

**REPORT OF THE DIRECTORS AND  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2004  
FOR  
THOMAS WATTS MACHINES AND CONTROLS  
LIMITED**



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**THOMAS WATTS MACHINES AND CONTROLS  
LIMITED**

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FOR THE YEAR ENDED 30 APRIL 2004**

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**THOMAS WATTS MACHINES AND CONTROLS  
LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 30 APRIL 2004**

**DIRECTORS:** T F Watts  
P J Mortiboy

**SECRETARY:** T F Watts

**REGISTERED OFFICE:** 40 Alpha Road  
Cambridge  
CB4 3DG

**REGISTERED NUMBER:** 4408020

**ACCOUNTANTS:** Chater Allan LLP  
Chartered Accountants  
Beech House  
4a Newmarket Road  
Cambridge  
CB5 8DT

**THOMAS WATTS MACHINES AND CONTROLS  
LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 APRIL 2004**

The directors present their report with the financial statements of the company for the year ended 30 April 2004.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of engineering.

**DIRECTORS**

The directors during the year under review were:

T F Watts  
P J Mortiboy

The beneficial interests of the directors holding office on 30 April 2004 in the issued share capital of the company were as follows:

	30.4.04	1.5.03
<b>Ordinary £1 shares</b>		
T F Watts	34	34
P J Mortiboy	33	33

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:**

*T. Watts*

.....  
T F Watts - Director

Date: *4-2-2005*  
.....

**THOMAS WATTS MACHINES AND CONTROLS  
LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 APRIL 2004**

	Notes	Year Ended 30.4.04 £	Period 2.4.02 to 30.4.03 £
<b>TURNOVER</b>		88,182	43,006
Cost of sales		28,008	16,416
<b>GROSS PROFIT</b>		60,174	26,590
Administrative expenses		32,942	24,287
<b>OPERATING PROFIT</b>	2	27,232	2,303
Interest receivable and similar income		6	3
		27,238	2,306
Interest payable and similar charges		82	54
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		27,156	2,252
Tax on profit on ordinary activities	3	4,003	-
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		23,153	2,252
Dividends	4	20,000	-
<b>RETAINED PROFIT FOR THE YEAR</b>		3,153	2,252

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous period.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous period.

**THOMAS WATTS MACHINES AND CONTROLS  
LIMITED**

**BALANCE SHEET  
30 APRIL 2004**

	Notes	2004		2003	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	5		3,574		4,128
<b>CURRENT ASSETS</b>					
Stocks	6	8,340		2,100	
Debtors	7	13,260		8,989	
		21,600		11,089	
<b>CREDITORS</b>					
Amounts falling due within one year	8	19,702		12,898	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			1,898		(1,809)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,472		2,319
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		67		67
Profit and loss account	11		5,405		2,252
<b>SHAREHOLDERS' FUNDS</b>			5,472		2,319

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 April 2004.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 April 2004 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- 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.

These financial statements have 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:**

*T. Watts*

T F Watts - Director

Approved by the Board on *4-2-2005*

**THOMAS WATTS MACHINES AND CONTROLS  
LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2004**

**1. ACCOUNTING POLICIES**

**Accounting convention**

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

**Financial Reporting Standard Number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

**Turnover**

Turnover represents net invoiced sales of goods, 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.

Plant and machinery etc - 20% on reducing balance

**Stocks**

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

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account as incurred.

**2. OPERATING PROFIT**

The operating profit is stated after charging:

	Year Ended 30.4.04 £	Period 2.4.02 to 30.4.03 £
Other operating leases	4,000	4,000
Depreciation - owned assets	1,152	1,032
	<u>          </u>	<u>          </u>
Directors' emoluments and other benefits etc	12,000	12,000
	<u>          </u>	<u>          </u>

**3. TAXATION**

**Analysis of the tax charge**

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

	Year Ended 30.4.04 £	Period 2.4.02 to 30.4.03 £
Current tax:		
UK corporation tax	4,003	-
	<u>          </u>	<u>          </u>
Tax on profit on ordinary activities	4,003	-
	<u>          </u>	<u>          </u>

**THOMAS WATTS MACHINES AND CONTROLS  
LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2004**

**3. TAXATION - continued**

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 30.4.04 £	Period 2.4.02 to 30.4.03 £
Profit on ordinary activities before tax	<u>27,156</u>	<u>2,252</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2003 - 0%)	5,160	-
Effects of:		
Capital allowances in excess of depreciation	(57)	-
Marginal relief	<u>(1,100)</u>	-
Current tax charge	<u>4,003</u>	<u>-</u>

**4. DIVIDENDS**

	Year Ended 30.4.04 £	Period 2.4.02 to 30.4.03 £
Equity shares: Final	<u>20,000</u>	<u>-</u>

**5. TANGIBLE FIXED ASSETS**

	Plant and machinery £
<b>COST</b>	
At 1 May 2003	5,160
Additions	598
At 30 April 2004	<u>5,758</u>
<b>DEPRECIATION</b>	
At 1 May 2003	1,032
Charge for year	1,152
At 30 April 2004	<u>2,184</u>
<b>NET BOOK VALUE</b>	
At 30 April 2004	<u>3,574</u>
At 30 April 2003	<u>4,128</u>

**THOMAS WATTS MACHINES AND CONTROLS  
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**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2004**

**6. STOCKS**

	2004	2003
	£	£
Stocks	<u>8,340</u>	<u>2,100</u>

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

	2004	2003
	£	£
Trade debtors	12,593	8,322
Prepayments and accrued income	667	667
	<u>13,260</u>	<u>8,989</u>

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

	2004	2003
	£	£
Bank loans and overdrafts (see note 9)	3,307	2,694
Trade creditors	3,746	3,325
Tax	4,003	-
Social security and other taxes	73	73
VAT	1,327	193
Directors' current accounts	6,446	5,659
Accruals and deferred income	800	954
	<u>19,702</u>	<u>12,898</u>

**9. LOANS**

An analysis of the maturity of loans is given below:

	2004	2003
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>3,307</u>	<u>2,694</u>

**10. CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	2004	2003
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2004	2003
			£	£
67	Ordinary	£1	<u>67</u>	<u>67</u>

**THOMAS WATTS MACHINES AND CONTROLS  
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**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 APRIL 2004**

**11. RESERVES**

	Profit and loss account £
At 1 May 2003	2,252
Retained profit for the year	<u>3,153</u>
At 30 April 2004	<u><u>5,405</u></u>

**12. RELATED PARTY DISCLOSURES**

The company is controlled by Mr T F Watts.

**13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2004 £	2003 £
Profit for the financial year	23,153	2,252
Dividends	<u>(20,000)</u>	<u>-</u>
	3,153	2,252
New share capital subscribed	<u>-</u>	<u>67</u>
<b>Net addition to shareholders' funds</b>	<b>3,153</b>	<b>2,319</b>
Opening shareholders' funds	<u>2,319</u>	<u>-</u>
<b>Closing shareholders' funds</b>	<b><u><u>5,472</u></u></b>	<b><u><u>2,319</u></u></b>
Equity interests	<u><u>5,472</u></u>	<u><u>2,319</u></u>