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**WATTS & CO (FURNISHINGS) LIMITED**

Company Registration No: 2173133 England and Wales

**ABBREVIATED ACCOUNTS**

For the year ended 31 October 2005

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**Watts & Co (Furnishings) Limited**  
**Abbreviated Balance Sheet**  
**For the year ended 31 October 2005**

	Notes	31 October 2005		31 October 2004	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	2		40,000		50,000
Tangible assets	2		81,292		61,580
			<u>121,292</u>		<u>111,580</u>
<b>Current assets</b>					
Stocks		290,750		296,658	
Debtors		193,336		210,699	
Cash at bank and in hand		5,359		6,536	
		<u>489,445</u>		<u>513,893</u>	
<b>Creditors: Amounts falling due within one year</b>	3	<u>(382,096)</u>		<u>(398,384)</u>	
<b>Net current assets</b>			107,349		115,509
<b>Total assets less current liabilities</b>			<u>228,641</u>		<u>227,089</u>
<b>Creditors: Amounts falling due after one year</b>	4		<u>(179,300)</u>		<u>(179,300)</u>
			<u>49,341</u>		<u>47,789</u>
<b>Capital and Reserves</b>					
Called up share capital	5		300		300
Profit and loss account			49,041		47,489
<b>Equity shareholders' funds</b>			<u>49,341</u>		<u>47,789</u>

*In preparing these abbreviated accounts:*

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
  - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and

**Watts & Co (Furnishings) Limited**  
**Abbreviated Balance Sheet (continued)**  
**For the year ended 31 October 2004**

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- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies. They were approved by the board on ~~7<sup>th</sup>~~ 7<sup>th</sup> March 2006 and signed on its behalf.



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Mrs F Flint  
Director

The notes on pages 3 to 5 form part of these financial statements.

**Watts & Co (Furnishings) Limited**  
**Notes to the Abbreviated Accounts**  
**As at 31 October 2005**

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**1 Accounting policies**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the directors are described below.

**1.1 Accounting convention**

The financial statements have been prepared under the historical cost convention.

**1.2 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts which are attributable to the principal activity of the company and which arose in the United Kingdom, elsewhere in the European Union and in the USA.

**1.3 Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful life.

**1.4 Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, in equal annual instalments over the estimated useful economic lives of the assets. The estimated useful economic lives are as follows:

Leasehold land and buildings	20%	reducing balance basis
Screens and artwork	33%	reducing balance basis
Office equipment and fixtures	20% and 15%	reducing balance basis

**1.5 Leasing**

Operating lease rentals are charged to the profit and loss account in equal amounts over the lease term.

**1.6 Stock**

Stocks and work in progress are stated at the lower of cost and net realisable value.

**1.7 Deferred taxation**

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability will crystallise in the future.

**Watts & Co (Furnishings) Limited**  
**Notes to the Abbreviated Accounts (continued)**  
**As at 31 October 2005**

<b>2 Fixed Assets</b>	<b>Intangible Assets £</b>	<b>Tangible Assets £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 November 2004	80,000	250,575	330,575
Additions in the year	-	38,105	38,105
At 31 October 2005	80,000	288,680	368,680
<b>Amortisation</b>			
At 1 November 2004	30,000	188,996	218,996
Charge for the year	10,000	18,392	28,392
At 31 October 2005	40,000	207,388	247,388
<b>Net book value</b>			
At 31 October 2005	40,000	81,292	121,292
At 1 November 2004	50,000	61,579	111,579

**3 Creditors: amounts falling due within one year**

The bank overdraft is secured by a guarantee from a director limited to £100,000.

**4 Creditors: amounts falling due after more than one year**

	<b>31 October 2005 £</b>	<b>31 October 2004 £</b>
<b>Analysis of loans repayable in more than five years</b>		
Not wholly repayable within five years	168,800	168,800

**Watts & Co (Furnishings) Limited**  
**Notes to the Abbreviated Accounts (continued)**  
**As at 31 October 2005**

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**5 Share Capital**

	<b>31 October 2005</b>	<b>31 October 2004</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
10,000 Ordinary Shares of £1 each	<u>10,000</u>	<u>10,000</u>
<b>Allotted, called up and fully paid</b>		
300 Ordinary Shares of £1 each	<u>300</u>	<u>300</u>

**6 Transactions with directors**

Mr M G Hoare, a director, is resident in France and owns property which he makes available to the company for showrooms and storage facilities. In the year to 31 October 2005 the charges amounted to £3,915.

Mrs F Flint is a partner in MES Flint and Partners. The company pays rent and other charges to that partnership for occupation of the office and storage facilities and for the use of electricity. In the year to 31 October 2005 the charges amounted to £23,421.

**7 Ultimate parent company**

The ultimate controlling company is Javerwocky Holdings Limited, a company incorporated in the British Virgin Islands.