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**Ashworth Bailey Limited**  
**Company No. 4960558**

**Directors Report**

**for the year ended 31st August 2008**

The directors present their report and the financial statements for the year ended 31st August 2008

**Principal activities and review of the business**

The companys principal activity continues to be accounting services

The results for the year are set out on page 2

Adequate finance has been obtained to take advantage of business opportunities and the directors consider the state of affairs to be satisfactory

**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

**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 10th November 2008 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 2008**

	Notes		2007
<b>Turnover and Gross margin</b>	2	202,427	217,859
Administrative expenses		<u>(148,981)</u>	<u>(161,665)</u>
<b>Operating profit</b>	3	53,446	56,194
Interest receivable and similar income		103	0
Interest payable		<u>(5,051)</u>	<u>(6,614)</u>
<b>Profit on ordinary activities before taxation</b>		48,499	49,580
Tax on profit on ordinary activities	4	<u>(12,506)</u>	<u>(11,727)</u>
<b>Profit for the financial year</b>	12	<u>35,993</u>	<u>37,853</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 2008**

	Notes		2007
<b>Fixed assets</b>			
Intangible assets	5	144,000	153,000
Tangible assets	6	<u>2,499</u>	<u>3,333</u>
		<u>146,499</u>	<u>156,333</u>
<b>Current assets</b>			
Stocks	7	7,683	12,950
Debtors	8	57,249	48,771
Cash at bank and in hand		<u>18,819</u>	<u>29,387</u>
		83,751	89,108
<b>Creditors : amounts falling due within one year</b>	9	<u>(186,776)</u>	<u>(170,658)</u>
<b>Net current assets (liabilities)</b>		<u>(103,025)</u>	<u>(81,550)</u>
<b>Total assets less current liabilities</b>		43,474	74,783
<b>Creditors : amounts falling due after more than one year</b>	10	(52,127)	(56,524)
		<u></u>	<u></u>
<b>Net assets</b>		<u>(8,653)</u>	<u>18,259</u>
<b>Capital and reserves</b>			
Called up share capital	11	120	100
Profit and loss account	12	<u>4,152</u>	<u>18,159</u>
<b>Equity shareholders funds</b>	14	<u>4,272</u>	<u>18,259</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 10th November 2008 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 2008**

#### **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 2007)

##### **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 20 years in equal annual instalments. The directors consider the level of amortisation in view of the current economic situation on an annual basis to ensure that any amortisation is adequate.

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

Stocks relate to work in progress and is stated at invoice 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 2008**

**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**

	2008	2007
Operating profit is after charging		
Directors aggregate remuneration	20,000	20,000
Depreciation of assets owned by the company	1,111	1,111
Amortisation of goodwill	9,000	9,000
Operating lease rentals	12,023	12,023

**4. Taxation**

**Current year taxation**

UK Corporation tax at 20.42%(2007 - 19.41%)

Deferred taxation	12,283	11,729
	<u>0</u>	<u>0</u>
	12,283	11,729

**Prior years**

Corporation tax

Deferred taxation

	223	(2)
	<u>0</u>	<u>0</u>
	223	(2)

	<u>12,506</u>	<u>11,727</u>
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**5. Intangible assets**

Goodwill acquired on purchase of the business

**Cost**

At 1st September 2007

Additions

	180,000
	<u>0</u>

At 31st August 2008

	<u>180,000</u>
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**Amortisation**

At 1st September 2007

Charge for the year

	27,000
	<u>9,000</u>

At 31st August 2008

	<u>36,000</u>
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Net book amount

At 31st August 2008

	<u>144,000</u>
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At 31st August 2007

	<u>153,000</u>
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**Ashworth Bailey Limited**

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

**Year ended 31st August 2008**

**6 Tangible fixed assets**

	<b>Fixtures</b>	
<b>Cost</b>		
At 1st September 2007	6,040	
Additions	0	
Disposals	0	
At 31st August 2008	<u>6,040</u>	
<b>Depreciation</b>		
At 1st September 2007	2,707	
Charge for the year	834	
On disposals	0	
At 31st August 2008	<u>3,541</u>	
<b>Net book amount</b>		
At 31st August 2008	<u>2,499</u>	
At 31st August 2007	<u>3,333</u>	
<b>7. Stocks</b>	<b>2008</b>	<b>2007</b>
Work in progress	<u>7,683</u>	<u>12,950</u>

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

Trade debtors	57,249	46,306
Prepayments and accrued income	<u>0</u>	<u>466</u>
	<u>57,249</u>	<u>46,771</u>

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

Trade creditors	1,123	1,675
Corporation tax	12,283	11,729
Other taxes and social security costs	15,417	14,194
Bank loan	6,205	5,942
Directors loans	151,443	137,118
Accruals and deferred income	<u>305</u>	<u>0</u>
	<u>186,776</u>	<u>170,658</u>

**Ashworth Bailey Limited**

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

**Year ended 31st August 2008**

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

	<b>2008</b>	<b>2007</b>
Bank loan repayable		
1 to 2 Years	6,165	6,464
2 to 5 years	23,845	22,276
Over 5 years	<u>22,117</u>	<u>27,784</u>
	<u>52,127</u>	<u>56,524</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	<u>250,000</u>	<u>250,000</u>
	<u>1,000,000</u>	<u>1,000,000</u>

**Allotted**

A ordinary shares of £1 each fully paid	100	100
B ordinary shares of £1 each fully paid	10	0
C ordinary shares of £1 each fully paid	<u>10</u>	<u>0</u>
	<u>120</u>	<u>100</u>

**12 Profit and loss account**

Balance at 31st August 2007	18,159	26,384
Result for the year	35,993	37,853
Dividends	<u>(50,000)</u>	<u>(48,078)</u>
Balance at 31st August 2008	<u>4,152</u>	<u>18,159</u>

**13 Dividends**

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

Interim dividend on the A Ordinary shares.	30,000	48,078
Interim dividend on the B Ordinary shares	8,000	0
Interim dividend on the C Ordinary shares	<u>12,000</u>	<u>0</u>
	<u>50,000</u>	<u>48,078</u>

**14. Reconciliation of movement in equity shareholders funds**

	<b>A Ordinary</b>	<b>B Ordinary</b>	<b>C Ordinary</b>	<b>Total</b>	
Profit for the year	15,993	8,000	12,000	35,993	37,853
Dividend	<u>(30,000)</u>	<u>(8,000)</u>	<u>(12,000)</u>	<u>(50,000)</u>	<u>(48,078)</u>
Retained profit for the year	(14,007)	0	0	(14,007)	(8,225)
Shares issued in the year	<u>0</u>	<u>10</u>	<u>10</u>	<u>20</u>	<u>0</u>
Net additions (reductions ) for the year	(14,007)	10	10	(13,987)	(8,225)
Equity shareholders funds at 31st August 2007	<u>18,259</u>	<u>0</u>	<u>0</u>	<u>18,259</u>	<u>26,484</u>
Equity shareholders funds at 31st August 2008	<u>4,252</u>	<u>10</u>	<u>10</u>	<u>4,272</u>	<u>18,259</u>

**Ashworth Bailey Limited**

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

**Year ended 31st August 2008**

**15 Capital commitments**

	<b>2008</b>	<b>2007</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>5,184</u>	<u>13,068</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>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
G Bailey				
Net advances	5,479	(5,584)	(125,089)	(130,568)
M Ashworth				
Net advances	(5,374)	(4,976)	(11,924)	(6,550)

As indicated at Note 10 company borrowing is secured by personal guarantees given by the directors  
In addition the company occupies premises owned by a director for which no rent was paid during the year