

PADDIMAC LIMITED
Registered Number 2389524

**DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2006**

THURSDAY



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COMPANIES HOUSE

PADDIMAC LIMITED

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 2006.

PRINCIPAL ACTIVITY

The principal activity of the company continued to be the wholesale and retail of PVC rainwear.

On the 31 March 2006 a significant part of the business was sold to Paddimac Rainwear Ltd. Accordingly, the level of trade has reduced significantly after the balance sheet date.

DIRECTORS

The directors during the year and their interests in the shares of the company were:

	Ordinary shares of £1 each	
	2006	2005
P A Murley	23,500	23,500
P S Dawkins	12,000	12,000

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

By order of the board



P S Dawkins
Director

Registered office:
7 Bournemouth Road
Chandler's Ford, Eastleigh
Hampshire. SO53 3DA

PADDIMAC LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

	Notes	2006 £	2005 £
TURNOVER	2	130,998	174,783
COST OF SALES		(80,991)	(91,353)
GROSS PROFIT		50,007	83,430
Administrative expenses		(55,610)	(72,032)
OPERATING (LOSS)/PROFIT		(5,603)	11,398
Interest payable		(3,649)	(6,185)
Interest receivable		767	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(8,485)	5,213
Profit on sale of operation		11,000	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,515	5,213
Taxation		-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,515	5,213
RETAINED DEFICIT AT 1 APRIL 2005		(70,965)	(76,178)
RETAINED DEFICIT AT 31 MARCH 2006		(68,450)	(70,965)

Amounts relate to continuing and discontinued operations. See note 3 to the accounts.

PADDIMAC LIMITED

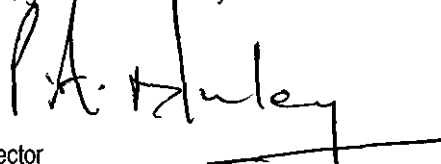
BALANCE SHEET AT 31 MARCH 2006

	Notes	£	2006 £	£	2005 £
FIXED ASSETS					
Tangible assets	5		-		364
CURRENT ASSETS					
Stocks		20,338		40,841	
Debtors	6	31,664		51,960	
Cash at bank and in hand		17,136		1,015	
		<u>69,138</u>		<u>93,816</u>	
CREDITORS: amounts falling due within one year	7	<u>(69,588)</u>		<u>(97,145)</u>	
NET CURRENT LIABILITIES			<u>(450)</u>		<u>(3,329)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(450)		(2,965)
CREDITORS: amounts falling after more than one year	8		(15,000)		(15,000)
NET LIABILITIES			<u>(15,450)</u>		<u>(17,965)</u>
CAPITAL AND RESERVES					
Called up share capital	9		53,000		53,000
Profit and loss account			(68,450)		(70,965)
SHAREHOLDERS' FUNDS (DEFICIT)			<u>(15,450)</u>		<u>(17,965)</u>

For the financial year ended 31 March 2006, the company was entitled to exemption from audit under section 249A(1) Companies Act 1985; and no notice has been deposited under section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the 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 the Companies Act 1985, 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.

Approved by the board on 21 January 2007
and signed on its behalf by


Director

PADDIMAC LIMITED

NOTES TO THE ACCOUNTS 31 MARCH 2006

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared under the historical cost convention and the Financial Reporting Standard for Smaller Entities (effective January 2005).

(b) Turnover

Turnover represents the invoiced value of sales to outside customers excluding value added tax.

(c) Fixed assets

Fixed assets are capitalised for ongoing use within the company, where the individual cost of the asset exceeds £100.

Depreciation is provided on tangible fixed assets to write off the cost over the estimated useful lives of the relevant assets at the following annual rates:

Office equipment	- 25% of cost
Furniture and fixtures	- 25% of cost
Motor vehicles	- 25% of cost

(d) Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value, using the first-in, first-out method.

(e) Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in years different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

2 TURNOVER

3% of the total turnover is attributable to markets outside the UK (2005: 12%).

PADDIMAC LIMITED

NOTES TO THE ACCOUNTS 31 MARCH 2006 (continued)

3 CONTINUING OPERATIONS

At the balance sheet date the company sold a significant part of its business, however it has retained stock amounting to £20,338.

4 OPERATING (LOSS) / PROFIT

	2006 £	2005 £
Operating (loss) / profit is stated after charging:		
Depreciation	364	356
Directors' remuneration	-	6,000

5 TANGIBLE ASSETS

	Office equipment £	Furniture & fixtures £	Total £
Cost			
At beginning of year	10,165	6,825	16,990
Disposals	(10,165)	(6,825)	(16,990)
At end of year	-	-	-
Depreciation			
At beginning of year	9,801	6,825	16,626
Disposals	(9,801)	(6,825)	(16,626)
At end of year	-	-	-
Net book value			
At end of year	-	-	-
At beginning of year	364	-	364

6 DEBTORS

	2006 £	2005 £
Trade debtors	8,679	42,847
Prepayments and other debtors	21,222	6,205
Other debtors	1,763	2,908
	31,664	51,960

PADDIMAC LIMITED

NOTES TO THE ACCOUNTS 31 MARCH 2006 (continued)

7	CREDITORS: amounts falling due within one year	2006 £	2005 £
	Bank overdraft (secured)	-	37,095
	Trade creditors	11,624	6,503
	Directors loans	36,652	36,652
	Other loans	7,500	7,500
	Taxation and social security	3,887	3,152
	Other creditors and accruals	9,925	6,243
		<u>69,588</u>	<u>97,145</u>

8	CREDITORS: amounts falling due after more than one year	2006 £	2005 £
	Other loans	<u>15,000</u>	<u>15,000</u>

9	CALLED UP SHARE CAPITAL	2006 £	2005 £
	Authorised: 100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
	Allotted, called up and fully paid: 53,000 ordinary shares of £1 each	<u>53,000</u>	<u>53,000</u>

10 OPERATING LEASE COMMITMENTS

The company has annual commitments under non-cancellable contracts, which expire:

Land & buildings

	2006 £	2005 £
Within one year	1,650	-
Within two to five years	-	9,900

11 CONTROLLING PARTY

The directors consider that there is no controlling party.