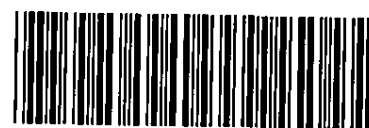


REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007
FOR
PAUL R WATSON (DESIGN) LIMITED

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PAUL R WATSON (DESIGN) LIMITED

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FOR THE YEAR ENDED 31 JULY 2007

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PAUL R WATSON (DESIGN) LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2007

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:

2041320 (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 2007

The directors present their report with the financial statements of the company for the year ended 31 July 2007

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 2007 in the issued share capital of the company were as follows

	31 7 07	1 8 06
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

1 February 2008

PAUL R WATSON (DESIGN) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2007

	Notes	2007 £	2006 £
TURNOVER		86,987	78,200
Administrative expenses		<u>87,791</u>	<u>81,199</u>
OPERATING LOSS	2	(804)	(2,999)
Interest receivable and similar income		<u>250</u>	<u>250</u>
		(554)	(2,749)
Interest payable and similar charges		<u>89</u>	<u>13</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(643)	(2,762)
Tax on loss on ordinary activities	3	<u>68</u>	-
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>(711)</u></u>	<u><u>(2,762)</u></u>

The notes form part of these financial statements

PAUL R WATSON (DESIGN) LIMITED

BALANCE SHEET
31 JULY 2007

	Notes	2007 £	£	2006 £	£
FIXED ASSETS					
Tangible assets	4		15,455		20,194
CURRENT ASSETS					
Debtors	5	10,564		36	
Cash at bank		31		1,835	
		10,595		1,871	
CREDITORS					
Amounts falling due within one year	6	14,930		12,633	
NET CURRENT LIABILITIES			(4,335)		(10,762)
TOTAL ASSETS LESS CURRENT LIABILITIES			11,120		9,432
CREDITORS					
Amounts falling due after more than one year	7		10,360		7,961
NET ASSETS			760		1,471
CAPITAL AND RESERVES					
Called up share capital	8		2		2
Profit and loss account	9		758		1,469
SHAREHOLDERS' FUNDS			760		1,471

The notes form part of these financial statements

PAUL R WATSON (DESIGN) LIMITED

BALANCE SHEET - continued
31 JULY 2007

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 July 2007

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2007 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

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 January 2007)

The financial statements were approved by the Board of Directors on 1 February 2008 and were signed on its behalf by

P R Watson - Director



D A Watson - Director



The notes form part of these financial statements

PAUL R WATSON (DESIGN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007

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 January 2007)

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 vehicles	- 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 LOSS

The operating loss is stated after charging

	2007 £	2006 £
Depreciation - owned assets	465	547
Depreciation - assets on hire purchase contracts	<u>4,274</u>	<u>5,699</u>
Directors' emoluments and other benefits etc	<u>53,000</u>	<u>46,000</u>

3 TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows

	2007 £	2006 £
Current tax		
UK corporation tax	<u>68</u>	-
Tax on loss on ordinary activities	<u>68</u>	<u>-</u>

PAUL R WATSON (DESIGN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2007

4 TANGIBLE FIXED ASSETS

	Office equipment £	Motor vehicles £	Totals £
COST			
At 1 August 2006 and 31 July 2007	10,544	30,395	40,939
DEPRECIATION			
At 1 August 2006	7,447	13,298	20,745
Charge for year	465	4,274	4,739
At 31 July 2007	7,912	17,572	25,484
NET BOOK VALUE			
At 31 July 2007	2,632	12,823	15,455
At 31 July 2006	3,097	17,097	20,194

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

	Motor vehicles £
COST	
At 1 August 2006 and 31 July 2007	30,395
DEPRECIATION	
At 1 August 2006	13,298
Charge for year	4,274
At 31 July 2007	17,572
NET BOOK VALUE	
At 31 July 2007	12,823
At 31 July 2006	17,097

5 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade debtors	10,525	-
Prepayments	39	36
	10,564	36

PAUL R WATSON (DESIGN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2007

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Bank loans and overdrafts	2,775	-
Hire purchase contracts	6,079	6,079
Tax	68	-
Social security and other taxes	2,999	2,386
VAT	1,158	2,163
Other creditors	1,851	2,005
	<u>14,930</u>	<u>12,633</u>

7 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007	2006
	£	£
Hire purchase contracts	6,079	12,158
Directors loan account	4,281	(4,197)
	<u>10,360</u>	<u>7,961</u>

8 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2007 £	2006 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

Allotted, issued and fully paid Number	Class	Nominal value	2007 £	2006 £
2	Ordinary	£1	<u>2</u>	<u>2</u>

9 RESERVES

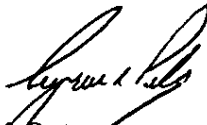
	Profit and loss account £
At 1 August 2006	1,469
Deficit for the year	<u>(711)</u>
At 31 July 2007	<u>758</u>

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 2007 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

4 February 2008