

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2005
FOR
PAUL R WATSON (DESIGN) LIMITED



PAUL R WATSON (DESIGN) LIMITED

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FOR THE YEAR ENDED 31 JULY 2005

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PAUL R WATSON (DESIGN) LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2005

DIRECTORS:

P R Watson
D A Watson

SECRETARY:

D A Watson

REGISTERED OFFICE:

Turnpike House
1208/1210 London Road
Leigh on Sea
Essex
SS9 2UA

REGISTERED NUMBER:

02041320 (England and Wales)

ACCOUNTANTS:

Segrave & Partners
Chartered Accountants
Turnpike House
1208/1210 London Road
Leigh on Sea
Essex
SS9 2UA

PAUL R WATSON (DESIGN) LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2005

The directors present their report with the financial statements of the company for the year ended 31 July 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of Automotive Design Sculptors.

DIRECTORS

The directors during the year under review were:

P R Watson
D A Watson

The beneficial interests of the directors holding office on 31 July 2005 in the issued share capital of the company were as follows:

	31.7.05	1.8.04
Ordinary £1 shares		
P R Watson	1	1
D A Watson	1	1

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

ON BEHALF OF THE BOARD:



D A Watson - Secretary

25 October 2005

PAUL R WATSON (DESIGN) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2005

		2005	2004
	Notes	£	£
TURNOVER		103,779	97,188
Administrative expenses		102,521	96,831
OPERATING PROFIT	2	1,258	357
Interest payable and similar charges		116	2
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,142	355
Tax on profit on ordinary activities	3	-	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		1,142	355
Retained profit brought forward		3,089	2,734
RETAINED PROFIT CARRIED FORWARD		£4,231	£3,089

The notes form part of these financial statements

PAUL R WATSON (DESIGN) LIMITED

BALANCE SHEET
31 JULY 2005

		2005		2004	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		26,440		7,881
CURRENT ASSETS:					
Debtors	5	10,189		9,262	
Cash at bank		2,919		30	
		<u>13,108</u>		<u>9,292</u>	
CREDITORS: Amounts falling due within one year	6	<u>12,512</u>		<u>7,162</u>	
NET CURRENT ASSETS:			596		2,130
TOTAL ASSETS LESS CURRENT LIABILITIES:			27,036		10,011
CREDITORS: Amounts falling due after more than one year	7		22,803		6,920
			<u>£4,233</u>		<u>£3,091</u>
CAPITAL AND RESERVES:					
Called up share capital	8		2		2
Profit and loss account			4,231		3,089
SHAREHOLDERS' FUNDS:			<u>£4,233</u>		<u>£3,091</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 July 2005.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2005 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 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 Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

PAUL R WATSON (DESIGN) LIMITED

BALANCE SHEET
31 JULY 2005

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

ON BEHALF OF THE BOARD:

P R Watson - Director

A handwritten signature in black ink, appearing to be 'P R Watson', with a long horizontal line extending to the right.

D A Watson - Director

A handwritten signature in black ink, appearing to be 'D A Watson', with a long horizontal line extending to the right.

Approved by the Board on 25 October 2005

The notes form part of these financial statements

PAUL R WATSON (DESIGN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2005

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Office Equipment	- 15% on reducing balance
Motor Vehicle	- 25% on reducing balance

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Deferred Taxation

No provision has been made for taxation deferred in respect of timing differences as in the opinion of the Directors, there is reasonable probability that a liability will not arise in the foreseeable future.

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2005	2004
	£	£
Depreciation - owned assets	643	2,093
Depreciation - assets on hire purchase contracts or finance leases	7,599	-
Profit on disposal of fixed assets	(1,602)	-
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	<u>62,000</u>	<u>60,500</u>

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 July 2005 nor for the year ended 31 July 2004.

PAUL R WATSON (DESIGN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2005

4. **TANGIBLE FIXED ASSETS**

	Office Equipment	Motor Vehicle	Totals
	£	£	£
COST:			
At 1 August 2004	9,660	25,157	34,817
Additions	883	30,395	31,278
Disposals	-	(25,157)	(25,157)
	<hr/>	<hr/>	<hr/>
At 31 July 2005	10,543	30,395	40,938
	<hr/>	<hr/>	<hr/>
DEPRECIATION:			
At 1 August 2004	6,256	20,680	26,936
Charge for year	643	7,599	8,242
Eliminated on disposals	-	(20,680)	(20,680)
	<hr/>	<hr/>	<hr/>
At 31 July 2005	6,899	7,599	14,498
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE:			
At 31 July 2005	3,644	22,796	26,440
	<hr/>	<hr/>	<hr/>
At 31 July 2004	3,404	4,477	7,881
	<hr/>	<hr/>	<hr/>

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Motor Vehicle
	£
COST:	
Additions	30,395
	<hr/>
At 31 July 2005	30,395
	<hr/>
DEPRECIATION:	
Charge for year	7,599
	<hr/>
At 31 July 2005	7,599
	<hr/>
NET BOOK VALUE:	
At 31 July 2005	22,796
	<hr/>

5. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2005 £	2004 £
Trade Debtors	10,153	9,262
Prepayments & Accrued Income	36	-
	<hr/>	<hr/>
	10,189	9,262
	<hr/>	<hr/>

PAUL R WATSON (DESIGN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2005

**6. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2005	2004
	£	£
Bank loans and overdrafts	-	1,359
Hire Purchase	6,079	-
Other Creditors	1,450	1,400
V.A.T.	3,119	1,326
Social Security & Other Taxes	1,864	3,077
	<u>12,512</u>	<u>7,162</u>

**7. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2005	2004
	£	£
Hire Purchase	18,237	-
Directors Loan Account	4,566	6,920
	<u>22,803</u>	<u>6,920</u>

8. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2005	2004
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2005	2004
			£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

PAUL R WATSON (DESIGN) LIMITED

REPORT OF THE ACCOUNTANTS TO THE DIRECTORS OF
PAUL R WATSON (DESIGN) LIMITED

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 July 2005 set out on pages three to eight and you consider that the company is exempt from an audit.

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.



Segrave & Partners
Chartered Accountants
Turnpike House
1208/1210 London Road
Leigh on Sea
Essex
SS9 2UA

26 October 2005