

**Ashworth Bailey Limited**  
**Company No: 4960558**

## **Directors Report**

**for the year ended 31st August 2007**

The directors present their report and the financial statements for the year ended 31st August 2007

### **Principal activities and review of the business**

The company's principal activity continues to be accounting services

The results for the year are set out on page 2

The directors consider the profit achieved on ordinary activities before taxation to be satisfactory in difficult trading conditions

### **Fixed assets**

The movement on fixed assets is as shown in the notes to the financial statements

### **Directors**

The directors who served during the year were

M Ashworth

G Bailey

### **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

- select suitable accounting policies and then apply them consistently ,
- make judgements and estimates that are reasonable and prudent ,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

### **Events since the end of the financial year**

No significant events have occurred since the end of the financial year

The Directors Report which is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies was approved by the board on 11th September 2007 and signed on behalf of the directors



M Ashworth  
 Director

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**Ashworth Bailey Limited**

**Profit and Loss Account**

**Year ended 31st August 2007**

	<b>Notes</b>	<b>2007</b>	<b>2006</b>
<b>Turnover and Gross margin</b>	<b>2</b>	217,859	225,510
Administrative expenses		<u>(161,665)</u>	<u>(156,125)</u>
<b>Operating profit</b>	<b>3</b>	56,195	69,385
Interest receivable and similar income		0	30
Interest payable		<u>(6,614)</u>	<u>(5,872)</u>
<b>Profit on ordinary activities before taxation</b>		49,580	63,543
Tax on profit on ordinary activities	<b>4</b>	<u>(11,727)</u>	<u>(14,075)</u>
<b>Profit for the financial year</b>	<b>12</b>	<u>37,853</u>	<u>49,468</u>

**Notes**

1 All of the above transactions relate to continuing operations

2 There were no recognised gains or losses other than those included in the profit and loss account

The notes on pages 4 to 8 form part of these financial statements

**Ashworth Bailey Limited**

**Balance Sheet**

**31st August 2007**

	Notes	2007	2006
<b>Fixed assets</b>			
Intangible assets	5	153,000	162,000
Tangible assets	6	<u>3,333</u>	<u>4,095</u>
		<u>156,333</u>	<u>166,095</u>
<b>Current assets</b>			
Stocks	7	12,950	8,750
Debtors	8	46,771	47,956
Cash at bank and in hand		<u>29,387</u>	<u>38,380</u>
		89,108	95,086
<b>Creditors : amounts falling due within one year</b>	9	<u>(170,658)</u>	<u>(168,688)</u>
<b>Net current assets (liabilities)</b>		<u>(81,550)</u>	<u>(73,602)</u>
<b>Total assets less current liabilities</b>		74,783	92,493
<b>Creditors : amounts falling due after more than one year</b>	10	(56,524)	(61,324)
		<u>18,259</u>	<u>31,169</u>
<b>Net assets</b>			
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Profit and loss account	12	<u>18,160</u>	<u>26,384</u>
<b>Equity shareholders funds</b>	14	<u>18,260</u>	<u>26,484</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A (1) of the Companies Act 1985. Shareholders holding 10% or more of the company's share capital have not issued a notice requiring an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and for 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 for the period in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The accounts which are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies were approved by the board on 11th September 2007 and signed on its behalf



M Ashworth  
Director

The notes on pages 4 to 8 form part of these financial statements

# **Ashworth Bailey Limited**

## **Notes to the financial statements**

**Year ended 31st August 2007**

### **1. Accounting policies**

#### **1.1 Basis of preparation of accounts**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (Revised January 2005)

#### **1.2 Turnover**

Turnover comprises the invoiced value of services supplied by the company net of trade discounts

#### **1.3 Intangible assets**

Intangible assets are stated at cost less amortisation. Amortisation is calculated to write off the cost over 10 years in equal annual instalments. However, the directors have considered the level of amortisation in view of the current economic situation and have decided to increase the period of write off to 20 years and the prior year has been restated to reflect this change

#### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation

Depreciation is provided at rates calculated to write off the reducing balance of cost of fixed assets over their expected useful lives on the following bases

Fixtures                      - 25% per annum

#### **1.5 Stocks and work in progress**

Stocks relates to work in progress and is stated at income value of services performed not invoiced at balance sheet date subject to entitlement on proper performance of the completed services

#### **1.6 Research and development**

Expenditure on research and development is written off in the year that it is incurred

#### **1.7 Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred

#### **1.8 Cash flow statement**

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement on the grounds that it is a small company

#### **1.9 Deferred taxation**

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise

**Ashworth Bailey Limited**

**Notes to the financial statements ( continued )**

**Year ended 31st August 2007**

**2. Turnover**

The whole of the turnover and profit before taxation from continuing activities is attributable to the principal activity of the company

**3. Operating profit**

	2007	2006
Operating profit is after charging		
Directors aggregate remuneration	20,000	16,833
Depreciation of assets owned by the company	1,111	1,365
Amortisation of goodwill	9,000	9,000
Operating lease rentals	12,023	11,999

**4 Taxation**

**Current year taxation**

UK Corporation tax at 19.41%(2006 - 19%)	11,729	14,135
Deferred taxation	<u>0</u>	<u>0</u>
	11,729	14,135

**Prior years**

Corporation tax	(2)	(60)
Deferred taxation	<u>0</u>	<u>0</u>
	(2)	(60)
	<u>11,727</u>	<u>14,075</u>

**5. Intangible assets**

Goodwill acquired on purchase of the business

**Cost**

At 1st September 2006	180,000
Additions	<u>0</u>

At 31st August 2007	<u>180,000</u>
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**Amortisation**

At 1st September 2006	18,000
Charge for the year	<u>9,000</u>

At 31st August 2007	<u>27,000</u>
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**Net book amount**

At 31st August 2007	<u>153,000</u>
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At 31st August 2006	<u>162,000</u>
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**Ashworth Bailey Limited**

**Notes to the financial statements ( continued )**

**Year ended 31st August 2007**

**6. Tangible fixed assets**

	<b>Fixtures</b>
<b>Cost</b>	
At 1st September 2006	5,691
Additions	349
Disposals	<u>0</u>
At 31st August 2007	<u>6,040</u>
<b>Depreciation</b>	
At 1st September 2006	1,596
Charge for the year	1,111
On disposals	<u>0</u>
At 31st August 2007	<u>2,707</u>
<b>Net book amount</b>	
At 31st August 2007	<u>3,333</u>
At 31st August 2006	<u>4,095</u>

**7 Stocks**

	<b>2007</b>	<b>2006</b>
Work in progress	<u>12,950</u>	<u>8,750</u>

**8 Debtors amounts falling due within one year**

Trade debtors	46,305	45,575
Prepayments and accrued income	<u>466</u>	<u>2,381</u>
	<u>46,771</u>	<u>47,956</u>

**9 Creditors amounts falling due within one year**

Trade creditors	1,675	4,505
Corporation tax	11,729	14,135
Other taxes and social security costs	14,194	15,904
Bank loan	5,942	5,463
Directors loans	137,118	126,578
Accruals and deferred income	<u>0</u>	<u>2,103</u>
	<u>170,658</u>	<u>168,688</u>

**10. Creditors : amounts falling due after more than one year**

	2007	2006
Bank loan repayable		
1 to 2 Years	6,463	5,942
2 to 5 years	22,276	20,479
Over 5 years	27,784	34,903
	<u>56,524</u>	<u>61,324</u>

The bank loan is secured by personal guarantee of the directors and is repayable over 10 years from June 2005 in equal instalments with interest charged at a commercial rate

**11 Called up share capital****Authorised**

A ordinary shares of £1 each	250,000	250,000
B ordinary shares of £1 each	250,000	250,000
C ordinary shares of £1 each	250,000	250,000
D ordinary shares of £1 each	250,000	250,000
	<u>1,000,000</u>	<u>1,000,000</u>

**Allotted**

A ordinary shares of £1 each fully paid	<u>100</u>	<u>100</u>
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**12. Profit and loss account**

Balance at 31st August 2006	26,384	23,216
Result for the year	37,853	49,468
Dividends	<u>(46,078)</u>	<u>(46,300)</u>
Balance at 31st August 2007	<u>18,159</u>	<u>26,384</u>

**13. Dividends**

During the year the company has become liable for dividends as follows

Interim dividend on the A Ordinary shares	<u>46,078</u>	<u>46,300</u>
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**14. Reconciliation of movement in equity shareholders funds**

Profit for the year	37,853	49,468
Dividend	<u>(46,078)</u>	<u>(46,300)</u>
Retained profit for the year	(8,225)	3,168
Shares issued in the year	<u>0</u>	<u>0</u>
Net additions (reductions ) for the year	(8,225)	3,168
Equity shareholders funds at 31st August 2006	<u>26,484</u>	<u>23,316</u>
Equity shareholders funds at 31st August 2007	<u>18,259</u>	<u>26,484</u>

**Ashworth Bailey Limited**

**Notes to the financial statements ( continued )**

**Year ended 31st August 2007**

**15. Capital commitments**

	<b>2007</b>	<b>2006</b>
At the year end the company had capital commitments not provided for in these accounts as follows		
Contracted for	<u>0</u>	<u>0</u>

**16. Other commitments**

At the end of the financial year the company had annual commitments in respect of non cancellable operating leases as follows

Expiry within 2 to 5 years	<u>13,066</u>	<u>13,066</u>
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**17. Post balance sheet events**

No significant events have occurred since the end of the financial year

**18. Controlling party**

G Bailey who owns 51% of the issued share capital is the controlling party

**19. Transactions with related parties**

The directors are the only related parties of the company

Details of transactions with related parties and balances at the end of the financial year were as follows

	<b>Transactions</b>		<b>Owing to(by) company at 31st August</b>	
	<b>2007</b>	<b>2,006</b>	<b>2007</b>	<b>2006</b>
G Bailey				
Net advances	(5,564)	(5,365)	(130,568)	(125,004)
M Ashworth				
Net advances	(4,976)	(1,574)	(6,550)	(1,574)

In addition the company occupies premises owned by a director for which no rent was paid during the year