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SAUL BERCOTT LIMITED

Company No: SCO17870

ABBREVIATED

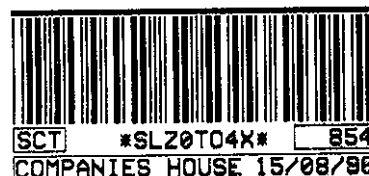
FINANCIAL STATEMENTS

- for the year ended -

30 APRIL 1996

Please sign
by

WYLIE & BISSET
Chartered Accountants
135 Wellington Street
Glasgow, G2 2XE



SAUL BERCOTT LIMITED

DIRECTORS

Sydney Bercott
Harriet Bercott
Barbara Haniford
David S Bercott

SECRETARY

Harriet Bercott

REGISTERED OFFICE

56/57 Argyll Arcade
Glasgow
G2 4LB

AUDITORS

Wylie & Bisset
Chartered Accountants
135 Wellington Street
Glasgow
G2 2XE

SOLICITORS

Semple Fraser
130 St Vincent Street
Glasgow
G2 5HF

PRINCIPAL BANKERS

Clydesdale Bank PLC
89 St Vincent Street
Glasgow
G2 5TF

SAUL BERCOTT LIMITED

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FOR THE YEAR ENDED 30 APRIL 1996

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SAUL BERCOTT LIMITED

AUDITORS' REPORT

**AUDITORS' REPORT TO THE DIRECTORS OF SAUL BERCOTT LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements on pages 3 to 6 together with the full financial statements of Saul Bercott Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 April 1996.

Respective responsibilities of the directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the director's statement on page 3 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion, the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A, Part III of Schedule 8 to that Act, in respect of the year ended 30 April 1996, and the abbreviated financial statements on pages 3 to 6 have been properly prepared in accordance with that Schedule.

Other information

On 27 June 1996 we reported, as auditors of Saul Bercott Limited, to the members on the full financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30 April 1996, and our audit report was as follows:

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of the directors and auditors

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

SAUL BERCOTT LIMITED

AUDITORS' REPORT (Continued)

Basis of opinion

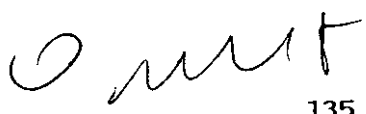
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 April 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'

WYLIE & BISSET
Chartered Accountants
& Registered Auditor



135 Wellington Street
Glasgow
G2 2XE

Date: 27 June 1996

SAUL BERCOTT LIMITED

ABBREVIATED BALANCE SHEET AT 30 APRIL 1996

	Notes	£	1996 £	£	1995 £
FIXED ASSETS					
Tangible assets	4		25,900		34,500
CURRENT ASSETS					
Stocks		615,306		628,768	
Debtors		37,600		9,198	
Cash at bank and in hand		696		533	
		<u>653,602</u>		<u>638,499</u>	
CREDITORS: Amounts falling due within one year		<u>(209,938)</u>		<u>(214,568)</u>	
NET CURRENT ASSETS			<u>443,664</u>		<u>423,931</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>469,564</u>		<u>458,431</u>
CAPITAL AND RESERVES					
Called up share capital	5		8,797		8,797
Share premium account			47,599		47,599
Capital Redemption Reserve			2,355		2,355
Profit and loss account			410,813		399,680
			<u>469,564</u>		<u>458,431</u>

In preparing these abbreviated financial statements:-

- We have relied upon the exemptions for individual financial statements under sections 246 and 247 of the Companies Act 1985.
- We have done so on the grounds that the company is entitled to the benefit of those sections as a small company.

Sydney Bercott

 Director

Date: 27 June 1996

The notes on pages 4 to 6 form part of these abbreviated financial statements.

SAUL BERCOTT LIMITED

ABBREVIATED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1996

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Fixtures and fittings	33%	Reducing balance
Motor vehicles	25%	Reducing balance

1.4 STOCKS

Stock is valued at the lower of cost and net realisable value after making allowance for obsolete and slow-moving stock.

1.5 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.6 FOREIGN EXCHANGE

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the profit and loss account.

1.7 LEASING AND HIRE PURCHASE

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

1.8 PENSIONS

The company operates a defined contribution scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

SAUL BERCOTT LIMITED

ABBREVIATED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1996

2. INVESTMENTS - RELATED UNDERTAKINGS

The investment in the wholly owned non trading subsidiary, Bercott Diamonds Limited, which is valued at nil, has been written off.

3. BORROWINGS	1996 £	1995 £
<u>The company's borrowings are repayable as follows:</u>		
In one year, or less or on demand	<u>57,589</u>	<u>96,882</u>

Details of security:

The bank overdraft is secured by a floating charge over the company's assets.

4. FIXED ASSETS

	Tangible assets £
<u>Cost</u>	
At 1 May 1995	187,319
Additions	986
Disposals	(150)
At 30 April 1996	<u>188,155</u>
<u>Depreciation</u>	
At 1 May 1995	152,819
Charge for year	9,436
At 30 April 1996	<u>162,255</u>
<u>Net book value at 30 April 1996</u>	<u>25,900</u>
<u>Net book value at 30 April 1995</u>	<u>34,500</u>

SAUL BERCOTT LIMITED

ABBREVIATED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1996

5. SHARE CAPITAL	1996 £	1995 £
<u>Authorised</u>		
Equity interests:		
1,000 Ordinary class A shares of £1 each	1,000	1,000
9,000 Ordinary class B shares of £1 each	9,000	9,000
	<u>10,000</u>	<u>10,000</u>
<u>Allotted, called up and fully paid</u>		
Equity interests:		
645 Ordinary class A shares of £1 each	645	645
8,152 Ordinary class B shares of £1 each	8,152	8,152
	<u>8,797</u>	<u>8,797</u>