £0.01 each	900	9	-	-
Preference shares of £1 each	640,000	640,000	640,000	640,000
	<b>640,900</b>	<b>640,009</b>	<b>640,900</b>	<b>640,009</b>

# HOWARTH LITCHFIELD PARTNERSHIP LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MARCH 2006

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### 4. SHARE CAPITAL *(continued)*

On 14 September 2005 all of the 'A' and 'B' ordinary shares were reclassified as ordinary 1p shares. The rights of the shares were not altered.

The preference shares carry the following rights:-

- No voting rights at general meetings of the company.
- No rights to dividends or other distribution.
- On winding up only, the holders of the preference shares shall be entitled to a return of the nominal value of their shares in priority to the holders of the ordinary shares.
- The company is entitled to redeem, in whole or in part, the preference shares at par. If not previously redeemed the company shall redeem the preference shares at par on the tenth anniversary of their issue.

### 5. ULTIMATE PARENT COMPANY

The parent and ultimate parent company is HLP (Holdings) Limited, a company incorporated in England.