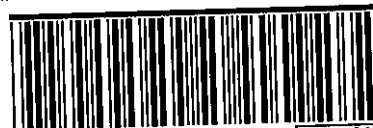


**GOLDSMITHS SERVICES LIMITED**  
**(formerly P.F. Jackson Limited)**

**REPORT AND ACCOUNTS**

**27 JANUARY 1996**

**Registered No: 616650**



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COMPANIES HOUSE 10/07/96

## **DIRECTORS' REPORT**

**Directors:** J S Piasecki (Chairman)  
P R Goad  
S C Sargent  
J E West  
J E Welsh (Resigned 15 March 1996)  
Mrs J E Welsh (Resigned 15 March 1996)

**Secretary:** S C Sargent

**Registered Office:** Goldsmiths House, Elland Road, Braumstone, Leicester LE3 1TT

The Directors submit their report and the audited accounts for the year ended 27 January 1996.

### **PRINCIPAL ACTIVITIES**

The activities of the company consist of jewellery and watch repair. Since the year end the company's name was changed from P.F. Jackson Limited to Goldsmiths Services Limited.

### **FUTURE DEVELOPMENT**

It is intended to develop the business to service the repair needs of jewellery retailers throughout the UK.

### **RESULTS AND DIVIDENDS**

The profit for the year amounts to £11,022 (1995: £49,266) and is dealt with as shown in the profit and loss account.

The directors propose a dividend of £75,000 (1995: Nil).

### **DIRECTORS**

The directors of the company who served during the period were those listed above.

### **DIRECTORS' INTERESTS**

According to the register maintained as required under the Companies Act 1985 none of the directors as at 27 January 1996 had an interest in the share capital of the company.

Mr J. S. Piasecki, Mr P. R. Goad, Mr S. C. Sargent, and Mr J. E. West were also directors of Goldsmiths Group Plc as at 27 January 1996 and their interests in the share capital of that company are shown in its accounts.

The interests of Mr J. E. Welsh and Mrs J. E. Welsh in Goldsmiths Group Plc were as follows:-

	At 27 January 1996		At 28 January 1995	
	<u>Ordinary shares of 10p</u>		<u>Ordinary shares of 10p</u>	
<b>Beneficial</b>	<b>Shares</b>	<b>Executive Options</b>	<b>Shares</b>	<b>Executive Options</b>
J. E. Welsh	-	10,000	5,000	10,000
Mrs J. E. Welsh	-	10,000	-	10,000

### **DIRECTORS' AND OFFICERS' INSURANCE**

During the year the Company maintained directors' and officers' liability insurance.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

The Directors are required by the Companies Act 1985 to prepare accounts for each financial year 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 the profit or loss for that period. It is also the Directors' responsibility to maintain adequate accounting records which enable them to ensure the accounts comply with the Companies Act 1985, to safeguard the assets of the Company and to take reasonable steps for the prevention and detection of fraud and other irregularities.

## **DIRECTORS' REPORT**

The Directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements, and that applicable accounting standards have been followed.

### **AUDITORS**

A resolution proposing the re-appointment of Ernst & Young will be put to the members at the annual general meeting.

By order of the board.

**S C Sargent**  
Secretary  
9 July 1996



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**REPORT OF THE AUDITORS**

to the members of Goldsmiths Services Limited

We have audited the accounts on pages 4 to 12 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

**Respective responsibilities of Directors and Auditors**

As described on pages 1 and 2 the Company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

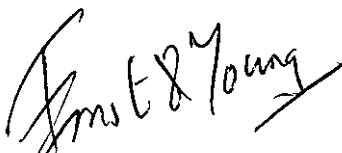
**Basis of opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, 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 that the accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 27 January 1996 and of the profit of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Ernst & Young**

*Chartered Accountants*  
*Registered Auditor*

Leicester

9 July 1996

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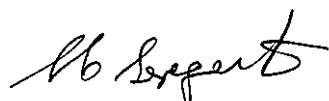
**PROFIT AND LOSS ACCOUNT**  
for the year ended 27 January 1996

	Notes	1996 £	1995 £
<b>TURNOVER</b>	2	<b>727,169</b>	698,594
Cost of sales		<u>(419,992)</u>	<u>(388,522)</u>
<b>GROSS PROFIT</b>		<b>307,177</b>	310,072
Administrative expenses		<u>(291,159)</u>	<u>(248,379)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	<b>16,018</b>	61,693
Taxation	5	<u>(4,996)</u>	<u>(12,427)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>11,022</b>	49,266
Dividends	6	<u>(75,000)</u>	-
<b>RETAINED (LOSS)/PROFIT FOR THE YEAR</b>		<u><b>(63,978)</b></u>	<u>49,266</u>

**BALANCE SHEET**

at 27 January 1996

	Notes	27 January 1996 £	28 January 1995 £
<b>FIXED ASSETS</b>			
Tangible assets	7	<u>19,915</u>	<u>30,229</u>
<b>CURRENT ASSETS</b>			
Stocks	8	43,708	44,848
Debtors	9	86,436	48,921
Cash		14,471	8,146
		<u>144,615</u>	<u>101,915</u>
<b>CREDITORS - Amounts falling due within one year</b>	10	(155,583)	(58,798)
		<u>(10,968)</u>	<u>43,117</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8,947	73,346
Provision for liabilities and charges	11	-	(421)
<b>NET ASSETS</b>		<u>8,947</u>	<u>72,925</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	100	100
Profit and loss account	13	8,847	72,825
<b>SHAREHOLDERS' FUNDS</b>		<u>8,947</u>	<u>72,925</u>



**S C Sargent**  
Director  
9 July 1996

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**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
for the year ended 27 January 1996

	1996 £	1995 £
Profit after taxation	11,022	49,266
Total recognised gains	<u>11,022</u>	<u>49,266</u>

**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**  
for the year ended 27 January 1996

	1996 £	1995 £
Profit after taxation	11,022	49,266
Dividends	(75,000)	-
Net (reduction in)/addition to shareholders' funds	<u>(63,978)</u>	<u>49,266</u>
Opening shareholders' funds	72,925	23,659
Closing shareholders' funds	<u>8,947</u>	<u>72,925</u>

**NOTES TO THE ACCOUNTS**

at 27 January 1996

**1. ACCOUNTING POLICIES**

*Accounting convention*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

*Depreciation*

The cost of fixed assets is written off over their useful lives as follows:

Short leasehold land and buildings	-	evenly over the period of the lease
Fixtures, fittings and equipment	-	evenly over five years

*Stocks*

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items.

*Deferred taxation*

Provision is made for deferred taxation using the liability method on all timing differences to the extent that it is probable that such taxation will become payable.

*Pensions*

The Group, of which the Company is a member, operates a defined benefit pension scheme.

Pension costs are recognised on a systematic basis so that the costs of providing retirement benefits to employees are evenly matched, so far as is possible, to the service lives of the employees concerned. Any excess or deficiency of the actuarial value of assets over the actuarial value of liabilities of the pension scheme is allocated over the average remaining service lives of current employees.

**2. TURNOVER**

Turnover all of which arises in the UK, comprises the invoice value of goods and services supplied exclusive of VAT.



**NOTES TO THE ACCOUNTS**

at 27 January 1996

**3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION** is stated after charging:

	1996 £	1995 £
Depreciation	<u>10,603</u>	<u>9,334</u>

**4. DIRECTORS AND EMPLOYEES**

a) Directors	1996 £	1995 £
Remuneration, including pension contributions	61,599	57,791

Emoluments, excluding pension contributions:

Chairman	Nil	Nil
Highest paid Director	30,916	27,661

Directors in scale:	No.	No.
0-£5,000	4	4
£20,001- £25,000	1	1
£25,001 - £30,000	-	1
£30,001 - £35,000	1	-

b) Employees	£	£
Staff costs:		
Wages and salaries	297,690	288,419
Social security costs	25,662	24,439
Pension costs	6,855	6,568
	<u>330,207</u>	<u>319,426</u>

c) The average number of employees, including directors, during the period was as follows:	No.	No.
Management & Administration	11	13
Production	15	15
	<u>26</u>	<u>28</u>

**NOTES TO THE ACCOUNTS**

at 27 January 1996

**5. TAXATION**

	1996	1995
Based on the profit for the period	£	£
UK corporation tax at 25%	5,413	16,359
Adjustment to corporation tax in respect of prior year	4	(3,412)
Deferred taxation (Note 11)	(419)	(520)
Adjustment to deferred taxation in respect of prior year	(2)	-
	<u>4,996</u>	<u>12,427</u>

**6. DIVIDENDS**

	1996	1995
	£	£
Proposed final dividend	<u>75,000</u>	<u>-</u>

**7. TANGIBLE FIXED ASSETS**

	Short leasehold land and buildings £	Fixtures, fittings and equipment £	Total £
<b>Cost:</b>			
At 29 January 1995	16,250	44,757	61,007
Additions	-	561	561
Disposals	-	(1,358)	(1,358)
	<u>16,250</u>	<u>43,960</u>	<u>60,210</u>
At 27 January 1996	16,250	43,960	60,210
<b>Depreciation:</b>			
At 29 January 1995	6,195	24,583	30,778
Charge for year	1,652	8,951	10,603
Disposals	-	(1,086)	(1,086)
	<u>7,847</u>	<u>32,448</u>	<u>40,295</u>
At 27 January 1996	7,847	32,448	40,295
<b>Net book value:</b>			
At 29 January 1995	<u>10,055</u>	<u>20,174</u>	<u>30,229</u>
At 27 January 1996	<u>8,403</u>	<u>11,512</u>	<u>19,915</u>

**NOTES TO THE ACCOUNTS**

at 27 January 1996

**8. STOCKS**

	1996	1995
	£	£
Raw materials and consumables	<u>43,708</u>	<u>44,848</u>

**9. DEBTORS**

	1996	1995
	£	£
Trade debtors	18,899	14,609
Prepayments	1,804	5,092
Amounts owed by fellow subsidiary undertakings	57,755	21,960
VAT	7,978	7,260
	<u>86,436</u>	<u>48,921</u>

**10. TRADE AND OTHER CREDITORS**

	1996	1995
	£	£
Amounts owed to parent undertakings	4,330	23,379
Trade creditors	26,967	25,095
Accruals and deferred income	46,272	7,329
Corporation tax	3,014	2,995
Proposed dividend	75,000	-
	<u>155,583</u>	<u>58,798</u>

**11. PROVISION FOR LIABILITIES AND CHARGES**

Deferred Tax

The amounts provided for deferred taxation, which represent full provision are as follows:-

	1996	1995
	£	£
Accelerated capital allowances	<u>-</u>	<u>421</u>

**NOTES TO THE ACCOUNTS**

at 27 January 1996

**12. CALLED-UP SHARE CAPITAL**

At 27 January 1996 and 29 January 1995 the share capital of the company was:

Authorised, allotted, issued and fully paid 100 Ordinary shares of £1 each	<u>£100</u>
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**13. RESERVES**

	Profit and Loss Account £
At 29 January 1995	72,825
Retained loss for the year	<u>(63,978)</u>
At 27 January 1996	<u>8,847</u>

**14. HOLDING COMPANY**

The parent undertaking and ultimate holding company of the group of undertakings for which group accounts are drawn up and of which the company is a member is Goldsmiths Group Plc, registered in England and Wales. Copies of the accounts of Goldsmiths Group Plc can be obtained from Goldsmiths House, Elland Road, Braunstone, Leicester LE3 1TT.

**15. PENSIONS**

The Group, of which the Company is a member, operates a defined benefit pension scheme. The assets of the scheme are held separately from those of the Group in independently managed funds.

Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees working lives with the Group. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent triennial valuation was at 5 April 1993. It was assumed for the purposes of this valuation that the investment returns would exceed salary increases by 2% per annum and that present and future pensions would increase at the rate of 4.5% per annum.

The valuation showed that the market value of the scheme's assets was £3,033,000 representing a funding level of 88% on a discontinuance basis. The actuarial value of these assets represents a funding level of 77% of the benefit that had accrued to members of the scheme after allowing for the expected future increases in earnings. This deficit has arisen because of unfavourable investment returns and the Company resumed contributions to the scheme in August 1993 at a higher rate than would be necessary to fund future benefits.

The total pension charge for the period was £6,855 (1995: £6,568).

**NOTES TO THE ACCOUNTS**  
at 27 January 1996

**16. CASH FLOW STATEMENT**

The company is a wholly-owned subsidiary undertaking of Goldsmiths Group Plc which has published a group cash flow statement in accordance with Financial Reporting Standard No. 1. Accordingly, a cash flow statement is not presented in these accounts.