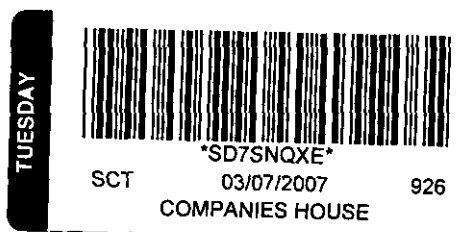


Michael James (Jewellers) Limited

Abbreviated accounts

For the year ended 31 March 2007

Grant Thornton 



Company No. SC87513

Company information

Registered Office	4 Argyll Arcade Glasgow G2 8BA
Director	M J McCann
Secretary	N J Sutherland
Bankers	Clydesdale Bank plc 30 St Vincent Place Glasgow G1 2HL
Solicitors	Biggart Baillie Dalmore House 310 St Vincent Street Glasgow G2 5QR
Accountants	Grant Thornton UK LLP Chartered Accountants 95 Bothwell Street Glasgow G2 7JZ

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Grant Thornton 

Chartered accountants' report to the board of director on the abbreviated accounts of Michael James (Jewellers) Limited

In accordance with the engagement letter dated 25 June 2004, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the abbreviated accounts of the company for the year ended 31 March 2007 which comprise the principal accounting policies, abbreviated balance sheet and the related notes from the unaudited statutory financial statements

This report is made to the Company's Board of Directors, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the abbreviated accounts that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to him in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the abbreviated balance sheet your duty to ensure that the company has kept proper accounting records and to prepare accounts that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the abbreviated accounts. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the abbreviated accounts.



GRANT THORNTON UK LLP
CHARTERED ACCOUNTANTS
GLASGOW

25 June 2007

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	Over the period of the lease
Display	Straight line over 3 years
Fixtures & Fittings	15% on cost
Motor Vehicles	Straight line over 4 years
Computer equipment	Straight line over 4 years

Stocks

Stocks are stated at the lower of cost and net realisable value

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for the benefits of the employees and the director. The pension costs charged against profits represents the amount of the contributions payable to the scheme in respect of the accounting period.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, in the future.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Abbreviated balance sheet

	Note	2007 £	2006 £
Fixed assets	1		
Tangible assets		<u>57,291</u>	<u>77,434</u>
Current assets			
Stocks		507,205	510,770
Debtors		33,452	22,654
Cash at bank and in hand		<u>1,173</u>	<u>10,220</u>
		<u>541,830</u>	<u>543,644</u>
Creditors: amounts falling due within one year		<u>339,029</u>	<u>310,933</u>
Net current assets		<u>202,801</u>	<u>232,711</u>
Total assets less current liabilities		<u>260,092</u>	<u>310,145</u>
Capital and reserves			
Called up equity share capital	2	100,000	100,000
Share premium account		40,000	40,000
Other reserves		40,000	40,000
Profit and loss account		<u>80,092</u>	<u>130,145</u>
Shareholders' funds		<u>260,092</u>	<u>310,145</u>

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act

The director acknowledges his responsibility for

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements 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 or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved and signed by the director on 22 June 2007



M J McCann
Director

The accompanying accounting policies and notes form part of these abbreviated accounts.

Notes to the abbreviated accounts

1 Fixed assets

	Tangible Assets £
Cost	
At 1 April 2006	421,573
Additions	14,827
At 31 March 2007	<u>436,400</u>
Depreciation	
At 1 April 2006	344,139
Charge for year	34,970
At 31 March 2007	<u>379,109</u>
Net book value	
At 31 March 2007	<u>57,291</u>
At 31 March 2006	<u>77,434</u>

2 Share capital

Authorised share capital

	2007 £	2006 £
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

Allotted, called up and fully paid

	2007 No	£	2006 No	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

3 Capital commitments

There were no capital commitments at 31 March 2007 or 31 March 2006