

JOHN SINCLAIR (SHEFFIELD) LIMITED

Company No: 885485

266 GLOSSOP ROAD

SHEFFIELD

S10 2HS

FINANCIAL STATEMENTS

for the year ended

31 MARCH 1995



Warneford Gibbs

**CERTIFIED ACCOUNTANTS
REGISTERED AUDITORS**

Hutton's Buildings
146 West Street
Sheffield S1 4ES

College House
17 King Edwards Road
Ruislip HA4 7AE

JOHN SINCLAIR (SHEFFIELD) LIMITED

DIRECTORS

F J Sinclair
J M L Sinclair
J C L Sparre

SECRETARY

J C L Sparre

BUSINESS ADDRESS

266 Glossop Road
Sheffield
S10 2HS

REGISTERED OFFICE

266 Glossop Road
Sheffield
S10 2HS

AUDITORS

Warneford Gibbs
Certified Accountants
Hutton's Buildings
146 West Street
Sheffield
S1 4ES

PRINCIPAL BANKERS

Barclays Bank plc
Ten Pound Walk
Doncaster
South Yorkshire
DN4 5HX

JOHN SINCLAIR (SHEFFIELD) LIMITED

INDEX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1995

Page

1	Report of the directors
3	Auditors' report
4	Profit and loss account
5	Balance sheet
6	Cash flow statement
7	Notes to the financial statements

JOHN SINCLAIR (SHEFFIELD) LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 March 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

DIVIDEND AND TRANSFER TO RESERVES

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £590,060 is transferred to reserves.

FIXED ASSETS

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year were as follows:

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>1995</u>	<u>1994</u>
F J Sinclair	Ordinary shares	220,784	220,784
J M L Sinclair	Ordinary shares	25,800	25,800
J C L Sparre	Ordinary shares	-	-

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 period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then 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.

CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

JOHN SINCLAIR (SHEFFIELD) LIMITED

REPORT OF THE DIRECTORS (Continued)

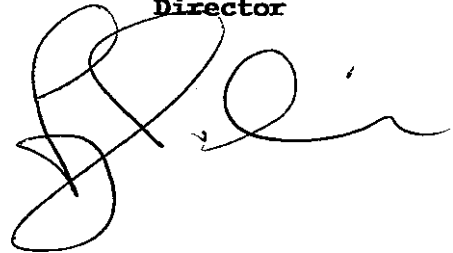
AUDITORS

In accordance with Section 386 of the Companies Act 1985, the company having by elective resolution elected to dispense with the obligation to appoint auditors annually, Warneford Gibbs will be deemed to be re-appointed as auditors to the company.

By Order of the Board

Date: 12 June 1995

**F J Sinclair
Director**

A handwritten signature in black ink, appearing to be 'F J Sinclair', written over the printed name and title.

JOHN SINCLAIR (SHEFFIELD) LIMITED

AUDITORS' REPORT

AUDITORS' REPORT TO THE SHAREHOLDERS OF JOHN SINCLAIR (SHEFFIELD) LIMITED

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of the directors and auditors

As described in the Directors' Report the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the full financial statements.

Qualified opinion arising from disagreement about accounting treatment

No provision has been made for the depreciation of freehold buildings. This is not in accordance with the requirements of Statement of Standard Accounting Practice No. 12, and Schedule 4 to the Companies Act 1985. In our opinion a provision of £2154 (1994: £2185) should have been made. The effect of the company's accounting policy has been to overstate the company's profit before and after tax by this amount.

Except for the absence of this provision, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Warneford Gibbs

WARNEFORD GIBBS
Registered Auditors
Certified Accountants

Hutton's Buildings
146 West Street
Sheffield
S1 4ES

Date: 12 June 1995

JOHN SINCLAIR (SHEFFIELD) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1995

	Notes	1995 £	1994 £
TURNOVER		13,284,602	7,683,127
Cost of sales		(10,893,407)	(6,376,006)
GROSS PROFIT		2,391,195	1,307,121
Administrative expenses		(1,508,998)	(1,189,992)
		882,197	117,129
Other operating income		12,615	21,814
OPERATING PROFIT	2	894,812	138,943
Interest receivable	3	70	-
Interest payable	4	(24,707)	(30,489)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		870,175	108,454
Tax on profit on ordinary activities	7	(280,115)	(41,408)
PROFIT FOR THE FINANCIAL YEAR	14	590,060	67,046

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 7 to 14 form part of these financial statements.

JOHN SINCLAIR (SHEFFIELD) LIMITED

BALANCE SHEET AT 31 MARCH 1995

	Notes	£	1995 £	1994 £
FIXED ASSETS				
Tangible assets	9		527,007	551,302
CURRENT ASSETS				
Stocks	10	1,219,197		1,149,203
Debtors	11	1,914,444		417,896
Cash at bank and in hand		3,592		1,520
		<u>3,137,233</u>		<u>1,568,619</u>
CREDITORS: Amounts falling due within one year	12	<u>(2,497,203)</u>		<u>(1,542,945)</u>
NET CURRENT ASSETS			<u>640,030</u>	<u>25,674</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,167,037</u>	<u>576,976</u>
CAPITAL AND RESERVES				
Called up share capital	13		320,000	320,000
Profit and loss account	14		847,037	256,976
			<u>1,167,037</u>	<u>576,976</u>

The financial statements were approved
by the board on 12 June 1995 and
signed on its behalf by

..... F J Sinclair - Director

The notes on pages 7 to 14 form part of these financial statements.

JOHN SINCLAIR (SHEFFIELD) LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1995**

	Notes	1995 £	1994 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	16	68,524	351,316
Return on investments and servicing of finance:			
Interest received		70	-
Interest paid		(24,707)	(30,489)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(24,637)	(30,489)
Taxation:			
Corporation tax paid		(42,999)	(20,561)
TAX PAID		(42,999)	(20,561)
Investing activities:			
Purchase of intangible fixed assets		(10,231)	-
Purchase of tangible fixed assets		(156,657)	(170,103)
Receipts from sale of tangible assets		227,250	1,998
NET CASHFLOW FROM INVESTING ACTIVITIES		60,362	(168,105)
NET CASH INFLOW BEFORE FINANCING		61,250	132,161
NET CASH INFLOW FROM FINANCING		-	-
DECREASE IN CASH AND CASH EQUIVALENTS	17	61,250	132,161
		61,250	132,161

The notes on pages 7 to 14 form part of these financial statements.

JOHN SINCLAIR (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1995

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

1.3 GOODWILL

The company's policy is to write off goodwill evenly over its estimated life of 1 year.

1.4 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost of the tangible assets over their estimated useful lives:-

Leasehold properties	Straight line over the life of the lease
Plant and equipment	20% Straight line
Fixtures and fittings	10% Straight line
Motor vehicles	25% Straight line

No depreciation is provided on freehold buildings as it is the company's policy to maintain these so as to extend their useful lives.

1.5 STOCKS

Stocks are valued at the lower of cost and net realisable value.

1.6 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.7 FOREIGN EXCHANGE

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.

1.8 PENSIONS

Pension contributions are charged to the profit and loss account so as to spread the cost of the pensions over the employees' working lives with the company. These contributions are invested separately from the company's assets.

JOHN SINCLAIR (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1995

2. OPERATING PROFIT	1995	1994
	£	£
The operating profit is stated after charging:-		
Depreciation	80,101	83,318
Amortisation of goodwill	10,231	-
Auditors' remuneration	7,500	6,000
and after crediting:-		
Rents receivable	12,615	21,814
	<hr/>	<hr/>
3. INTEREST RECEIVABLE	1995	1994
	£	£
Bank and other interest receivable	70	-
	<hr/>	<hr/>
4. INTEREST PAYABLE	1995	1994
	£	£
On bank loans and overdrafts and on loans repayable in full within five years	24,707	30,489
	<hr/>	<hr/>

JOHN SINCLAIR (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1995

5. DIRECTORS AND EMPLOYEES	1995	1994
	£	£
Staff costs:-		
Wages and salaries	754,456	553,149
Social security costs	52,552	41,492
Other pension costs	3,000	2,000
	<u>810,008</u>	<u>596,641</u>

The average weekly number of employees during the year was made up as follows:

	Number	Number
Office and management	3	3
Retail staff	100	72
	<u>103</u>	<u>75</u>

Directors' emoluments:-

Remuneration for management services (including pension contributions)	157,684	152,214
Benefits	21,592	20,477
	<u>179,276</u>	<u>172,691</u>

The division of directors' emoluments, excluding pension contributions, is as follows:-

Chairman and highest paid director	93,437	90,123
Other directors' remuneration fell within the following ranges:	Number	Number
£25,001 - £30,000	-	1
£30,001 - £35,000	1	-
£50,001 - £55,000	1	1

6. PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company amounted to £3,000 (1994: £2,000). All contributions were paid in the year.

JOHN SINCLAIR (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1995

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1995 £	1994 £
The taxation charge based on the profit before tax comprises:-		
U.K. corporation tax at 31.6% (1994 - 25%)	280,113	43,000
Transfer from deferred taxation	-	(1,592)
	<hr/> 280,113	<hr/> 41,408
Adjustment in respect of prior years	2	-
	<hr/> 280,115	<hr/> 41,408

8. INTANGIBLE ASSETS

	Goodwill £
<u>Cost</u>	
Additions	10,231
At 31 March 1995	<hr/> 10,231
<u>Amortisation</u>	
Charge for year	10,231
At 31 March 1995	<hr/> 10,231
<u>Net book value at 31 March 1995</u>	<hr/> -
<u>Net book value at 31 March 1994</u>	<hr/> -

JOHN SINCLAIR (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1995

9. TANGIBLE ASSETS

	Land & buildings £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
<u>Cost</u>					
At 1 April 1994	528,240	218,788	714,266	75,288	1,536,582
Additions	2,944	62,183	19,759	71,771	156,657
Disposals	(79,743)	-	-	(32,600)	(112,343)
At 31 March 1995	451,441	280,971	734,025	114,459	1,580,896
<u>Depreciation</u>					
At 1 April 1994	107,755	184,155	646,844	46,526	985,280
Charge for year	16,867	26,751	15,669	20,814	80,101
On disposals	-	-	-	(11,492)	(11,492)
At 31 March 1995	124,622	210,906	662,513	55,848	1,053,889
<u>Net book value at 31 March 1995</u>	326,819	70,065	71,512	58,611	527,007
<u>Net book value at 31 March 1994</u>	420,485	34,633	67,422	28,762	551,302
				1995 £	1994 £
Analysis of net book value of land and buildings:					
Freehold				305,804	385,547
Long leasehold				21,015	34,938
				326,819	420,485

10. STOCKS

	1995 £	1994 £
Goods for resale	1,219,197	1,149,203

11. DEBTORS

	1995 £	1994 £
Trade debtors	1,862,095	293,504
Other debtors	16,393	121,969
Prepayments and accrued income	35,956	2,423
	1,914,444	417,896

JOHN SINCLAIR (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1995

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1995 £	1994 £
Bank loans and overdrafts	209,341	268,519
Trade creditors	1,893,021	883,152
Corporation tax	280,113	42,998
Other taxes and social security costs	43,226	25,200
Directors' current accounts	43,706	26,358
Other creditors	2,362	277,576
Accruals and deferred income	25,434	19,142
	<u>2,497,203</u>	<u>1,542,945</u>

The bank loan and overdraft are secured on freehold land and buildings.

13. SHARE CAPITAL	1995 £	1994 £
<u>Authorised</u>		
Equity interests:		
320,000 Ordinary shares of £1 each	<u>320,000</u>	<u>320,000</u>
<u>Allotted, called up and fully paid</u>		
Equity interests:		
320,000 Ordinary shares of £1 each	<u>320,000</u>	<u>320,000</u>

14. PROFIT AND LOSS ACCOUNT	1995 £	1994 £
Retained profits at 1 April 1994	256,977	189,930
Profit for the financial year	590,060	67,046
Retained profits at 31 March 1995	<u>847,037</u>	<u>256,976</u>

JOHN SINCLAIR (SHEFFIELD) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1995****15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1995 £	1994 £
Profit for the financial year	590,060	67,046
Shareholders' funds at 1 April 1994	576,977	509,930
	<hr/>	<hr/>
Shareholders' funds at 31 March 1995	1,167,037	576,976
	<hr/>	<hr/>
Represented by:-		
Equity interests	1,167,037	576,976
	<hr/>	<hr/>
	1,167,037	576,976
	<hr/>	<hr/>

16. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1995 £	1994 £
Operating profit	894,812	138,943
Depreciation	90,332	83,318
Profit on disposal of fixed assets	(126,399)	(1,997)
Increase in stocks	(69,994)	(201,008)
Increase in debtors	(1,496,548)	(326)
Increase in creditors due within one year	776,321	332,386
	<hr/>	<hr/>
	68,524	351,316
	<hr/>	<hr/>

17. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	1995 £	1994 £
Cash at bank and in hand at 1 April 1994	1,520	1,952
Cash at bank and in hand at 31 March 1995	3,592	1,520
	<hr/>	<hr/>
Net movement	2,072	(432)
	<hr/>	<hr/>
Bank overdraft at 1 April 1994	(268,519)	(401,112)
Bank overdraft at 31 March 1995	(209,341)	(268,519)
	<hr/>	<hr/>
Net movement	59,178	132,593
	<hr/>	<hr/>
Total net movements	61,250	132,161
	<hr/>	<hr/>

JOHN SINCLAIR (SHEFFIELD) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1995

18. CAPITAL COMMITMENTS

	1995 £	1994 £
Details of capital commitments at the accounting date are as follows:-		
Contracted for but not provided in the financial statements	16,600	-
	<u>16,600</u>	<u>-</u>

19. CONTINGENT LIABILITIES

The bank has granted an Indemnity in favour of H M Customs & Excise to the value of £2,000.