

REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 1998  
FOR  
PAUL R WATSON (DESIGN) LIMITED



**PAUL R WATSON (DESIGN) LIMITED**

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**FOR THE YEAR ENDED 31 JULY 1998**

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**PAUL R WATSON (DESIGN) LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 JULY 1998**

**DIRECTORS:**

P R WATSON  
D A WATSON

**SECRETARY:**

D A WATSON

**REGISTERED OFFICE:**

1208-1210 LONDON ROAD  
LEIGH-ON-SEA  
ESSEX  
SS9 2UA

**REGISTERED NUMBER:**

02041320 (England and Wales)

**ACCOUNTANTS:**

SEGRAVE AND PARTNERS  
CHARTERED ACCOUNTANTS  
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 1998**

The directors present their report with the financial statements of the company for the year ended 31 July 1998.

**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 1998 in the issued share capital of the company were as follows:

	31.7.98	1.8.97
Ordinary Shares £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

Dated: 24 November 1998

**PAUL R WATSON (DESIGN) LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 JULY 1998**

		1998	1997
	Notes	£	£
<b>TURNOVER</b>	2	98,294	81,662
<b>GROSS PROFIT</b>		98,294	81,662
Administrative expenses		46,310	48,534
<b>OPERATING PROFIT</b>	3	51,984	33,128
Interest receivable and similar income	4	1	-
		51,985	33,128
Interest payable and similar charges		1,010	2,445
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		50,975	30,683
Tax on profit on ordinary activities	5	10,868	7,043
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		40,107	23,640
Dividends	6	44,000	14,000
		(3,893)	9,640
Deficit brought forward		(369)	(10,009)
<b>DEFICIT CARRIED FORWARD</b>		£(4,262)	£(369)

The notes form part of these financial statements

**PAUL R WATSON (DESIGN) LIMITED**

**BALANCE SHEET**  
**31 JULY 1998**

	Notes	1998		1997	
		£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	7		17,753		21,074
<b>CURRENT ASSETS:</b>					
Debtors	8	6,832		11,083	
Cash at bank		7,645		2,024	
		<u>14,477</u>		<u>13,107</u>	
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>24,684</u>		<u>18,114</u>	
<b>NET CURRENT LIABILITIES:</b>			(10,207)		(5,007)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			7,546		16,067
<b>CREDITORS: Amounts falling due after more than one year</b>	10		<u>11,806</u>		<u>16,434</u>
			<u>£(4,260)</u>		<u>£(367)</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	11		2		2
Profit and loss account			(4,262)		(369)
Shareholders' funds			<u>£(4,260)</u>		<u>£(367)</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ending 31 July 1998.

No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

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.

The notes form part of these financial statements

**PAUL R WATSON (DESIGN) LIMITED**

**BALANCE SHEET**  
**31 JULY 1998**

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.

**ON BEHALF OF THE BOARD:**

P R WATSON - DIRECTOR



D A WATSON - DIRECTOR



Approved by the Board on 24 November 1998

The notes form part of these financial statements

**PAUL R WATSON (DESIGN) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 1998**

**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.

**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

**Deferred taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

**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.

**2. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

**3. OPERATING PROFIT**

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

	1998	1997
	£	£
Depreciation - owned assets	505	564
Depreciation - assets on hire purchase contracts or finance leases	4,732	5,962
Profit on disposal of fixed assets	-	(305)
	<u>          </u>	<u>          </u>
Directors' emoluments and other benefits etc	18,000	18,000
	<u>          </u>	<u>          </u>

**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	1998	1997
	£	£
Deposit Account Interest	1	-
	<u>          </u>	<u>          </u>



**PAUL R WATSON (DESIGN) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 1998**

**5. TAXATION**

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

	1998	1997
	£	£
UK Corporation Tax	<u>10,868</u>	<u>7,043</u>

UK Corporation Tax has been charged at 21% (1997 - 23%).

**6. DIVIDENDS**

	1998	1997
	£	£
Interim	<u>44,000</u>	<u>14,000</u>

**7. TANGIBLE FIXED ASSETS**

	Office Equipment	Motor vehicles	Totals
	£	£	£
<b>COST:</b>			
At 1 August 1997	5,241	23,845	29,086
Additions	<u>1,916</u>	<u>-</u>	<u>1,916</u>
At 31 July 1998	<u>7,157</u>	<u>23,845</u>	<u>31,002</u>
<b>DEPRECIATION:</b>			
At 1 August 1997	2,050	5,962	8,012
Charge for year	<u>766</u>	<u>4,471</u>	<u>5,237</u>
At 31 July 1998	<u>2,816</u>	<u>10,433</u>	<u>13,249</u>
<b>NET BOOK VALUE:</b>			
At 31 July 1998	<u>4,341</u>	<u>13,412</u>	<u>17,753</u>
At 31 July 1997	<u>3,191</u>	<u>17,883</u>	<u>21,074</u>

**PAUL R WATSON (DESIGN) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 1998**

**7. TANGIBLE FIXED ASSETS - continued**

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

	Office Equipment	Motor vehicles	Totals
	£	£	£
<b>COST:</b>			
At 1 August 1997	-	23,845	23,845
Additions	1,742	-	1,742
	<hr/>	<hr/>	<hr/>
At 31 July 1998	1,742	23,845	25,587
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION:</b>			
At 1 August 1997	-	5,962	5,962
Charge for year	261	4,471	4,732
	<hr/>	<hr/>	<hr/>
At 31 July 1998	261	10,433	10,694
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE:</b>			
At 31 July 1998	1,481	13,412	14,893
	<hr/>	<hr/>	<hr/>
At 31 July 1997	-	17,883	17,883
	<hr/>	<hr/>	<hr/>

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

	1998 £	1997 £
Trade Debtors	6,100	10,904
Other Debtors	-	97
ACT Recoverable	732	82
	<hr/>	<hr/>
	6,832	11,083
	<hr/>	<hr/>

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

	1998 £	1997 £
Hire Purchase	6,296	5,497
Other Creditors	1,075	2,095
Social Security & Other Taxes	5,795	6,104
Taxation	518	918
Advanced Corporation Tax	11,000	3,500
	<hr/>	<hr/>
	24,684	18,114
	<hr/>	<hr/>

**PAUL R WATSON (DESIGN) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 1998**

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

	1998	1997
	£	£
Hire Purchase	10,353	14,685
Directors Loan Accounts	1,453	1,749
	<u>11,806</u>	<u>16,434</u>

**11. CALLED UP SHARE CAPITAL**

Authorised: Number:	Class:	Nominal value:	1998 £	1997 £
100	Ordinary Shares	£1	100 <u>      </u>	100 <u>      </u>
Allotted, issued and fully paid: Number:	Class:	Nominal value:	1998 £	1997 £
2	Ordinary Shares	£1	2 <u>      </u>	2 <u>      </u>

**12. REVENUE RESERVES**

The dividend payment made on 25 July 1998 was in contravention of the Companies Act 1985. The directors are of the opinion that sufficient profits have been earned since the year end to cover the payment.

**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 1998 set out on pages three to nine and you consider that the company is exempt from an audit in accordance with section 249A of the Companies Act 1985. 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 AND PARTNERS  
CHARTERED ACCOUNTANTS  
1208/1210 LONDON ROAD  
LEIGH ON SEA  
ESSEX  
SS9 2UA

Dated: 25 November 1998

This page does not form part of the statutory financial statements