

## DIRECTORS' REPORT

278350

The Directors present their annual report and financial statements for the year ended 31st December 2006

**Principal Activities**

The principal activity of the Company throughout the year was that of contract furnishers

**Directors**

The Directors in office during the year and their beneficial interest in the Company's issued ordinary share capital are as follows -

	2006	2005
A J Eales	2,400 'A'	2,400 'A'
P A Eales	1,600 'A'	1,600 'A'
O J Eales	6,000 'A'	6,000 'A'
M Savage	500 'B'	500 'B'

**Directors' Responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to -

- i) Select suitable accounting policies and then apply them consistently
- ii) Make judgements and estimates that are reasonable and prudent
- iii) Comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements
- iv) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

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IDEAL INTERIORS SOUTHERN LIMITED

DIRECTORS' REPORT

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed on behalf of the Board of Directors



A J Eales - Director

Approved by the Board on

1. 3

2007

**Registered Office:-**

Unit 26  
Downton Business Centre  
Batten Road  
Downton  
Salisbury  
Wiltshire SP5 3HU

**Company No :-** 2178350

IDEAL INTERIORS SOUTHERN LIMITED

PROFIT AND LOSS ACCOUNT FOR THE

YEAR ENDED 31ST DECEMBER 2006

	Notes	2006	2005
Turnover		1,669,837	1,150,801
Cost of Sales		1,356,803	928,628
<b>Gross Profit</b>		<b>313,034</b>	<b>222,173</b>
Administration Expenses		243,442	184,944
<b>Operating Profit</b>	1	<b>69,592</b>	<b>37,229</b>
Interest payable	2	(813)	(1,285)
Interest receivable		2,775	777
<b>Profit on Ordinary Activities before Taxation</b>		<b>71,554</b>	<b>36,721</b>
Taxation	3	(14,303)	0
<b>Profit on Ordinary Activities after Taxation</b>		<b>57,251</b>	<b>36,721</b>
Dividends Payable		30,000	0
<b>Retained Profit for the year</b>		<b>27,251</b>	<b>36,721</b>
<b>Retained Profit at 1st January 2006</b>		<b>152,348</b>	<b>115,627</b>
<b>Retained Profit at 31st December 2006</b>		<b>179,599</b>	<b>152,348</b>

In each of the years shown above, the only gain or loss recognised by the Company was the profit or loss for the year, all of the activities undertaken by the Company were continuing activities, and the reported profit or loss was found under the historical cost convention

**Shareholders' Funds**

There were no movements other than those shown in the above Profit and Loss Account

The notes on page 6 and 7 form part of these financial statements

IDEAL INTERIORS SOUTHERN LIMITED  
BALANCE SHEET AS AT 31ST DECEMBER 2006

	Notes	2006	2005
<b>Tangible Assets</b>	4	<u>16,109</u>	<u>14,146</u>
<b>Current Assets</b>			
Stocks	5	39,250	4,750
Debtors	6	331,682	372,913
Cash at Bank and In Hand		<u>124,323</u>	<u>159,933</u>
		<u>495,255</u>	<u>537,596</u>
<b>Total Tangible and Current Assets</b>		511,364	551,742
<b>Creditors Amounts Falling Due Within One Year</b>	7	318,895	386,575
<b>Creditors Amounts Falling Due After More Than One Year</b>	7	2,370	2,319
		<u>190,099</u>	<u>162,848</u>
<b>Net Current Assets</b>			
<b>Capital and Reserves</b>			
Called up Share Capital	8	10,500	10,500
Revenue Reserves		179,599	152,348
		<u>190,099</u>	<u>162,848</u>


The Directors have taken advantage of the exemption conferred by Section 249 A (1) not to have these financial statements audited and confirm that no notice has been deposited under Section 249 B (2) of the Companies Act 1985

The Directors acknowledge their responsibility for ensuring that -

- 1) The Company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
- 2) The financial statements give a true and fair view of the state of affairs of the Company as at 31st December 2006 and of its profit for the year ended 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 accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Signed on behalf of the Board of Directors



O J Eales - Director

Approved by the Board on 01/03/2007

The notes on page 6 and 7 form part of these financial statements

IDEAL INTERIORS SOUTHERN LIMITED

ACCOUNTING POLICIES FOR THE

YEAR ENDED 31ST DECEMBER 2006

a) **Basis of Accounting**

The financial statements have been prepared under the historical cost convention

b) **Cash Flow Statement**

The financial statements do not include a cash flow statement because the Company, as a small reporting entity, is exempt from the requirement to prepare such a statement

c) **Turnover**

Turnover represents net invoiced sales of goods and services, excluding VAT

d) **Tangible Fixed Assets**

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life -

Office Equipment	15% on cost
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Motor Vehicles	25% on cost
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e) **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items

f) **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. No provision is considered necessary at 31st December 2006

g) **Leasing and Hire Purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

IDEAL INTERIORS SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2006

1) **Operating Profit**

- is stated after charging -

	2006	2005
Depreciation - Owned Assets	4,405	4,405
- Assets held under finance leases	4,127	1,877
Loss on disposal of assets	0	1
Directors' emoluments	97,211	89,145

2) **Interest Payable**

Included in interest payable is interest on finance leases and hire purchase contract of £813 (2005 £723)

3) **Taxation**

UK Corporation Tax (at 19% on taxable profit for the year)

14,303	0
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4) **Tangible Assets**

	Vehicles	Office Equipment	Total Equipment
<b>Cost</b>			
Cost at 1st January 2006	28,124	30,317	58,441
Additions	10,495	0	10,495
Disposals	0	0	0
<b>At 31st December 2006</b>	<b>38,619</b>	<b>30,317</b>	<b>68,936</b>
<b>Depreciation</b>			
Depreciation at 1st January 2006	14,525	29,770	44,295
Charge for Year	8,343	189	8,532
Disposals	0	0	0
<b>At 31st December 2006</b>	<b>22,868</b>	<b>29,959</b>	<b>52,827</b>
<b>Net Book Value</b>			
<b>At 31st December 2006</b>	<b>15,751</b>	<b>358</b>	<b>16,109</b>
<b>At 31st December 2005</b>	<b>13,599</b>	<b>547</b>	<b>14,146</b>

5) **Stock**

Materials and consumables

39,250	4,750
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IDEAL INTERIORS SOUTHERN LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2006

	2006	2005
<b>6) Debtors</b>		
Trade debtors	328,783	371,755
Sundry debtors and prepayments	2,899	1,158
	<u>331,682</u>	<u>372,913</u>
<b>7) Creditors Amounts Falling Due Within One Year</b>		
Corporation Tax	14,302	0
Trade Creditors	192,103	277,221
Other Taxes and VAT	93,062	97,822
Other creditors and accruals	13,878	6,492
Hire Purchase Creditor	5,550	5,040
	<u>318,895</u>	<u>386,575</u>
<b>7) Creditors Amounts Falling Due After More Than One Year</b>		
Hire purchase - within 1 to 2 years	<u>2,370</u>	<u>2,319</u>
<b>8) Share Capital</b>		
Authorised, Issued and Fully Paid		
10,000 Ordinary 'A' shares of one pound each	10,000	10,000
500 Ordinary 'B' shares of one pound each	500	500
	<u>10,500</u>	<u>10,500</u>
<b>9) Capital Commitments and Contingent Liabilities</b>		
There were no capital commitments or contingent liabilities at 31st December 2006 or 2005		
<b>10) Related Party Transactions</b>		
During the year the Company paid rents of £14,000 (2005 £10,000) to the directors which was determined on a commercial basis		