

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1999
FOR
PAUL R WATSON (DESIGN) LIMITED



PAUL R WATSON (DESIGN) LIMITED

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FOR THE YEAR ENDED 31 JULY 1999

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PAUL R WATSON (DESIGN) LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 1999

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 1999

The directors present their report with the financial statements of the company for the year ended 31 July 1999.

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 1999 in the issued share capital of the company were as follows:

	31.7.99	1.8.98
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: 30 October 1999

PAUL R WATSON (DESIGN) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 1999

		31.7.99	31.7.98
	Notes	£	£
TURNOVER		96,778	98,294
GROSS PROFIT		96,778	98,294
Administrative expenses		86,951	46,310
OPERATING PROFIT	2	9,827	51,984
Interest receivable and similar income		1	1
		9,828	51,985
Interest payable and similar charges		2,152	1,010
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,676	50,975
Tax on profit on ordinary activities	3	1,383	10,868
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		6,293	40,107
Dividends	4	-	44,000
		6,293	(3,893)
Deficit brought forward		(4,262)	(369)
RETAINED PROFIT/(DEFICIT) CARRIED FORWARD		£2,031	£(4,262)

The notes form part of these financial statements

PAUL R WATSON (DESIGN) LIMITED

BALANCE SHEET
31 JULY 1999

		31.7.99		31.7.98	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		22,560		17,753
CURRENT ASSETS:					
Debtors	6	6,796		6,832	
Cash at bank		88		7,645	
		6,884		14,477	
CREDITORS: Amounts falling due within one year	7	11,480		24,684	
NET CURRENT LIABILITIES:			(4,596)		(10,207)
TOTAL ASSETS LESS CURRENT LIABILITIES:			17,964		7,546
CREDITORS: Amounts falling due after more than one year	8		15,931		11,806
			£2,033		£(4,260)
CAPITAL AND RESERVES:					
Called up share capital	9		2		2
Profit and loss account			2,031		(4,262)
Shareholders' funds			£2,033		£(4,260)

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ending 31 July 1999.

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 1999

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 March 1999).

ON BEHALF OF THE BOARD:

P R WATSON - DIRECTOR

A handwritten signature in black ink, appearing to read 'Paul R Watson', with a long horizontal flourish extending to the right.

D A WATSON - DIRECTOR

A handwritten signature in black ink, appearing to read 'D A Watson', with a horizontal flourish extending to the right.

Approved by the Board on 30 October 1999

PAUL R WATSON (DESIGN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1999

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 March 1999).

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 PROFIT

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

	31.7.99	31.7.98
	£	£
Depreciation - owned assets	429	505
Depreciation - assets on hire purchase contracts or finance leases	6,511	4,732
Profit on disposal of fixed assets	(2,588)	-
	<u>55,000</u>	<u>18,000</u>
Directors' emoluments and other benefits etc	<u>55,000</u>	<u>18,000</u>

3. TAXATION

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

	31.7.99	31.7.98
	£	£
UK corporation tax	<u>1,383</u>	<u>10,868</u>

UK corporation tax has been charged at 21% (1998 - 21%).

4. DIVIDENDS

	31.7.99	31.7.98
	£	£
Interim - share type 1	<u>-</u>	<u>44,000</u>

PAUL R WATSON (DESIGN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1999

5. **TANGIBLE FIXED ASSETS**

	Office Equipment	Motor vehicles	Totals
	£	£	£
COST:			
At 1 August 1998	7,158	23,845	31,003
Additions	-	25,157	25,157
Disposals	-	(23,845)	(23,845)
	<hr/>	<hr/>	<hr/>
At 31 July 1999	7,158	25,157	32,315
	<hr/>	<hr/>	<hr/>
DEPRECIATION:			
At 1 August 1998	2,815	10,433	13,248
Charge for year	651	6,289	6,940
Eliminated on disposals	-	(10,433)	(10,433)
	<hr/>	<hr/>	<hr/>
At 31 July 1999	3,466	6,289	9,755
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE:			
At 31 July 1999	3,692	18,868	22,560
	<hr/>	<hr/>	<hr/>
At 31 July 1998	4,341	13,412	17,753
	<hr/>	<hr/>	<hr/>

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

	Office Equipment	Motor vehicles	Totals
	£	£	£
COST:			
At 1 August 1998	1,742	23,845	25,587
Additions	-	25,157	25,157
Disposals	-	(23,845)	(23,845)
	<hr/>	<hr/>	<hr/>
At 31 July 1999	1,742	25,157	26,899
	<hr/>	<hr/>	<hr/>
DEPRECIATION:			
At 1 August 1998	261	10,433	10,694
Charge for year	222	6,289	6,511
Eliminated on disposals	-	(10,433)	(10,433)
	<hr/>	<hr/>	<hr/>
At 31 July 1999	483	6,289	6,772
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE:			
At 31 July 1999	1,259	18,868	20,127
	<hr/>	<hr/>	<hr/>
At 31 July 1998	1,481	13,412	14,893
	<hr/>	<hr/>	<hr/>

PAUL R WATSON (DESIGN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1999

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

	31.7.99	31.7.98
	£	£
Trade debtors	6,796	6,100
ACT recoverable	-	732
	<u>6,796</u>	<u>6,832</u>

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

	31.7.99	31.7.98
	£	£
Hire purchase	7,252	6,296
Other creditors	1,100	1,075
Social security & other taxes	2,476	5,795
Taxation	652	518
Advance corporation tax	-	11,000
	<u>11,480</u>	<u>24,684</u>

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

	31.7.99	31.7.98
	£	£
Hire purchase	12,087	10,353
Directors loan accounts	3,844	1,453
	<u>15,931</u>	<u>11,806</u>

9. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	31.7.99	31.7.98
		value:	£	£
100	Ordinary Shares	£1	<u>100</u>	<u>100</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal	31.7.99	31.7.98
		value:	£	£
2	Ordinary Shares	£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

In accordance with instructions given to us we have prepared the financial statements for the year ended 31 July 1999 set out on pages three to eight from the accounting records and from information and explanations supplied to us by the management of the company.

We have not audited the financial statements. Accordingly, we do not express an audit opinion or any other form of assurance that the accounting records and the financial statements are free from material misstatement.



SEGRAVE AND PARTNERS
CHARTERED ACCOUNTANTS
1208-1210 LONDON ROAD
LEIGH-ON-SEA
ESSEX
SS9 2UA

Dated: 30 October 1999