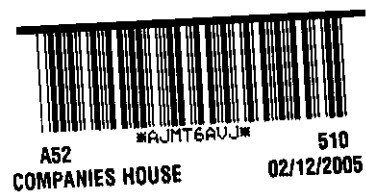


Registration number 885485

John Sinclair (Sheffield) Limited

Abbreviated accounts

for the year ended 30 June 2005



John Sinclair (Sheffield) Limited

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John Sinclair (Sheffield) Limited

Directors' report for the year ended 30 June 2005

The directors present their report and the accounts for the year ended 30 June 2005.

Principal activity and review of the business

The principal activity of the company continues to be that of merchanting china, glassware and kitchenware, including antiques.

During the year the company reorganised its activities throughout the group so that similar activities are amalgamated within the same company. The result being retail activities are undertaken in this company and wholesale activities in Neaversons Limited, a wholly owned subsidiary.

Turnover has fallen due to the reorganisation and general reductions in consumer spending in the retail sector. Consequently, the directors consider the results for the year and the financial position as at 30 June 2005 were satisfactory.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a final dividend.

Future developments

The directors consider that the year ending 30 June 2006 will be another year of difficult trading conditions. However, the company expects to return to its redeveloped retail outlet in Sheffield after its completion during spring of 2006. This should result in increased retail sales for the second half of that year.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Class of share	30/06/05	01/07/04
C J Sinclair	Ordinary shares	118,592	118,592
J M L Sinclair	Ordinary shares	46,108	46,108
J C L Sparre	Ordinary shares	-	-

Charitable donations

During the year the company contributed £17,101 to charities.

John Sinclair (Sheffield) Limited

**Directors' report
for the year ended 30 June 2005**

..... continued

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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.

Auditors

The company has by elective resolution under Section 386(1) of the Companies Act 1985 dispensed with the annual reappointment of the auditors. Marriott Gibbs will be deemed to be reappointed for each succeeding financial year.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 3 November 2005 and signed on its behalf by



**R E Sinclair
Secretary**

**Independent auditors' report to John Sinclair (Sheffield) Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 4 to 18 together with the financial statements of John Sinclair (Sheffield) Limited for the year ended 30 June 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision 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 accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did 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 accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 30 June 2005, and the abbreviated accounts on pages 4 to 18 are properly prepared in accordance with that provision.



**Marriott Gibbs
Chartered Certified Accountants and
Registered Auditors**

**13 - 15 Paradise Square
Sheffield
S1 2DE**

3 November 2005

John Sinclair (Sheffield) Limited

**Abbreviated profit and loss account
for the year ended 30 June 2005**

		2005		2004	
	Notes	£	£	£	£
Gross profit			2,391,544		2,957,027
Administrative expenses			(2,287,409)		(2,264,921)
Other operating income			163,818		185,296
			<u> </u>		<u> </u>
Operating profit	3				
Continuing operations		177,593		693,074	
Acquisitions		(10,064)		-	
		<u>167,529</u>		<u>693,074</u>	
Discontinued operations		100,424		184,328	
		<u> </u>		<u> </u>	
			267,953		877,402
Other interest receivable and similar income	4		23,363		23,676
Interest payable and similar charges	5		(50,605)		(34,855)
			<u> </u>		<u> </u>
Profit on ordinary activities before taxation			240,711		866,223
Tax on profit on ordinary activities	8		(65,511)		(281,660)
			<u> </u>		<u> </u>
Profit on ordinary activities after taxation			175,200		584,563
Dividends	9		-		(7,800)
			<u> </u>		<u> </u>
Retained profit for the year			175,200		576,763
Retained profit brought forward			3,903,916		3,327,153
			<u> </u>		<u> </u>
Retained profit carried forward			4,079,116		3,903,916
			<u> </u>		<u> </u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 18 form an integral part of these financial statements.

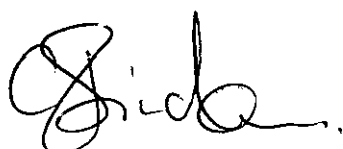
John Sinclair (Sheffield) Limited

**Abbreviated balance sheet
as at 30 June 2005**

		2005		2004	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		1,932,574		2,030,072
Investments	12		230,455		230,455
			<u>2,163,029</u>		<u>2,260,527</u>
Current assets					
Stocks	13	953,444		1,208,772	
Debtors	14	2,164,579		884,151	
Investments	15	-		457,868	
Cash at bank and in hand		319,459		1,225,439	
		<u>3,437,482</u>		<u>3,776,230</u>	
Creditors: amounts falling due within one year	16	<u>(956,681)</u>		<u>(1,208,075)</u>	
Net current assets			<u>2,480,801</u>		<u>2,568,155</u>
Total assets less current liabilities			<u>4,643,830</u>		<u>4,828,682</u>
Creditors: amounts falling due after more than one year	17		<u>(244,714)</u>		<u>(604,766)</u>
Net assets			<u>4,399,116</u>		<u>4,223,916</u>
Capital and reserves					
Called up share capital	19		320,000		320,000
Profit and loss account			4,079,116		3,903,916
Equity shareholders' funds	20		<u>4,399,116</u>		<u>4,223,916</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies .

The abbreviated accounts were approved by the Board on 3 November 2005 and signed on its behalf by



C J Sinclair
Director

The notes on pages 7 to 18 form an integral part of these financial statements.

John Sinclair (Sheffield) Limited

**Cash flow statement
for the year ended 30 June 2005**

Notes	2005 £	2004 £
Reconciliation of operating profit to net cash outflow from operating activities		
Operating profit	267,953	877,402
Depreciation and (profit) \ loss on disposal of fixed assets	168,767	172,231
Decrease in stocks	255,328	236,877
(Increase) in debtors	(789,895)	411,157
(Decrease) in creditors	(178,518)	(909,920)
Net cash outflow from operating activities	<u>(276,365)</u>	<u>787,747</u>

Cash flow statement

Net cash outflow from operating activities		(276,365)	787,747
Returns on investments and servicing of finance	24	(28,165)	(6,936)
Taxation	24	(261,511)	(360,926)
Capital expenditure	24	(71,269)	(116,852)
		<u>(637,310)</u>	<u>303,033</u>
Equity dividends paid		-	(7,800)
		<u>(637,310)</u>	<u>295,233</u>
Financing	24	(303,286)	(200,197)
Decrease in cash in the year		<u>(940,596)</u>	<u>95,036</u>

Reconciliation of net cash flow to movement in net funds (Note 25)

Decrease in cash in the year	(940,596)	95,036
Cash outflow from decrease in debts	303,286	200,197
Change in net funds resulting from cash flows	<u>(637,310)</u>	<u>295,233</u>
Net funds at 1 July 2004	773,239	478,006
Net funds at 30 June 2005	<u>135,929</u>	<u>773,239</u>

The notes on pages 7 to 18 form an integral part of these financial statements.

John Sinclair (Sheffield) Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2005**

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention .

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight line over fifty years
Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	20% and 33.33% Straight line
Fixtures, fittings and equipment	-	20% Straight line
Motor vehicles	-	25% Straight line

1.4. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

Current asset investments are at the lower of cost and net realisable value.

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

John Sinclair (Sheffield) Limited

Notes to the abbreviated financial statements for the year ended 30 June 2005

..... continued

1.8. 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, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.9. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

1.10. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

2. Note to the profit and loss account

	2005			2004		
	Continuing £	Discontinued £	Total £	Continuing £	Discontinued £	Total £
Administrative expenses	2,105,030	182,379	2,287,409	1,998,048	266,873	2,264,921
Other operating income	(154,534)	(9,284)	(163,818)	(185,296)	-	(185,296)
	<u>1,950,496</u>	<u>173,095</u>	<u>2,123,591</u>	<u>1,812,752</u>	<u>266,873</u>	<u>2,079,625</u>

The total figures for continuing operations in 2005 include cost of sales £212,264 and administrative costs £144,789.

John Sinclair (Sheffield) Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2005**

..... continued

3. Operating profit	2005	2004
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	165,513	151,113
Provision for diminuation in value of freehold property transferred to current assets	-	21,913
Loss on disposal of tangible fixed assets	3,254	-
Operating lease rentals		
- Land and buildings	196,737	142,815
Auditors' remuneration	7,145	11,500
	<hr/>	<hr/>
and after crediting:		
Profit on disposal of tangible fixed assets	-	795
Profit on foreign currencies	9,253	1,878
	<hr/>	<hr/>
4. Interest receivable and similar income	2005	2004
	£	£
Bank interest	20,062	23,676
Other interest	3,301	-
	<hr/>	<hr/>
	23,363	23,676
	<hr/>	<hr/>
5. Interest payable and similar charges	2005	2004
	£	£
On bank loans and overdrafts	19,504	29,052
On other loans	30,000	-
On overdue tax	1,101	5,803
	<hr/>	<hr/>
	50,605	34,855
	<hr/>	<hr/>

John Sinclair (Sheffield) Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2005**

..... continued

6. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

	2005 Number	2004 Number
Management	4	4
Retail and office staff	107	112
	<u>111</u>	<u>116</u>

Employment costs

	2005 £	2004 £
Wages and salaries	1,122,239	1,163,005
Social security costs	84,657	97,724
Other pension costs	20,652	21,198
	<u>1,227,548</u>	<u>1,281,927</u>

6.1. Directors' emoluments

	2005 £	2004 £
Remuneration and other emoluments	78,342	82,640
Pension contributions	5,600	5,600
	<u>83,942</u>	<u>88,240</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>2</u>	<u>2</u>

7. Pension costs

The company pays contributions into the pension schemes of its directors and employees. The assets of these schemes are held separately from those of the company in independently administered funds. Contributions payable by the company during the year amounted to £20,652 (2004 : £21,198). Employer contributions amounting to £ 1,538 (2004 : £1,538) were payable and included within creditors at the year end.

John Sinclair (Sheffield) Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2005**

..... continued

8. Tax on profit on ordinary activities

Analysis of charge in period	2005 £	2004 £
Current tax		
UK corporation tax at 25.86% (2004 : 30.00%)	77,452	281,511
Adjustments in respect of previous periods	-	149
Total current tax charge	<u>77,452</u>	<u>281,660</u>
Deferred tax		
Timing differences, origination and reversal	(11,941)	-
Tax on profit on ordinary activities	<u>65,511</u>	<u>281,660</u>

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (25.86 per cent). The differences are explained below:

	2005 £	2004 £
Profit on ordinary activities before taxation	<u>240,711</u>	<u>866,223</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.86% (2004 : 30.00%)	62,248	259,867
Effects of:		
Expenses not deductible for tax purposes	1,257	7,478
Depreciation for period in excess of capital allowances	13,947	14,166
Adjustments to tax charge in respect of previous periods	-	149
Current tax charge for period	<u>77,452</u>	<u>281,660</u>

**Notes to the abbreviated financial statements
for the year ended 30 June 2005**

Factors that may affect future tax charges

9. Dividends	2005	2004
	£	£
Dividends on equity shares:		
Ordinary shares - interim paid	-	7,800
	<u> </u>	<u> </u>
 10. Intangible fixed assets		
		Goodwill
		£
Cost		
At 1 July 2004		
and at 30 June 2005		10,231
		<u> </u>
Provision for diminution in value		
At 1 July 2004		
and at 30 June 2005		10,231
		<u> </u>
Net book values		
At 30 June 2005		-
		<u> </u>
At 30 June 2004		-
		<u> </u>

John Sinclair (Sheffield) Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2005**

..... continued

11. Tangible fixed assets	Land and buildings freehold £	Short leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost						
At 1 July 2004	1,753,799	211,553	162,549	693,375	80,528	2,901,804
Additions	10,927	-	16,882	46,213	4,000	78,022
Disposals	-	-	(8,643)	(35,257)	(2,500)	(46,400)
At 30 June 2005	1,764,726	211,553	170,788	704,331	82,028	2,933,426
Depreciation						
At 1 July 2004	54,406	211,283	134,244	416,041	55,758	871,732
On disposals	-	-	(8,643)	(25,250)	(2,500)	(36,393)
Charge for the year	13,255	60	16,541	124,364	11,293	165,513
At 30 June 2005	67,661	211,343	142,142	515,155	64,551	1,000,852
Net book values						
At 30 June 2005	1,697,065	210	28,646	189,176	17,477	1,932,574
At 30 June 2004	1,699,393	270	28,305	277,334	24,770	2,030,072

12. Fixed asset investments	Subsidiary undertakings shares £
Cost	
At 1 July 2004 and at 30 June 2005	230,455
Net book values	
At 30 June 2005	230,455
At 30 June 2004	230,455

John Sinclair (Sheffield) Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2005**

..... continued

12.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking				
Neaversons Limited	England	China and glassware	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
Neaversons Limited	613,494	90,560
13. Stocks	2005 £	2004 £
Finished goods and goods for resale	953,444	1,208,772
14. Debtors	2005 £	2004 £
Trade debtors	42,849	348,655
Amounts owed by group undertakings	1,853,358	295,861
Other debtors	37,889	35,586
Prepayments and accrued income	212,958	198,465
Deferred tax (Note 18)	17,525	5,584
	<u>2,164,579</u>	<u>884,151</u>
15. Current asset investments	2005 £	2004 £
Freehold property held for resale	-	457,868

John Sinclair (Sheffield) Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2005**

..... continued

16. Creditors: amounts falling due within one year	2005 £	2004 £
Bank overdraft	34,616	-
Trade creditors	587,912	594,173
Corporation tax	-	161,510
Other taxes and social security costs	157,590	197,671
Directors' accounts	1,285	34,708
Other creditors	35,222	32,920
Accruals and deferred income	140,056	187,093
	<u>956,681</u>	<u>1,208,075</u>

The bank overdraft is secured on freehold land and buildings.

17. Creditors: amounts falling due after more than one year	2005 £	2004 £
Bank loans	148,914	452,200
Accruals and deferred income	95,800	152,566
	<u>244,714</u>	<u>604,766</u>
Bank loans		
Repayable in five years or more	<u>148,914</u>	<u>452,200</u>

The bank loans are secured on freehold land and buildings.

The company has bank loans denominated in sterling and euro currencies. Both loans require no specific instalments. The principal must be repaid by 4 September 2015 for the sterling loan, whereas, the euro loan has no ultimate maturity date. Interest is chargeable at 1.8125% and 1.7500% + LIBOR on the sterling and euro loans, respectively.

John Sinclair (Sheffield) Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2005**

..... continued

18. Deferred taxation	2005	2004
	£	£
Capital allowances	17,125	5,062
Accruals for pension costs and other post-retirement benefits that will be deductible for tax purposes only when paid	400	522
Undiscounted provision for deferred tax asset	<u>17,525</u>	<u>5,584</u>
Asset at 1 July 2004	5,584	
Deferred tax credit in profit and loss account	<u>11,941</u>	
Asset at 30 June 2005	<u>17,525</u>	

An asset has been recognised for those timing differences that are expected to be recoverable against future taxable profits in the United Kingdom.

No asset has been recognised for unrelieved capital gains tax losses with a value of £7,663 to the company as no gains are likely to arise in the foreseeable future.

19. Share capital	2005	2004
	£	£
Authorised equity		
320,000 Ordinary shares of £1 each	<u>320,000</u>	<u>320,000</u>
Allotted, called up and fully paid equity		
320,000 Ordinary shares of £1 each	<u>320,000</u>	<u>320,000</u>
 20. Reconciliation of movements in shareholders' funds	 2005	 2004
	£	£
Profit for the year	175,200	584,563
Dividends	-	(7,800)
	<u>175,200</u>	<u>576,763</u>
Opening shareholders' funds	4,223,916	3,647,153
Closing shareholders' funds	<u>4,399,116</u>	<u>4,223,916</u>

John Sinclair (Sheffield) Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2005**

..... continued

21. Financial commitments

At 30 June 2005 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2005	2004
	£	£
Expiry date:		
Within one year	18,041	23,000
Between one and five years	163,300	174,300
	<u>181,341</u>	<u>197,300</u>

In addition to the above rental commitments there are additional liabilities to pay rent based on a fixed percentage of turnover for certain retail outlets but these cannot be accurately quantified at the reporting date.

22. Transactions with directors

The following directors had interest free loans provided to them or connected persons during the year. The movements on these loans are as follows:

	Amount owing		Maximum
	2005	2004	in year
	£	£	£
Husband of J M L Sinclair	-	20,245	20,245

23. Related party transactions

At the start of the year the group restructured its operations and the company's wholesale business was transferred to Neaversons Limited in exchange for its retail operations.

During the year, the company had management charges receivable of £- (2004 : £39,000) from its wholly owned subsidiary, Neaversons Limited. Other goods and services were acquired by the company and recharged to Neaversons Limited at their original cost. In addition, land in Sheffield was sold to Neaversons Limited at its net book value of £457,868. Interest free loans were provided to assist Neaversons Limited with its redevelopment of the land in Sheffield and at 30 June 2005 the company had amounts outstanding of £1,853,358 (2004 : £295,861).

The company rents land from a director, J M L Sinclair. During the year rent was payable of £10,000 (2004 : £10,000).

John Sinclair (Sheffield) Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2005**

..... continued

24. Gross cash flows

	2005	2004
	£	£
Returns on investments and servicing of finance		
Interest received	25,188	25,501
Interest paid	(53,353)	(32,437)
	<u>(28,165)</u>	<u>(6,936)</u>
Taxation		
Corporation tax paid	(261,511)	(360,926)
Capital expenditure		
Payments to acquire tangible assets	(78,022)	(94,624)
Receipts from sales of tangible assets	6,753	8,859
Demolition costs of freehold property in Sheffield	-	(31,087)
	<u>(71,269)</u>	<u>(116,852)</u>
Financing		
Other new short term loans	1,410,000	-
Repayment of long term bank loan	(303,286)	(200,197)
Repayment of other short term loans	(1,410,000)	-
	<u>(303,286)</u>	<u>(200,197)</u>

25. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	1,225,439	(905,980)		319,459
Overdrafts	-	(34,616)		(34,616)
	<u>1,225,439</u>	<u>(940,596)</u>		<u>284,843</u>
Debt due within one year	-	303,286	(303,286)	-
Debt due after one year	(452,200)	-	303,286	(148,914)
Net funds	<u>773,239</u>	<u>(637,310)</u>	<u>-</u>	<u>135,929</u>