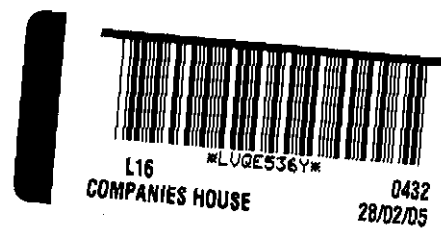


BALDWIN'S AUCTIONS LTD

Registered Number : 2883851

FINANCIAL STATEMENTS
For the year ended 31st January 2004



Directors' Report

For the year ended 31st January 2004

Financial statements

The directors present their report and the accounts for the year ended 31st January 2004.

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

During the year the company has run nine auctions in London and participated in three auctions overseas.

Loss on ordinary activities after taxation	[13,058]
Profit brought forward	<u>161,520</u>
Profit carried forward	<u>£ 148,462</u>

The result for the year has been affected adversely by the weak US \$.

Principal activity

The company trades as numismatic auctioneers.

Pension Scheme

Until 31st March 2001 the company's employees participated in the non-contributory defined benefits pension scheme operated by A.H. Baldwin & Sons, Limited. That scheme was closed on 31st March 2001, but has not finally been closed down. The company's employees now participate in a non contributory defined contribution scheme.

Directors' Report – continued

Events since the end of the year

No 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	
PD Mitchell	

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

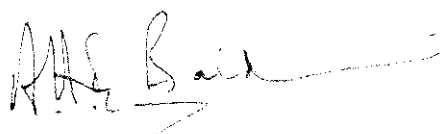
	31 January 2004	1 February 2003
AHE Baldwin	83,796	82,185
AP de Clermont	40,318	40,318
PD Mitchell	14,412	28,824

SJ Freeman and TD Wilkes were appointed directors on 1st January 2005.

Audit

The directors have taken advantage of the exemption from audit conferred by Section 249B of the Companies Act 1985, as the company's turnover is less than £1 million.

This report was approved by the Board on 28th February 2005.



AHE Baldwin
Chairman

Profit and Loss Account
For the year ended 31st January 2004

	Notes	2004 £	2003 £
Turnover		281,035	343,262
Administrative expenses		<u>296,365</u>	<u>255,355</u>
Operating [loss] profit	2	[15,330]	87,907
Interest received from			
Banks		1,627	1,741
Other Sources		<u>163</u>	<u>2,083</u>
[Loss] profit on ordinary activities before taxation		[13,540]	91,731
Taxation	3	<u>[482]</u>	<u>16,500</u>
[Loss] profit on ordinary activities after taxation		[<u>13,058</u>]	<u>75,231</u>

Statement of retained profits

	2004 £	2003 £
[Loss] profit for the year, as above	[13,058]	75,231
Profit brought forward	<u>161,520</u>	<u>86,289</u>
Profit carried forward	<u>148,462</u>	<u>161,520</u>

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 2004

	Notes	2004 £	2003 £
Tangible fixed assets	4	<u>5,836</u>	<u>7,777</u>
Current assets			
Debtors	5	167,691	216,320
Cash at bank and in hand		<u>313,450</u>	<u>335,420</u>
		481,141	551,740
Creditors : amounts falling due within one year	6	[<u>102,515</u>]	[<u>161,997</u>]
Net current assets		<u>378,626</u>	<u>389,743</u>
Total assets less current liabilities		384,462	397,520
Provisions for liabilities and charges	7	<u>20,000</u>	<u>20,000</u>
		<u>364,462</u>	<u>377,520</u>
Capital and reserves			
Called up share capital	8	216,000	216,000
Profit and loss account		<u>148,462</u>	<u>161,520</u>
Equity shareholders' funds	9	<u>364,462</u>	<u>377,520</u>

The company has taken advantage of the exemption from audit conferred by the Companies Act 1985, and the directors confirm:

1. that for the year ended 31st January 2004 the company was entitled to exemption under Section 249A
2. that members holding 10% or more in aggregate of the company's issued share capital have not requested an audit pursuant to subsection (2) of Section 249B
3. that the directors acknowledge their responsibilities for :
 - (i) ensuring that the company keeps accounting records which comply with Section 221, 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 the Companies Act relating to accounts.

The financial statements on pages 4 to 8 were approved by the Board on 28th February 2005.



AHE Baldwin
Chairman

Notes to the financial statements

For the year ended 31st January 2004

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 Profit

Operating profit is stated after charging :

	2004 £	2003 £
Depreciation	1,941	2,570
Director's remuneration	10,500	12,000
Exchange losses	<u>28,643</u>	<u>20,127</u>
	<u>41,084</u>	<u>34,697</u>

3 Taxation on ordinary activities

Corporation tax has been provided at 19% on the taxable result of the year.

Notes to the financial statements – continued

4	Tangible fixed assets	Furniture & Fittings	Computer equipment	Total
		£	£	£
	Cost			
	1 February 2003	3,117	33,788	36,905
	Additions	<u>0</u>	<u>0</u>	<u>0</u>
	31 January 2004	<u>3,117</u>	<u>33,788</u>	<u>36,905</u>
	Depreciation			
	1 February 2003	3,116	26,012	29,128
	Charge for the year	<u>0</u>	<u>1,941</u>	<u>1,941</u>
	31 January 2004	<u>3,116</u>	<u>27,953</u>	<u>31,069</u>
	Net book value			
	31 January 2004	<u>1</u>	<u>5,835</u>	<u>5,836</u>
	31 January 2003	<u>1</u>	<u>7,776</u>	<u>7,777</u>
5	Debtors		2004	2003
			£	£
	Trade debtors		145,553	204,788
	Loan to A.H. Baldwin & Sons Limited		12,000	-
	Prepayments and accrued income		9,165	3,125
	Corporation tax recoverable		170	3,587
	Other taxes		<u>803</u>	<u>4,820</u>
			<u>167,691</u>	<u>216,320</u>
6	Creditors : amounts falling due within one year		2004	2003
			£	£
	Trade creditors		56,433	105,137
	Corporation tax		16,310	16,500
	Other taxes and social security costs		2,614	3,392
	Accruals and deferred income		<u>27,158</u>	<u>36,968</u>
			<u>102,515</u>	<u>161,997</u>
7	Provisions for liabilities and charges			
	Provision for pensions [See Note 12]		<u>20,000</u>	<u>20,000</u>

Notes to the financial statements – continued

8	Share capital	2004 £	2003 £
	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] profit for the year	[13,058]	75,231
	Shareholders' funds at 1 February	<u>377,520</u>	<u>302,289</u>
	Shareholders' funds at 31 January	<u>364,462</u>	<u>377,520</u>
10	Directors' remuneration		
	Emoluments	<u>10,500</u>	<u>12,000</u>

There were no other emoluments or benefits for the directors.

Mr AHE Baldwin and Mr PD Mitchell are significant shareholders in A.H. Baldwin and Sons, Limited ("AHB") and Mr AP de Clermont trades as a Numismatist.

During the year AHB bought and sold coins through the company's auctions and was charged commissions amounting to £25,868 for these transactions. Mr AP de Clermont was also charged commissions of £ 9,272 for similar transactions. AHB made a management charge to the company of £15,000 in respect of office rental and services supplied during the year. AHB charged the company £7,141 and Mr AP de Clermont charged £1,982 in respect of introductory commission and cataloguing services. On 31st January 2004 the company made a loan of £12,000 to AHB and will receive interest at the rate of 5% per annum.

At 31st January 2004 the sum of £2,522 was due to AHB in respect of auction sale monies and this transaction remained outstanding under normal credit terms.

11 Employees

The average number of persons, excluding the directors, employed by the company during the year was 4 (2003 – 4). All were engaged in auction administration. Staff costs during the year amounted to :

	2004 £	2003 £
Wages and salaries	84,663	75,000
Social security costs	8,577	6,873
Pension & Permanent Health Schemes	<u>8,783</u>	<u>7,766</u>
	<u>102,023</u>	<u>89,639</u>

Notes to the financial statements – continued

12 Closed Defined Benefits Pension Scheme

Until 31st March 2001 two of the company's employees were members of the non-contributory pension scheme operated by A.H. Baldwin & Sons, Limited, which provided benefits based on final pensionable salary.

The directors of A.H. Baldwin & Sons, Limited were of the opinion that the costs of the scheme were no longer sustainable by the companies and the scheme was closed on 31st March 2001. The last formal valuation prepared by the scheme actuary was at 1st January 2000 when the valuation showed that the level of funding of the scheme was 64%. A provision of £20,000 is carried in these accounts for this company's estimated contribution towards the deficiency of the scheme at 31st March 2001.

The scheme actuary has not yet reported on the level of funding required to finally close the scheme but on 11th February 2004 he did report to the scheme trustees that there was a surplus of £418,775 over the statutory Minimum Funding Requirement.

When the actuary finally reports, any further costs to the company will be accounted for and paid over to the scheme trustees.