

**THE PARTNERSHIP (UNITED
KINGDOM) LIMITED**
FINANCIAL STATEMENTS
30TH JUNE 2011

Company Registration Number 4681159



PERKINS
Chartered Certified Accountants
The Albany
South Esplanade
St Peter Port
Guernsey
Channel Islands
GY1 1AQ

THE PARTNERSHIP (UNITED KINGDOM) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2011

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THE PARTNERSHIP (UNITED KINGDOM) LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 30TH JUNE 2011

The director has pleasure in presenting his report and the unaudited financial statements of the company for the year ended 30th June 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was advertising and marketing

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements

The director has not recommended a dividend

DIRECTOR

The director who served the company during the year was as follows

Mr D Fyfe

Registered office
Gravel Hill House
Gravel Hill
Wombourne
Wolverhampton
West Midlands
WV5 9HA

Signed by

A handwritten signature in black ink, appearing to read 'J Fyfe', with a stylized flourish at the end.

Mrs J Fyfe

Company secretary

Approved by the director on .

THE PARTNERSHIP (UNITED KINGDOM) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30TH JUNE 2011

	Note	2011 £	2010 £
TURNOVER		1,681,868	1,301,808
Cost of sales		<u>1,390,225</u>	<u>1,062,410</u>
GROSS PROFIT		291,643	239,398
Administrative expenses		194,899	143,373
Other operating income		<u>(2,133)</u>	<u>–</u>
OPERATING PROFIT	2	98,877	96,025
Amount due from The Talk Partnership Limited written off		<u>(39,460)</u>	<u>–</u>
		59,417	96,025
Interest payable and similar charges	4	<u>663</u>	<u>–</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		58,754	96,025
Tax on profit on ordinary activities	5	<u>8,789</u>	<u>31,551</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		49,965	64,474
Balance brought forward		<u>907,567</u>	<u>843,093</u>
Balance carried forward		<u>957,532</u>	<u>907,567</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

THE PARTNERSHIP (UNITED KINGDOM) LIMITED

BALANCE SHEET

30TH JUNE 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Tangible assets	6	114,729	33,996
CURRENT ASSETS			
Stocks		131,909	126,133
Debtors	7	1,130,698	945,354
Cash at bank and in hand		115	20,823
		<u>1,262,722</u>	<u>1,092,310</u>
CREDITORS: Amounts falling due within one year	8	<u>409,414</u>	<u>218,639</u>
NET CURRENT ASSETS		853,308	873,671
TOTAL ASSETS LESS CURRENT LIABILITIES		968,037	907,667
CREDITORS: Amounts falling due after more than one year	9	10,405	—
		<u>957,632</u>	<u>907,667</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	100	100
Profit and loss account		957,532	907,567
SHAREHOLDER'S FUNDS	13	<u>957,632</u>	<u>907,667</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30th June 2011

The members have not required the company to obtain an audit of its financial statements for the year ended 30th June 2011 in accordance with Section 476 of the Companies Act 2006

The director acknowledge his responsibilities for

(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Director on



MR D FYRE

THE PARTNERSHIP (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Turnover

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

Goodwill

Goodwill purchased during the year has been written off

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

Computers	- 20% straight line
Office furniture, equipment etc	- 20% reducing balance
Motor vehicles	- 25% reducing balance
Talk equipment	- 20% straight line
Talk fixtures and fittings	- 20% reducing balance
Talk computers	- 20% straight line

Work in progress

Work in progress is valued at the lower of cost plus attributable profit and net realisable value

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

THE PARTNERSHIP (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2011

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2011	2010
	£	£
Staff pension contributions	16,233	14,693
Depreciation of owned fixed assets	22,247	18,506
Depreciation of assets held under hire purchase agreements	2,370	—
Profit on disposal of fixed assets	(2,133)	—
Operating lease costs		
Land and buildings	49,182	39,850
Amount due from The Talk Partnership Limited written off	<u>39,460</u>	<u>—</u>

3. DIRECTOR'S EMOLUMENTS

The director's aggregate emoluments in respect of qualifying services were

	2011	2010
	£	£
Aggregate emoluments	88,386	110,398
Value of company pension contributions to money purchase schemes	2,000	—
	<u>90,386</u>	<u>110,398</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Finance charges	<u>663</u>	<u>—</u>

5. TAXATION ON ORDINARY ACTIVITIES

	2011	2010
	£	£
Current tax		
UK Corporation tax based on the results for the year at 20% (2010 - 28%)	8,789	31,551
Total current tax	<u>8,789</u>	<u>31,551</u>

THE PARTNERSHIP (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2011

6. TANGIBLE FIXED ASSETS

	Brought forward 1 Jul 10 £	Additions £	Carried forward 30 Jun 11 £
COST			
Computers	97,462	4,692	102,154
Office furniture, equipment etc	20,444	704	21,148
Motor vehicles	–	23,504	23,504
Talk equipment	–	72,910	72,910
Talk fixtures and fittings	–	2,284	2,284
Talk computers	–	1,256	1,256
	<u>117,906</u>	<u>105,350</u>	<u>223,256</u>
	Brought forward 1 Jul 10 £	Charges £	Carried forward 30 Jun 11 £
DEPRECIATION			
Computers	(70,660)	(12,387)	(83,047)
Office furniture, equipment etc	(13,250)	(1,580)	(14,830)
Motor vehicles	–	(2,370)	(2,370)
Talk equipment	–	(7,926)	(7,926)
Talk fixtures and fittings	–	(228)	(228)
Talk computers	–	(126)	(126)
	<u>(83,910)</u>	<u>(24,617)</u>	<u>(108,527)</u>
		Brought forward 1 Jul 10 £	Carried forward 30 Jun 11 £
NET BOOK VALUE			
Computers		26,802	19,107
Office furniture, equipment etc		7,194	6,318
Motor vehicles		–	21,134
Talk equipment		–	64,984
Talk fixtures and fittings		–	2,056
Talk computers		–	1,130
		<u>33,996</u>	<u>114,729</u>

Hire purchase agreements

Included within the net book value of £114,729 is £16,584 (2010 - £Nil) 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 £2,370 (2010 - £Nil).

THE PARTNERSHIP (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2011

7. DEBTORS

	2011	2010
	£	£
Trade debtors	456,736	224,433
VAT recoverable	15,150	3,497
Due from parent company	544,512	589,968
Other debtors	111,262	118,368
Prepayments and accrued income	3,038	9,088
	<u>1,130,698</u>	<u>945,354</u>

The amount due from parent company comprises a loan of £421,689 (2010 £492,396) and intercompany trading of £122,823 (2010 £97,572)

Other debtors include an amount due from The Partnership International Advertising F2-LLC of £107,368 This amount is interest free, unsecured and with repayment date unspecified

8. CREDITORS: Amounts falling due within one year

	2011	2010
	£	£
Bank loans and overdrafts	49,565	—
Trade creditors	236,106	133,781
Other creditors including taxation		
Corporation tax	11,396	33,842
Hire purchase agreements	4,459	—
Other creditors	67,621	31,016
Loan account - D Fyfe Esq	40,267	20,000
	<u>409,414</u>	<u>218,639</u>

9. CREDITORS: Amounts falling due after more than one year

	2011	2010
	£	£
Hire purchase agreements	<u>10,405</u>	<u>—</u>

THE PARTNERSHIP (UNITED KINGDOM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH JUNE 2011

10. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2011 £	2010 £
Amounts payable within 1 year	5,075	—
Amounts payable between 1 and 2 years	5,075	—
Amounts payable between 3 and 5 years	6,767	—
	<u>16,917</u>	<u>—</u>
Less interest and finance charges relating to future periods	(2,053)	—
	<u>14,864</u>	<u>—</u>
Hire purchase agreements are analysed as follows		
Current obligations	4,459	—
Non-current obligations	10,405	—
	<u>14,864</u>	<u>—</u>

11. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of The Partnership Limited, a company registered in Guernsey, Channel Islands. Mr D Fyfe, the sole director of the Company, is also a director and shareholder of The Partnership Limited.

12. SHARE CAPITAL

Authorised share capital:

	2011 £	2010 £
Allotted, called up and fully paid:		
	2011 No	2010 No
	£	£
Ordinary shares of £1 each	<u>100</u> <u>100</u>	<u>100</u> <u>100</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2011 £	2010 £
Profit for the financial year	49,965	64,474
Opening shareholder's equity funds	907,667	843,193
Closing shareholder's equity funds	<u>957,632</u>	<u>907,667</u>

14. ULTIMATE PARENT COMPANY

The ultimate parent company is The Partnership Limited, a company registered in Guernsey, Channel Islands.

THE PARTNERSHIP (UNITED KINGDOM) LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 30TH JUNE 2011

The following pages do not form part of the statutory financial statements

THE PARTNERSHIP (UNITED KINGDOM) LIMITED

**ACCOUNTANTS' REPORT TO THE DIRECTOR OF THE PARTNERSHIP
(UNITED KINGDOM) LIMITED**

YEAR ENDED 30TH JUNE 2011

As described on the balance sheet, the director of the company is responsible for the preparation of the financial statements for the year ended 30th June 2011, set out on pages 2 to 8

You consider that the company is exempt from an audit under the Companies Act 2006

In accordance with your instructions we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us

PERKINS

PERKINS
Chartered Certified Accountants

The Albany
South Esplanade
St Peter Port
Guernsey
Channel Islands
GY1 1AQ

THE PARTNERSHIP (UNITED KINGDOM) LIMITED

SUMMARY OF RESULTS

YEAR ENDED 30TH JUNE 2011

	2011 £	2010 £
Net Profit - Advertising and marketing	100,082	96,025
Net Loss - Trading as Talk	(41,327)	-
	<u>58,755</u>	<u>96,025</u>

**THE PARTNERSHIP (UNITED KINGDOM) LIMITED -
ADVERTISING AND MARKETING**

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30TH JUNE 2011

	2011		2010
	£	£	£
TURNOVER		1,564,298	1,301,808
COST OF SALES			
Opening work-in-progress	126,133		134,178
Printing, stationery, publication costs, etc	573,648		419,103
Wages and national insurance	594,292		510,171
Directors salaries	88,386		110,398
Staff pensions and healthcare	16,233		14,693
Directors pension contributions	2,000		—
	<u>1,400,692</u>		<u>1,188,543</u>
Closing work-in-progress	(131,909)		(126,133)
		<u>1,268,783</u>	<u>1,062,410</u>
GROSS PROFIT		295,515	239,398
OVERHEADS			
Rent and rates	40,658		39,850
Light and heat	8,241		6,456
Insurance	1,134		1,335
Repairs and maintenance	2,369		5,654
Cleaning of premises	2,545		1,603
Motor expenses	1,685		1,395
Travel and entertainment expenses	32,323		31,147
Postage and telephone	7,517		9,558
Office expenses	6,363		7,174
Computer support and software	18,405		9,278
Printing stationery and advertising	3,281		4,006
Staff training	5,427		107
Accountancy fees	5,700		4,761
Depreciation	13,967		18,506
Bad debts written off	3,122		1,100
Bank charges and interest	<u>2,573</u>		<u>1,443</u>
		<u>155,310</u>	<u>143,373</u>
OPERATING PROFIT		140,205	96,025
Amount due from The Talk Partnership Limited written off		<u>(39,460)</u>	<u>—</u>
		100,745	96,025
Hire purchase and finance lease charges		<u>(663)</u>	<u>—</u>
PROFIT ON ORDINARY ACTIVITIES		<u>100,082</u>	<u>96,025</u>

**THE PARTNERSHIP (UNITED KINGDOM) LIMITED - TRADING
AS TALK**

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30TH JUNE 2011

	2011		2010	
	£	£	£	£
TURNOVER		117,570		-
COST OF SALES				
Equipment purchases, installation etc	38,150		-	
Wages and national insurance	51,562		-	
Subcontractors and freelance	17,673		-	
Hotel and travel costs	3,955		-	
PR and advertising	7,882		-	
Van hire and service	1,464		-	
Dues and subscriptions	757		-	
		121,443		-
GROSS LOSS		(3,873)		-
OVERHEADS				
Rent and rates	8,524		-	
Light and heat	28		-	
Insurance	3,678		-	
Cleaning of premises	437		-	
Motor expenses	3,919		-	
Travel and entertainment expenses	5,799		-	
Postage and telephone	2,152		-	
Office expenses	58		-	
Computer support and software	819		-	
Printing stationery and advertising	404		-	
Staff training	366		-	
Accountancy fees	1,500		-	
Depreciation	10,650		-	
Bank charges and interest	1,253		-	
		39,587		-
		(43,460)		-
OTHER OPERATING INCOME				
Profit on disposal of fixed assets		2,133		-
LOSS ON ORDINARY ACTIVITIES		(41,327)		-