

Watts and Company Limited
Abbreviated Financial Statements
for the year ended 31 December 1995



Company No: 12934 (England and Wales)

Watts and Company Limited

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Watts and Company Limited

Auditors' Report to Watts and Company Limited pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 3 to 5 together with the financial statements of Watts and Company Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 December 1995 and the abbreviated accounts on pages 3 to 5 have been properly prepared in accordance with that Schedule.

Other information

On 23 October 1996 we reported, as auditors of Watts and Company Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1995 and our audit report was as follows :

We have audited the financial statements on pages 3 to 9.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Watts and Company Limited

**Auditors' Report to Watts and Company Limited pursuant to Paragraph 24 of
Schedule 8 to the Companies Act 1985 (continued)**

Basis of 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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies. '



Freeman Baker

Date: 23 October 1996

Chartered Accountants and Registered Auditors

The Old Church
48 Verulam Road
St Albans
Herts AL3 4DH

Watts and Company Limited

Abbreviated Balance Sheet
as at 31 December 1995

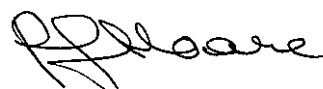
	Notes	1995 £	1994 £
Fixed Assets			
Tangible assets	2	2,719	3,810
Investments		30	30
		<u>2,749</u>	<u>3,840</u>
Current Assets			
Stocks		51,666	45,917
Debtors	3	77,813	55,739
Cash at bank and in hand		48,724	53,513
		<u>178,203</u>	<u>155,169</u>
Creditors: amounts falling due within one year		<u>(59,442)</u>	<u>(53,594)</u>
Net Current Assets		<u>118,761</u>	<u>101,575</u>
		<u>£ 121,510</u>	<u>£ 105,415</u>
Capital and Reserves			
Called up share capital	4	10,000	10,000
Profit and loss account		111,510	95,415
Shareholders' funds		<u>£ 121,510</u>	<u>£ 105,415</u>

In preparing these abbreviated financial statements advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985.

In preparing the company's annual financial statements advantage has been taken of special exemptions applicable to small companies.

In the directors' opinion the company is entitled to these exemptions on the basis that it qualifies as a small company under section 247.

The financial statements were approved by the Board on 2 October 1996.



Miss P.G. Hoare

Director

Watts and Company Limited

**Notes to the Abbreviated Financial Statements
for the year ended 31 December 1995**

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services provided in the UK net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight line over the life of the lease
Wallpaper blocks	-	33.33% Reducing balance
Fixtures, fittings and equipment	-	20% Reducing balance
Computer equipment	-	30% Reducing balance

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Stock and work in progress

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Watts and Company Limited

Notes to the Abbreviated Financial Statements
for the year ended 31 December 1995

2. Tangible Assets

	Fixtures, Improvement fittings & of premises equipment		Total
	£	£	£
Cost			
At 1 January 1995	8,837	33,387	42,224
Additions	-	1,027	1,027
Disposals	-	(17,599)	(17,599)
	<hr/>	<hr/>	<hr/>
At 31 December 1995	8,837	16,815	25,652
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 1995	8,836	29,578	38,414
On disposals	-	(16,502)	(16,502)
Charge for year	-	1,021	1,021
	<hr/>	<hr/>	<hr/>
At 31 December 1995	8,836	14,097	22,933
	<hr/>	<hr/>	<hr/>
Net book values			
At 31 December 1995	£ 1	£ 2,718	£ 2,719
	<hr/>	<hr/>	<hr/>
At 31 December 1994	£ 1	£ 3,809	£ 3,810
	<hr/>	<hr/>	<hr/>

3. Debtors

Debtors include an amount of £10,500 (1994 - £10,500) which is due after more than one year.

4. Share Capital

	1995 £	1994 £
Authorised		
1,000 Ordinary shares of £50 each	50,000	50,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
200 Ordinary shares of £50 each	10,000	10,000
	<hr/>	<hr/>