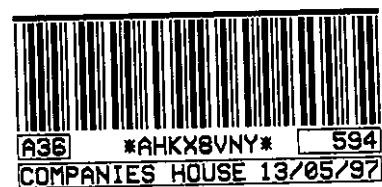


F SINCLAIR LIMITED  
ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 28 FEBRUARY 1996

Registered number: 1481427  
England and Wales



F SINCLAIR LIMITED  
ANNUAL REPORT AND ACCOUNTS  
HE YEAR ENDED 28 FEBRUARY 1996

**Contents**

Page	
1	Report of the Directors
2	Report of the Auditors
3	Profit and Loss Account
4	Balance Sheet
5 to 8	Notes to the Accounts

## F SINCLAIR LIMITED

### DIRECTOR'S REPORT

The directors present their annual report with the accounts of the company for the year ended 28 February 1996.

#### PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of jewellery polishers and finishers.

#### DIRECTORS

The directors in office in the year and their beneficial interests in the company's issued ordinary share capital were as follows:

	1996	1995
B Coumbe	50	50
K Buckley	50	50

#### DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, 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 accounts 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 accounts 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.

#### POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company has made no political or charitable contributions.

#### AUDITORS

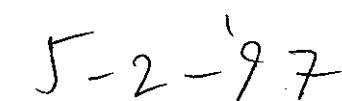
The auditors, Donal Lucey & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies provided by Part II of Schedule 8 to the Companies Act 1985.

Signed on behalf of  
the board of directors

  
B COUMBE  
Director

Approved by the board:

  
5-2-97

**AUDITORS' REPORT TO THE SHAREHOLDERS OF**

**F SINCLAIR LIMITED**

We have audited the accounts on pages 3 to 8 which have been prepared in accordance with the accounting policies set out on pages 5 and 6.

**Respective responsibilities of directors and auditors'**

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

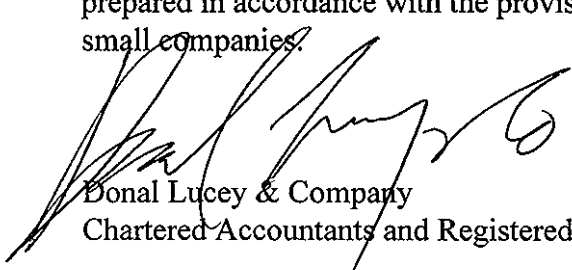
**Basis of opinion**

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 the company's affairs as at 28 February 1996 and of its profit for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Donal Lucey & Company  
Chartered Accountants and Registered Auditors

1 May 1997

43 Highfield Road  
Dartford  
Kent

**F SINCLAIR LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 28 FEBRUARY 1996**

	<i>Notes</i>	<i>1995</i> £	<i>1996</i> £
TURNOVER - Continuing operations	2	388,219	354,768
Cost of Sales		(251,239)	(254,592)
GROSS PROFIT		<hr/> 136,980	<hr/> 100,176
Distribution Costs		(9,669)	(8,153)
Administrative expenses		(89,114)	(57,488)
OPERATING PROFIT/(LOSS) - Continuing operations	3	<hr/> 38,197	<hr/> 34,535
Profit/(Loss) on disposal of fixed assets		(902)	
Interest Receivable		8	12
Interest payable		-	
PROFIT/(LOSS) on ordinary activities before taxation		<hr/> 37,303	<hr/> 34,547
TAXATION		(9,499)	(10,680)
PROFIT/(LOSS) for the financial year after taxation		<hr/> 27,804	<hr/> 23,867
DIVIDENDS paid or proposed	4	(30,396)	(42,720)
RETAINED PROFIT/(LOSS) for the financial year		<hr/> £ (2,592)	<hr/> £ (18,853)
RETAINED PROFIT at at 1 March 1995		<hr/> £ 61,558	<hr/> £ 58,966
RETAINED PROFIT at 28 February 1996		<hr/> £ 58,966	<hr/> £ 40,113

**CONTINUING OPERATIONS**

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

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

**F SINCLAIR LIMITED**

**DETAILED PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 28 FEBRUARY 1996**

	<i>1995</i>		<i>1996</i>	
	£	£	£	£
<b>TURNOVER</b>		<b>388,219</b>		<b>354,768</b>
<b>COST OF SALES</b>				
Opening Stock & Work in Progress	8,000		10,408	
Purchases & Direct Costs	22,421		19,181	
	<hr/>		<hr/>	
	30,421		29,589	
<u>Deduct</u> ; Closing Stock	10,409		15,200	
	<hr/>		<hr/>	
	20,012		14,389	
Wages and National Insurance	231,227		240,203	
	<hr/>	251,239	<hr/>	254,592
<b>GROSS PROFIT</b>		<hr/> <b>136,980</b>		<hr/> <b>100,176</b>
<b>OPERATING EXPENDITURE</b>				
Rent & Rates	20,802		20,912	
Light & Heat	2,987		3,165	
Insurances	4,894		4,009	
Repairs & Renewals, Security	3,079		1,963	
Motor Vehicle & Travel	8,987		6,143	
Telephone	682		642	
Printing, Postage, Stationery & Couriers	4,039		3,267	
Directors' Remuneration	33,271		5,280	
Pension Fund	9,470		7,524	
Audit & Accountancy	2,500		3,600	
Legal & Professional	-		2,761	
Bank Charges	2,514		980	
Cleaning	644		650	
General Expenses	2,381		2,433	
Use of Home as Office	730		780	
(Profit)/Loss on Disposal of Fixed Assets	902			
Depreciation on Fixed Assets	1,803		1,532	
	<hr/>	99,685	<hr/>	65,641
<b>OPERATING PROFIT</b>		<hr/> <b>£ 37,295</b>		<hr/> <b>£ 34,535</b>

This page does not form part of the statutory accounts of the company

F SINCLAIR LIMITED

FOR THE YEAR ENDED 28 FEBRUARY 1996

	<i>Notes</i>	<i>1995</i> £	<i>1996</i> £
<b>FIXED ASSETS</b>			
Tangible assets	5	<u>10,215</u>	<u>8,683</u>
<b>CURRENT ASSETS</b>			
Stocks		10,409	15,200
Debtors	6	56,935	40,943
Cash at bank and in hand		23,325	8,213
		<u>90,669</u>	<u>64,356</u>
<b>CREDITORS</b>			
Amounts falling due within one year	7	-	32,826
<b>NET CURRENT ASSETS</b>		<u>90,669</u>	<u>31,530</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		100,884	40,213
<b>CREDITORS</b>			
Amounts falling due after more than one year	8	-	-
<b>NET ASSETS</b>		<u>£ 100,884</u>	<u>£ 40,213</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	100	100
Profit and loss account		58,966	40,113
<b>SHAREHOLDERS' FUNDS</b>	10	<u>£ 59,066</u>	<u>£ 40,213</u>

The directors have taken advantage of the special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company qualifies as a small company.

Signed on behalf of  
the board of directors

  
K BUCKLEY  
Director

Approved by the board:

5 - 2 - 97

**F SINCLAIR LIMITED**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 28 FEBRUARY 1996**

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

Turnover

Turnover represents net invoiced sales of goods, excluding VAT.

Tangible fixed assets

Depreciation is provided, after taking accounts of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life:

Plant & Machinery:	15% of net book value, reducing balance
Fixtures & Fittings:	15% of net book value, reducing balance
Motor Vehicles:	25% of net book value, reducing balance

No depreciation is provided on freehold land.

Stocks

Stocks and work in progress are valued at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.



F SINCLAIR LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 28 FEBRUARY 1996

**Continued**

**Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against the profits as incurred.

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. The interest element of rental obligations is charged to profit and loss account over the period of the lease at a constant proportion of the outstanding balance of capital repayments.

**Pension costs**

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

**2. TURNOVER**

Turnover consists entirely of sales made in the United Kingdom.

**3. OPERATING PROFIT/(LOSS)**

The operating profit is stated after charging:

	<i>1995</i>	<i>1996</i>
	£	£
Depreciation of tangible fixed assets	1,803	1,532
Profit/(Loss) on disposal of fixed assets	(902)	-
Operating lease charges	-	-
Auditors' remuneration	<u>2,500</u>	<u>2,500</u>
Directors' emoluments-		
For services as directors	33,271	5,280
Other emoluments	9,470	
	<u>42,741</u>	<u>5,280</u>

**4. DIVIDENDS**

Dividend on ordinary shares - paid and proposed	<u>30,396</u>	<u>42,720</u>
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F SINCLAIR LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 28 FEBRUARY 1996

Continued

5. TANGIBLE FIXED ASSETS

	<i>Plant and Machinery</i>	<i>Motor Vehicles</i>	<i>Total</i>
	£	£	£
Cost or valuation			
As 1 March 1995	48,664		48,664
Additions		-	
Disposals	-		-
At 28 February 1995	<u>£48,664</u>	<u></u>	<u>£48,664</u>
Depreciation			
At 1 March 1995	38,449		38,449
On disposals			
Charge for the year	1,532	-	1,532
At 28 February 1995	<u>£39,981</u>	<u>-</u>	<u>£39,981</u>
Net book values			
At 28 February 1995	<u>10,215</u>	<u></u>	<u>10,215</u>
At 28 February 1996	<u>8,683</u>	<u></u>	<u>8,683</u>

6. DEBTORS

	<i>1995</i>	<i>1996</i>
	£	£
Trade Debtors	53,061	38,435
Other Debtors	3,874	2,508
	<u>56,935</u>	<u>40,943</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>1995</i>	<i>1996</i>
	£	£
Trade Creditors & Accruals	18,835	20,370
Corporation tax	9,499	4,570
Directors' current accounts	13,484	7,886
	<u>£41,818</u>	<u>£32,826</u>

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 28 FEBRUARY 1996

Continued

8.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1995	1996
		£	£
	-	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
9.	CALLED UP SHARE CAPITAL	1995	1996
		£	£
	Authorised		
	100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
	Allotted, called up and fully paid		
	100 (1994-100) ordinary shares of £1 each	<u>100</u>	<u>100</u>
10.	SHAREHOLDERS' FUNDS	1995	1996
		£	£
	Profit/(loss) for the financial year after taxation	27,804	23,867
	Dividends	(30,396)	(42,720)
		<u>(2,592)</u>	<u>(18,853)</u>
	Opening Shareholders' funds	61,558	58,966
		<u>58,966</u>	<u>40,113</u>