

REGISTRARS COPY

CREATIVE WATCH COMPANY LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31ST MARCH 1998

Registered number: 2566821

PATES
CHARTERED ACCOUNTANTS
Birmingham



CREATIVE WATCH COMPANY LIMITED

**Auditors' report to
Creative Watch Company Limited
under section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 2 to 4, together with the financial statements of the company for the year ended 31st March 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of director and auditors

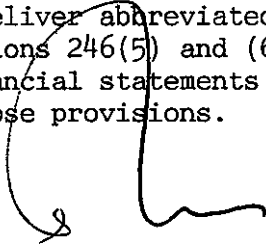
The director is responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 4 are properly prepared in accordance with those provisions.



Pates
Registered Auditors
Chartered Accountants

Birmingham
29th September 1998

CREATIVE WATCH COMPANY LIMITED

ABBREVIATED BALANCE SHEET

at 31st March 1998

	Note	£	1998 £	£	1997 £
Fixed assets					
Tangible assets	3		63,205		39,708
Current assets					
Stocks			106,897		82,050
Debtors			10,961		17,938
Cash at bank and in hand			294		1,985
			<u>118,152</u>		<u>101,973</u>
Creditors: amounts falling due within one year			<u>(127,814)</u>		<u>(120,655)</u>
Net current liabilities			(9,662)		(18,682)
Total assets less current liabilities			53,543		21,026
Creditors: amounts falling due after more than one year	4		<u>(46,250)</u>		<u>(13,286)</u>
			<u>7,293</u>		<u>7,740</u>
Capital and reserves					
Called up share capital	2		100		100
Profit and loss account			7,193		7,640
Total shareholders' funds			<u>7,293</u>		<u>7,740</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated financial statements on pages 2 to 4 were approved by the director on 29th September 1998 and signed by:

William Shore
Chairman



CREATIVE WATCH COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1998

1 Accounting policies**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Office equipment	by 15% reducing balance
Motor vehicles	by 25% reducing balance
Fixtures and fittings	by 15% reducing balance

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis.

Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

CREATIVE WATCH COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March 1998

2 Called up share capital

	1998		1997	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares	1,000	1,000	1,000	1,000
Allotted called up and fully paid				
Ordinary shares	100	100	100	100

3 Tangible fixed assets

	Motor Vehicles £	Office Equipment £	Fixtures and Fittings £	Total £
Cost				
1st April 1997	40,000	250	20,154	60,404
Additions	62,500	-	1,845	64,345
Disposals	(40,000)	-	-	(40,000)
31st March 1998	62,500	250	21,999	84,749
Depreciation				
1st April 1997	10,000	70	10,626	20,696
Charge for year	9,115	27	1,705	10,847
Disposals	(10,000)	-	-	(10,000)
31st March 1998	9,115	97	12,331	21,543
Net book amount				
31st March 1998	53,385	153	9,667	63,205
1st April 1997	30,000	180	9,528	39,708

The net book amount of fixed assets includes £53,385 (1997 £30,000) in respect of assets held under hire purchase contracts, the depreciation of which is shown in note 3.

4 Creditors: amounts falling due after more than one year

	1998 £	1997 £
Hire purchase (all repayable within five years)	46,250	13,286
	<u>46,250</u>	<u>13,286</u>