

WATTS AND CO. (FURNISHINGS) LIMITED

MODIFIED ACCOUNTS

PERIOD ENDED

31ST OCTOBER 1988

(Registered number : 2173133)

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WATTS AND CO. (FURNISHINGS) LIMITED

REPORT OF THE AUDITORS

UNDER SCHEDULE 8, PARAGRAPH 10 OF THE COMPANIES ACT 1985

TO THE DIRECTORS OF WATTS AND CO. (FURNISHINGS) LIMITED

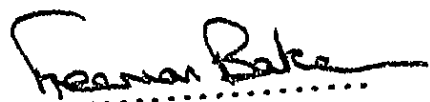
We have examined the modified Accounts on pages 2 and 3 which have been properly prepared in accordance with Schedule 8 to the Companies Act 1985. In our opinion, the Company satisfies the requirements of Sections 247 to 249 of the Companies Act 1985 for exemption as a small company for the period ended 31st October 1988. We are not required to express an opinion on the truth and fairness of these modified Accounts.

As Auditors of the Company we reported to the members on 28th September 1989 on the Accounts of the Company prepared under Section 227 of the Companies Act 1985 as follows:-

We have audited the Accounts on pages 4 to 9. Our audit was conducted in accordance with approved Auditing Standards having regard to the matters referred to in the following paragraph.

In common with many businesses of similar size and organisation the Company's system of control is dependent upon the close involvement of the Directors who are the major shareholders. In these circumstances we have had to rely upon representations from the Directors where alternative confirmation of transactions was not available.

Subject to the foregoing, in our opinion, the Accounts which have been prepared under the historical cost convention, give a true and fair view of the state of the Company's affairs at 31st October 1988 and of its loss and source and application of funds for the period ended on that date and comply with the Companies Act 1985.'


.....
FREEMAN BAKER
Chartered Accountants

The Old Church
48 Verulam Road,
St Albans, Herts AL3 4DH

28th September 1989

WATTS AND CO. (FURNISHINGS) LIMITED

MODIFIED BALANCE SHEET AS AT 31ST OCTOBER 1988

	£	£
FIXED ASSETS		
Tangible assets		8,285
CURRENT ASSETS		
Stock	23,372	
Debtors	20,618	
Cash at bank and in hand	20,103	
	<u>64,093</u>	
CREDITORS		
Amounts falling due within one year	(38,551)	
NET CURRENT ASSETS		<u>25,542</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		33,827
CREDITORS		
Amounts falling due after more than one year		(34,300)
		<u>£ (473)</u>

Represented by:

CAPITAL AND RESERVES

Called up share capital	100
Profit and loss account	(573)
	<u>£ (473)</u>

The Directors have relied on the exemptions for individual accounts contained in Sections 247 to 249 of the Companies Act 1985 on the grounds that the Company is entitled to the benefit of these exemptions as a small company.

The Accounts were approved by the Board on 28th September 1989 .

.....)

Directors

.....)

The notes on page 3 form part of these accounts.

WATTS AND CO. (FURNISHINGS) LIMITED

NOTES TO THE MODIFIED ACCOUNTS

FOR THE PERIOD ENDED 31ST OCTOBER 1988

1. ACCOUNTING POLICIES

a) Accounting convention

The Accounts have been prepared under the historical cost convention. The principal accounting policies which the Directors have adopted within that convention are set out below.

b) Depreciation

Depreciation provisions are made on the net written down value at rates calculated to write off the cost of the assets over their estimated useful lives using the following annual rates:-

Equipment	33.1/3 %
Office equipment	15 %

c) Stock

Stock has been valued by the Directors at the lower of cost and net realisable value.

d) Turnover

Turnover represents the total value of sales net of Value Added Tax.

e) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. All profits and losses on exchange are dealt with in the profit and loss account.

2. CALLED UP SHARE CAPITAL

	1988 £
Authorised:	
10,000 Ordinary shares of £1 each	10,000
	<hr/>
Issued and fully paid:	
100 Ordinary shares of £1 each	100
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WATTS AND CO. (FURNISHINGS) LIMITED
NOTES TO THE MODIFIED ACCOUNTS (continued)
FOR THE PERIOD ENDED 31ST OCTOBER 1988

	1988 £
3. CREDITORS - AMOUNT FALLING AFTER MORE THAN ONE YEAR	
Amount owed to associated company	10,500
Directors loan account	23,800
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	34,300
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It has been agreed that these amounts will not be repayable within one year.

4. ASSOCIATED COMPANY

30% of the issued share capital is owned by Watts and Company Limited.
The Directors own 72% of the issued share capital of Watts and Company Limited.