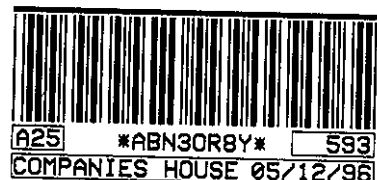


CRESTHART LIMITED
DIRECTORS' REPORT and ACCOUNTS
FOR THE YEAR ENDED 28th FEBRUARY 1996



CRESTHART LIMITED

CONTENTS

	<u>Page</u>
Directors' Report	1
Accountant's Report	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Accounts	5 - 8

The following page does not form part of the Accounts:

Trading and Profit and Loss Account	9
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CRESTHART LIMITED

REPORT of the DIRECTORS

FOR THE YEAR ENDED 28th FEBRUARY 1996

The directors present their report and the Accounts for the year ended 28th February 1996.

PRINCIPAL ACTIVITY and REVIEW OF BUSINESS

The principal activity continues to be that of retail jewellers.

The results are as set out on page 3.

DIVIDENDS

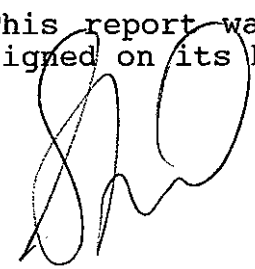
The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:

	<u>Number of Shares</u>	
	<u>28th February 1996</u>	<u>1st March 1995</u>
S. Ralph	99	99
S. Helsby	1	1

This report was approved by the board on 26th November 1996 and signed on its behalf.

X  X
S. Ralph
Secretary

Registered Number: 2736530

ACCOUNTANT'S REPORT to the DIRECTORS of

CRESTHART LIMITED

In accordance with instructions given to me, I have prepared without carrying out an audit, the Accounts on pages 3 to 8 from the accounting records of Cresthart Limited and from information and explanations given to me.



Melville Morris
Chartered Accountant
Liverpool

26th November 1996

CRESTHART LIMITED
PROFIT and LOSS ACCOUNT
FOR THE YEAR ENDED 28th FEBRUARY 1996

		<u>1996</u>	<u>1995</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
TURNOVER	1.2	226,447	205,151
COST OF SALES		(125,313)	(114,285)
<u>GROSS PROFIT</u>		<u>101,134</u>	<u>90,866</u>
Rent Received		3,500	3,500
		<u>104,634</u>	<u>94,366</u>
Selling and distribution costs		(59,100)	(49,381)
Administrative expenses		(26,220)	(26,984)
<u>OPERATING PROFIT</u>	2	<u>19,314</u>	<u>18,001</u>
Interest Payable		(2,747)	(1,737)
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		<u>16,567</u>	<u>16,264</u>
Taxation	3	(4,142)	(4,066)
<u>RETAINED PROFIT FOR YEAR</u>		<u>12,425</u>	<u>12,198</u>
RETAINED PROFIT BROUGHT FORWARD		14,969	2,771
<u>RETAINED PROFIT CARRIED FORWARD</u>		<u>27,394</u>	<u>14,969</u>

There were no recognised gains and losses for 1996 or 1995 other than those included in the Profit and Loss Account

The notes on pages 5 to 8 form part of these Accounts.

CRESTHART LIMITED

BALANCE SHEET

as at 28th FEBRUARY 1996

		<u>1996</u>	<u>1995</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>			
Tangible Assets	4	14,936	15,687
<u>CURRENT ASSETS</u>			
Stock		84,672	64,380
Cash at Bank and in Hand		11,198	6,970
		<u>95,870</u>	<u>71,350</u>
CREDITORS: Amounts falling due within one year	5	(76,483)	(62,710)
<u>NET CURRENT ASSETS</u>		<u>19,387</u>	<u>8,640</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>34,323</u>	<u>24,327</u>
CREDITORS: Amounts falling due after more than one year	6	(6,349)	(8,938)
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>			
Deferred Tax	7	(480)	(320)
<u>NET ASSETS</u>		<u>27,494</u>	<u>15,069</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	8	100	100
Profit and Loss Account		27,394	14,969
<u>SHAREHOLDERS' FUNDS</u>	9	<u>27,494</u>	<u>15,069</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A(1) of the Companies Act, 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit. The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act, 1985 and for preparing Accounts which give a true and fair view of the state of affairs of the company as at 28th February 1996 and of its profit for the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the Accounts so far as applicable to the company.

The Accounts were approved by the board on 26th November 1996 and signed on its behalf.

x
S. Helsby
Director

S. Helsby.

x

The notes on pages 5 to 8 form part of these Accounts.

CRESTHART LIMITED

NOTES to the ACCOUNTS

FOR THE YEAR ENDED 28th FEBRUARY 1996

1. ACCOUNTING POLICIES

1.1 Basis of Preparation of Accounts

The Accounts are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

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

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Lease	5.56% straight line basis
Fixtures and Fittings	10% reducing balance basis

1.4 Operating Leases

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

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.6 Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, 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 near future.

CRESTHART LIMITED

NOTES to the ACCOUNTS

FOR THE YEAR ENDED 28th FEBRUARY 1996

2. OPERATING PROFIT

The operating profit is stated after charging:

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Depreciation of Tangible Fixed Assets		
- owned by the company	1,356	1,396
Auditor's Remuneration	-	1,000
Accountancy	1,200	-
Operating lease rentals - equipment	2,188	500
Directors' Emoluments	14,719	13,412

3. TAXATION

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
<u>U. K. Current Year Taxation</u>		
U. K. Corporation Tax at 25% (1995 - 25%)	3,982	3,800
Transfer to deferred taxation	160	266
	<u>4,142</u>	<u>4,066</u>

4. TANGIBLE FIXED ASSETS

	<u>Lease</u>	<u>Fixtures and Fittings</u>	<u>Total</u>
<u>Cost</u>			
At 1st March 1995	7,029	10,218	17,247
Additions	-	605	605
At 28th February 1996	<u>7,029</u>	<u>10,823</u>	<u>17,852</u>
<u>Depreciation</u>			
At 1st March 1995	391	1,169	1,560
Charge for Year	391	965	1,356
At 28th February 1996	<u>782</u>	<u>2,134</u>	<u>2,916</u>
<u>Net Book Value</u>			
At 28th February 1996	<u>6,247</u>	<u>8,689</u>	<u>14,936</u>
At 28th February 1995	<u>6,638</u>	<u>9,049</u>	<u>15,687</u>

CRESTHART LIMITED

NOTES to the ACCOUNTS

FOR THE YEAR ENDED 28th FEBRUARY 1996

5. CREDITORS: Amounts falling due within one year

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Trade Creditors	36,987	26,824
Other Creditors	6,072	4,834
Social Security and Other Taxes	10,561	9,872
Corporation Tax	7,782	3,800
Bank Overdraft	12,498	15,098
Bank Loan	2,583	2,282
	<u>76,483</u>	<u>62,710</u>

6. CREDITORS: Amounts falling due after more than one year

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Bank Loan	6,349	8,938

7. DEFERRED TAXATION

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Balance at 1st March	320	54
Charge for the year	160	266
	<u>480</u>	<u>320</u>

The provision for deferred taxation is made up of accelerated capital allowances.

8. CALLED UP SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
<u>AUTHORISED</u>		
Ordinary Shares of £1 each	100	100
<u>ALLOTTED, CALLED UP AND FULLY PAID</u>		
Ordinary Shares of £1 each	100	100

CRESTHART LIMITED

NOTES to the ACCOUNTS

FOR THE YEAR ENDED 28th FEBRUARY 1996

9. MOVEMENT ON SHAREHOLDERS' FUNDS

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Profit for the Year	12,425	12,198
Opening Shareholders' Funds	15,069	2,871
	<hr/>	<hr/>
<u>Closing Shareholders' Funds</u>	<u>27,494</u>	<u>15,069</u>