

BALDWIN'S AUCTIONS LIMITED

**Accounts to 31st January 2000
together with Directors' and Auditor's Reports**

Registered Number : 2883851



Directors' Report

For the year ended 31st January 2000

Financial statements

The directors present their report and the audited accounts for the year ended 31st January 2000. The accounts have been delayed due to start up problems encountered with the software of a new auction integrated accounting system.

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 year. 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
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- Prepare the accounts on the going concern basis

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.

Financial results

The international numismatic trade is not as buoyant as the directors would like it to be. The volume and quality of items produced for sale at the company's auctions has not improved from the previous year, which in itself was disappointing. To a considerable extent access to high value collections to sell is a matter of luck. The company's new technology should reduce the cost of producing auction catalogues in future and alternative methods of distribution are being explored to contain this major expense.

Loss on ordinary activities after taxation	69,834
Loss brought forward	<u>7,997</u>
Loss carried forward	<u>77,831</u>

A dividend cannot be recommended

Principal activity

The company trades as numismatic auctioneers.

Directors' Report - continued

Events since the end of the year and future activities

As explained in Note 12 to the financial statements, the directors of A.H. Baldwin & Sons, Limited who operate the pension scheme to which the company's employees belong, have concluded that the ongoing costs of the non-contributory final salary scheme are no longer sustainable and have most reluctantly given notice to close the scheme on 31st March 2001. This decision has given rise to an exceptional provision of £20,000 in the profit and loss account to cover the estimated cost of the company's contribution towards the deficiency of the scheme at 31st January 2000. Various alternatives to the pension scheme are being considered but no conclusion has yet been reached.

No other events have occurred since the end of the accounting year that need to be brought to the attention of members.

Directors and their interests

The directors during the year were as follows :

AHE Baldwin	Chairman and managing director
AP de Clermont	
BT Curtis	
PD Mitchell	
TC Millett	Resigned 31 st August 2000

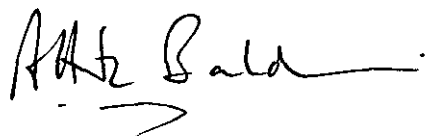
The interests of the directors in the ordinary shares of the company were as follows :

	31 January 2000	1 February 1999
AHE Baldwin	82,185	82,185
AP de Clermont	40,318	40,318
BT Curtis	5,768	5,768
PD Mitchell	28,824	28,824
TC Millett	1,111	1,111

Auditors

Binder Hamlyn have resigned as auditors of the company and the directors have appointed Hugh Martin, Chartered Accountant, in their stead. In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Hugh Martin be reappointed auditor of the company will be put to the Annual General Meeting.

This report was approved by the Board on 2nd April 2001.



AHE Baldwin
Chairman

Auditor's report

To the shareholders of Baldwin's Auctions Limited

I have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditor

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

Basis of opinion

I conducted my audit in accordance with Accounting 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In my opinion the accounts give a true and fair view of the company's state of affairs at 31st January 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountant and Registered Auditor

Hersham

2nd April 2001.

Profit and Loss Account
For the year ended 31st January 2000

	Notes	2000 £	1999 £
Turnover		147,325	179,363
Administrative expenses		216,858	201,540
Operating (loss)	2	(69,533)	(22,177)
Interest received		1,365	11,962
(Loss) on ordinary activities before taxation		(68,168)	(10,215)
Taxation	3	1,666	(2,100)
(Loss) on ordinary activities after taxation		(69,834)	(8,115)

Statement of retained losses

	2000 £	1999 £
(Loss) for the year, as above	(69,834)	(8,115)
(Loss)/profit brought forward	(7,997)	118
(Loss) carried forward	(77,831)	(7,997)

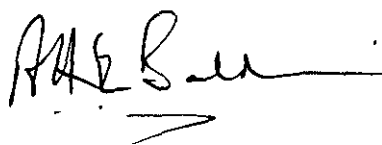
There are no gains or losses in the year other than those recognised above.

All of the above derive from continuing activities.

Balance sheet
31st January 2000

	Notes	2000 £	1999 £
Tangible fixed assets	4	<u>8,513</u>	<u>3,022</u>
Current assets			
Debtors	5	80,673	243,852
Cash at bank and in hand		<u>216,417</u>	<u>61,230</u>
		297,090	305,082
Creditors : amounts falling due within one year	6	<u>(147,434)</u>	<u>(100,101)</u>
Net current assets		<u>149,656</u>	<u>204,981</u>
Total assets less current liabilities		158,169	208,003
Provisions for liabilities and charges	7	<u>20,000</u>	<u>-</u>
		<u>138,169</u>	<u>208,003</u>
Capital and reserves			
Called up share capital	8	216,000	216,000
Profit and loss account		<u>(77,831)</u>	<u>(7,997)</u>
Equity shareholders' funds	9	<u>138,169</u>	<u>208,003</u>

The financial statements on pages 4 to 9 were approved by the Board on 2nd April 2001.



AHE Baldwin
Chairman

Notes to the financial statements
For the year ended 31st January 2000

1 Accounting policies

a) Accounting convention

The financial statements have been prepared under the historical cost convention and the going concern basis.

b) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and all repairs are written off as incurred. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life on a straight line basis as follows :

Computer equipment	-	over 4 years
Fixtures and fittings	-	over 5 years

c) Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

d) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

e) Turnover

Turnover represents the net amounts receivable, excluding VAT, in respect of auctions held during the year

f) Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards. The company is exempt from the requirements of FRS1 to include a cash flow statement as part of its financial statements because it meets the criteria of a small company.

2 Operating (loss)

Operating (loss) is stated after charging :

	2000 £	1999 £
Depreciation	3,757	2,128
Auditor's remuneration	2,500	4,300
Exceptional provision for pensions [Notes 7 & 12]	20,000	-
	<u>26,257</u>	<u>6,428</u>

Notes to the financial statements - continued

3 Taxation on ordinary activities

No provision for corporation tax is required in view of the loss for the year.
A charge of £1,666 arises in respect of an adjustment relating to a prior year.

4 Tangible fixed assets	Furniture & Fittings £	Computer equipment £	Total £
Cost			
1 February 1999	3,117	15,023	18,140
Additions	-	9,248	9,248
	<u>3,117</u>	<u>24,271</u>	<u>27,388</u>
31 January 2000			
Depreciation			
1 February 1999	1,247	13,871	15,118
Charge for the year	620	3,137	3,757
	<u>1,867</u>	<u>17,008</u>	<u>18,875</u>
31 January 2000			
Net book value			
31 January 2000	<u>1,250</u>	<u>7,263</u>	<u>8,513</u>
31 January 1999	<u>1,870</u>	<u>1,152</u>	<u>3,022</u>

5 Debtors	2000 £	1999 £
Trade debtors	80,340	240,853
Prepayments and accrued income	333	1,333
Corporation tax recoverable	-	1,666
	<u>80,673</u>	<u>243,852</u>

6 Creditors : amounts falling due within one year	2000 £	1999 £
Trade creditors	132,627	82,384
Other taxes and social security costs	1,277	1,260
Accruals and deferred income	13,530	16,457
	<u>147,434</u>	<u>100,101</u>

7 Provisions for liabilities and charges

Provision for pensions [See Note 12]	<u>20,000</u>	<u>-</u>
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Notes to the financial statements - continued

8 Share capital	2000 £	1999 £
Authorised		
Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>216,000</u>	<u>216,000</u>

9 Reconciliation of movements in equity shareholders' funds

(Loss) for the year	(69,834)	(8,115)
Shareholders' funds at 1 February	<u>208,003</u>	<u>216,118</u>
Shareholders' funds at 31 January	<u>138,169</u>	<u>208,003</u>

10 Directors' remuneration

None of the directors received any remuneration.

During the year ended 31 January 2000 the company was involved in transactions in which some directors have material interests. Mr AHE Baldwin and Mr PD Mitchell are significant shareholders in A.H. Baldwin and Sons, Limited. Mr AP de Clermont trades as a Numismatist.

The directors' interests in contracts with the company are as follows :

	2000 £	1999 £
A.H. Baldwin and Sons, Limited - Recharged expenses	45,000	45,000
- Introductory commission and cataloguing	8,422	4,955
AP de Clermont - Introductory commission and cataloguing	2,329	1,360
PD Mitchell - Cataloguing	2,065	2,244

No other directors had any material interest in contracts with the company.

11 Employees

The average number of persons, excluding the directors, employed by the company during the year was 2 (1999 - 2). Both were engaged in auction administration. Staff costs during the year amounted to :

	2000 £	1999 £
Wages and salaries	41,750	41,167
Social security costs	4,030	4,116
Other pension costs	8,466	10,375
	<u>54,246</u>	<u>55,658</u>

Notes to the financial statements - continued

12 Pension costs

The company's two employees are members of the non-contributory pension scheme operated by A.H. Baldwin & Sons, Limited, which provides benefits based on final pensionable salary. The assets of that company's scheme are held in a separate trustee administered fund. The pension cost is assessed in accordance with the advice of a professionally qualified actuary and the last formal valuation was carried out as at 1st January 2000. At that date details of the valuation were :-

Method used	Projected unit
Main assumptions :	
Rate of price inflation	4.00 %
Return on investments	7.50 %
Increase in earnings	4.40 %
Level of funding	64.00 %
Market value of investments	£ 1,013,000

Since the previous valuation at 1st January 1997 two members of the scheme have retired and drawn their benefits. In addition interest rates have fallen lowering the funds income and producing a corresponding increase in the cost of purchasing annuities to provide benefits. The Actuary has stated in his report dated 29th December 2000 that the future funding rate will have to increase considerably over the existing rate of 20.4% of pensionable salaries.

The directors of A.H. Baldwin & Sons, Limited are of the opinion that the costs of the existing scheme are no longer sustainable by the companies. Notice has been given to close the scheme on 31st March 2001. A provision of £20,000 has been made in these accounts for this company's estimated contribution towards the deficiency of the scheme at 31st January 2000.