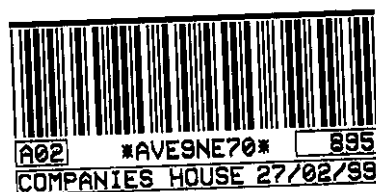


Company Registration No. 1604400 (England and Wales)

SUNDERHILL LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1998



SUNDERHILL LTD

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | A G Longden K Longden |
| Secretary | A G Longden |
| Company number | 1604400 |
| Registered office | 183 Fraser Road Sheffield S8 0JP |
| Accountants | Knowles Warwick 183 Fraser Road Sheffield S8 0JP |
| Business address | Sheaf Market Sheffield S1 2AP |
| Bankers | Yorkshire Bank plc Fargate Sheffield S1 1LL |

SUNDERHILL LTD

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SUNDERHILL LTD
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 1998

The directors present their report and financial statements for the year ended 30 April 1998.

Principal activities

The company's principal activity during the year was that of retail jewellers.

Directors

The following directors have held office since 1 May 1997:

A G Longden

K Longden

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

| | Ordinary of £1 each | |
|-------------|---------------------|------------|
| | 30 April 1998 | 1 May 1997 |
| A G Longden | 98 | 98 |
| K Longden | 2 | 2 |

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

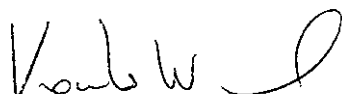
By order of the board



26 February 1999

SUNDERHILL LTD
ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE
UNAUDITED ACCOUNTS OF SUNDERHILL LTD

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30 April 1998, set out on pages 3 to 9 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.



Knowles Warwick

26 February 1999

Chartered Accountants
Reporting Accountants

183 Fraser Road
Sheffield
S8 0JP

SUNDERHILL LTD
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 1998

| | Notes | 1998 £ | 1997 £ |
|---|----------|-----------|-----------|
| Turnover | | 156,224 | 89,770 |
| Cost of sales | | (60,417) | (37,456) |
| Gross profit | | 95,807 | 52,314 |
| Administrative expenses | | (40,961) | (42,431) |
| Operating profit | 2 | 54,846 | 9,883 |
| Interest payable and similar charges | | (7,927) | (11,189) |
| Profit/(loss) on ordinary activities before taxation | | 46,919 | (1,306) |
| Tax on profit/(loss) on ordinary activities | 3 | - | - |
| Profit/(loss) on ordinary activities after taxation | 9 | 46,919 | (1,306) |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

SUNDERHILL LTD
BALANCE SHEET
AS AT 30 APRIL 1998

| | Notes | 1998 £ | £ | 1997 £ | £ |
|--|-------|-----------------|-----------------|-----------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 4 | | 7,770 | | 7,946 |
| Current assets | | | | | |
| Stocks | | 52,243 | | 40,150 | |
| Debtors | 5 | - | | 98 | |
| Cash at bank and in hand | | 2,803 | | 356 | |
| | | <u>55,046</u> | | <u>40,604</u> | |
| Creditors: amounts falling due within one year | 6 | <u>(63,318)</u> | | <u>(75,262)</u> | |
| Net current liabilities | | | <u>(8,272)</u> | | <u>(34,658)</u> |
| Total assets less current liabilities | | | (502) | | (26,712) |
| Creditors: amounts falling due after more than one year | 7 | | <u>(62,461)</u> | | <u>(83,168)</u> |
| | | | <u>(62,963)</u> | | <u>(109,880)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 8 | | 100 | | 100 |
| Profit and loss account | 9 | | <u>(63,063)</u> | | <u>(109,980)</u> |
| Shareholders' funds - equity interests | 10 | | <u>(62,963)</u> | | <u>(109,880)</u> |

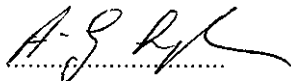
SUNDERHILL LTD
BALANCE SHEET
AS AT 30 APRIL 1998

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts 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 this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 26 February 1999



A G Longden

Director

SUNDERHILL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1998

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|--------------------------------|--|
| Land and buildings Leasehold | Straight line over the life of the lease |
| Fixtures, fittings & equipment | 25% Reducing balance |

1.4 Leasing

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

1.5 Stock

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

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit

| | 1998 | 1997 |
|--|-------------------|-------------------|
| | £ | £ |
| Operating profit is stated after charging: | | |
| Depreciation of tangible assets | 666 | 618 |
| Operating lease rentals | 8,087 | 16,641 |
| Directors' emoluments | 7,140 | 5,720 |
| | <u> </u> | <u> </u> |

3 Taxation

The company has estimated losses of £16,523 (1997 - £73,546) available for carry forward against future trading profits.

SUNDERHILL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1998

4 Tangible fixed assets

| | Land and buildings Leasehold | Fixtures, fittings & equipment | Total |
|-----------------------|------------------------------------|--------------------------------------|---------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 May 1997 | 8,014 | 7,800 | 15,814 |
| Additions | - | 690 | 690 |
| Disposals | - | (2,000) | (2,000) |
| | <u>8,014</u> | <u>6,490</u> | <u>14,504</u> |
| At 30 April 1998 | 8,014 | 6,490 | 14,504 |
| Depreciation | | | |
| At 1 May 1997 | 960 | 6,908 | 7,868 |
| On disposals | - | (1,800) | (1,800) |
| Charge for the year | 320 | 346 | 666 |
| | <u>1,280</u> | <u>5,454</u> | <u>6,734</u> |
| At 30 April 1998 | 1,280 | 5,454 | 6,734 |
| Net book value | | | |
| At 30 April 1998 | <u>6,734</u> | <u>1,036</u> | <u>7,770</u> |
| At 30 April 1997 | <u>7,054</u> | <u>892</u> | <u>7,946</u> |

5 Debtors

| | 1998 | 1997 |
|---------------|----------|-----------|
| | £ | £ |
| Other debtors | - | 98 |
| | <u>-</u> | <u>98</u> |

6 Creditors: amounts falling due within one year

| | 1998 | 1997 |
|------------------------------|---------------|---------------|
| | £ | £ |
| Bank loans and overdrafts | - | 4,674 |
| Trade creditors | 16,677 | 7,635 |
| Taxation and social security | 1,837 | 8,313 |
| Other creditors | 44,804 | 54,640 |
| | <u>63,318</u> | <u>75,262</u> |

The bank holds a legal charge over the directors' home, and a debenture covering all of the company's assets.

SUNDERHILL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1998

| 7 Creditors: amounts falling due after more than one year | 1998 | 1997 |
|--|-------------|-------------|
| | £ | £ |
| Directors loan | 62,461 | 83,168 |

| 8 Share capital | 1998 | 1997 |
|---|-------------|-------------|
| | £ | £ |
| Authorised | | |
| 100 Ordinary of £1 each | 100 | 100 |
| Allotted, called up and fully paid | | |
| 100 Ordinary of £1 each | 100 | 100 |

9 Statement of movements on profit and loss account

| | |
|--------------------------------|--|
| | Profit and loss account £ |
| Balance at 1 May 1997 | (109,982) |
| Retained profit for the period | 46,919 |
| Balance at 30 April 1998 | (63,063) |

| 10 Reconciliation of movements in shareholders' funds | 1998 | 1997 |
|--|-------------|-------------|
| | £ | £ |
| Profit/(Loss) for the financial year | 46,919 | (1,306) |
| Opening shareholders' funds | (109,880) | (108,574) |
| Closing shareholders' funds | (62,963) | (109,880) |

11 Contingent liabilities

There were no contingent liabilities at the year end. (1997-nil).

SUNDERHILL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1998

12 Financial commitments

At 30 April 1998 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | |
|----------------------------|---------------------------|-------------------|
| | 1998 | 1997 |
| | £ | £ |
| Expiry date: | | |
| Between two and five years | 22,005 | 27,062 |
| | <u> </u> | <u> </u> |

13 Capital commitments

The company had no capital commitments at the year end. (1997- nil).

14 Post balance sheet events

There are no post balance sheet events that the directors feel should be brought to the attention of the shareholders.