

BLACKACRE JEWELLERS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 JANUARY 1997



BLACKACRE JEWELLERS LIMITED

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31 JANUARY 1997

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COMPANY INFORMATION

Director

P R Gauntlett

Secretary

Mrs V P Gauntlett

Registered Office

Meridian House
62 Station Road
North Chingford
London E4 7BA

Reporting Accountants

French and Company
Chartered Accountants
Meridian House
62 Station Road
North Chingford
London E4 7BA

Bankers

Lloyds Bank PLC
South Chingford Branch
49 Old Church Road
London E4 6SW

Company Registration Number

2881113 (England and Wales)

Date of Incorporation

15 December 1993

DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 JANUARY 1997

The director presents his report and the financial statements of the Company for the year ended 31 January 1997.

PRINCIPAL ACTIVITY

The Company's principal activity is that of jewellers.

DIRECTOR

The director who served during the year and his beneficial interest in the Company's issued ordinary share capital was:

	<u>Number of shares</u>	
	<u>At 31 January 1997</u>	<u>At 31 January 1996</u>
P R Gauntlett	1	1

This report, which has been prepared taking advantage of the exemptions conferred by Part 11 of Schedule 8 to the Companies Act 1985, was approved by the board on 2 June 1997 and signed on its behalf.


.....
P R Gauntlett
Director

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE
UNAUDITED FINANCIAL STATEMENTS OF BLACKACRE JEWELLERS LIMITED

Page 3

We report on the financial statements for the year ended 31 January 1997 set out on pages 4 to 9.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND REPORTING ACCOUNTANTS

As described on page 5, the Company's director is responsible for the preparation of the financial statements, and he considers that the Company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the Company, and making such limited enquiries of the officers of the Company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:

- a) the financial statements are in agreement with the accounting records kept by the Company under section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the Company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



FRENCH AND COMPANY
Chartered Accountants

2 June 1997

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 1997

	Notes	£	<u>1996</u> £
TURNOVER		235,047	222,265
Cost of sales		121,037	110,640
GROSS PROFIT		114,010	111,625
Administrative expenses		108,107	110,617
OPERATING PROFIT	2	5,903	1,008
Interest receivable and similar income		22	85
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,925	1,093
Taxation on profit on ordinary activities	3	1,885	48
RETAINED PROFIT FOR THE YEAR		4,040	1,045
Retained profit/(deficit) brought forward		890	(155)
RETAINED PROFIT CARRIED FORWARD		4,930	890

There were no recognised gains and losses for 1997 or 1996 other than those included in the profit and loss account.

The notes on pages 6 to 9 form part of these financial statements.

BALANCE SHEET AS AT 31 JANUARY 1997

			<u>1996</u>
FIXED ASSETS	Notes	£	£
Tangible assets	4	14,293	21,056
		-----	-----
CURRENT ASSETS			
Stocks		99,156	88,543
Debtors	5	7,314	6,883
Cash at bank and in hand		1,444	1,316
		-----	-----
		107,914	96,742
CREDITORS - DUE WITHIN ONE YEAR	6	117,273	116,906
		-----	-----
NET CURRENT LIABILITIES		(9,359)	(20,164)
		-----	-----
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		4,934	892
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	7	4	2
Profit and loss account		4,930	890
		-----	-----
SHAREHOLDERS' FUNDS - ALL EQUITY	8	4,934	892
		=====	=====

The director considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(2) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the Company's issued share capital have not issued a notice requiring an audit. The director acknowledges his responsibilities for ensuring that the Company keeps accounting records which comply with section 221 of the Companies Act 1985 and for preparing financial statements which give a true and fair view of the state of affairs of the Company as at 31 January 1997 and of its result for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the Company.

The director has taken advantage, in the preparation of these financial statements, of the exemptions available under Part 1 of Schedule 8 to the Companies Act 1985 on the grounds that the Company qualifies as a small company. The financial statements were approved by the board on 2 June 1997 and signed on its behalf.

.....
P R Gauntlett
Director

The notes on pages 6 to 9 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and include the results of the Company's operations which are described in the Director's Report and all of which are continuing.

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

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the Company, net of Value Added Tax and trade discounts.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided in equal amounts each year to write off the cost of fixed assets over their anticipated useful lives. Estimated useful lives are:

Fixtures and fittings	5 years
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NOTES TO THE FINANCIAL STATEMENTS

(d) 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.

(e) Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

2. OPERATING RESULTS

	£	<u>1996</u> £
The operating results are stated after charging:		
Depreciation of tangible fixed assets - owned by the Company	6,763	6,731

3. TAXATION

	£	<u>1996</u> £
Charge for taxation based on the result for the year:		
Corporation Tax at 25%/24% (1996 - 25%)	1,885 =====	48 =====