

# SPRINGCOLOUR LIMITED

## REPORT AND ACCOUNTS

28 January 2006

Registered No: 3429928



**SPRINGCOLOUR LIMITED**  
**DIRECTORS' REPORT**

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**Directors:** J S Piasecki (Chairman)  
S C Sargent  
J E West  
A J Broderick

**Secretary:** G Oliff

**Registered Office:** Goldsmiths House, 2 Elland Road, Braunstone, Leicester LE3 1TT

The directors submit their report and the audited accounts for the year ended 28 January 2006.

**PRINCIPAL ACTIVITIES**

The principal activity of the company is the wholesaling of watches and jewellery.

**RESULTS AND DIVIDENDS**

The loss for the year amounts to £735,000 (2005: £56,000) and is dealt with as shown in the profit and loss account.

The directors do not recommend the payment of a dividend (2005: £200,000).

**DIRECTORS**

The directors of the company who served during the period were those listed above. Mrs L J P Hill and Mr S B Reece-Raybould resigned on 10 November 2006.

**DIRECTORS' INTERESTS**

According to the register maintained as required under the Companies Act 1985 none of the directors as at 28 January 2006 had any interest in the share capital of the company during the year.

Mr J S Piasecki, Mr S C Sargent, Mr J E West, and Mr A J Broderick were also directors of Goldsmiths Group Limited as at 28 January 2006 and their interests in the share capital of that company are shown in its accounts.

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to 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 period.

In preparing these financial statements, 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **AUDITORS**

A resolution for the reappointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



**G Oliff**  
Secretary

22 December 2006

## **SPRINGCOLOUR LIMITED**

### **INDEPENDENT AUDITORS' REPORT**

to the members of Springcolour Limited

We have audited the financial statements on pages 5 to 15.

We have audited the financial statements of Springcolour Limited for the year ended 28 January 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

**SPRINGCOLOUR LIMITED**

**INDEPENDENT AUDITORS' REPORT**

to the members of Springcolour Limited

**Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 January 2006 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

**KPMG LLP**

Chartered Accountants

Registered Auditor

Leicester

27 December 2006

**SPRINGCOLOUR LIMITED****PROFIT AND LOSS ACCOUNT**

for the year ended 28 January 2006

	Note	2006 £000	2005 £000
<b>TURNOVER</b>	2	<b>6,424</b>	6,601
Cost of sales		<b>(4,387)</b>	(3,765)
<b>GROSS PROFIT</b>		<b>2,037</b>	2,836
Administrative expenses		<b>(2,432)</b>	(2,408)
<b>TRADING PROFIT</b>		<b>(395)</b>	428
Interest payable	3	<b>(344)</b>	(309)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	<b>(739)</b>	119
Taxation	6	<b>4</b>	25
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>(735)</b>	144
Proposed final dividend		-	(200)
<b>RETAINED LOSS FOR THE YEAR</b>		<b>(735)</b>	(56)

There were no recognised gains or losses other than the loss for the period. All figures relate to continuing activities.

**SPRINGCOLOUR LIMITED****BALANCE SHEET**

at 28 January 2006

	Note	28 Jan 2006 £000	29 Jan 2005 £000
<b>FIXED ASSETS</b>			
Tangible assets	7	241	298
<b>CURRENT ASSETS</b>			
Stocks	8	2,023	2,620
Debtors	9	984	1,162
Cash		41	129
		3,048	3,911
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	10	(3,983)	(4,164)
<b>NET CURRENT LIABILITIES</b>		(935)	(253)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(694)	45
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	11	-	(4)
<b>NET (LIABILITIES)/ASSETS</b>		(694)	41
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	-	-
Profit and loss account	13	(694)	41
<b>EQUITY SHAREHOLDERS' FUNDS</b>		(694)	41

Approved by the Board on 22 December 2006.

S C Sargent  
Director

**SPRINGCOLOUR LIMITED**  
**NOTES TO THE ACCOUNTS**

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at 28 January 2006

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared in accordance with the historical cost convention and the going concern basis of accounting. The company's parent company has confirmed its intention to continue its financial support of the company so as to ensure that it is able to meet its liabilities as they fall due for at least twelve months after the date of approval of these financial statements.

**Depreciation**

The cost of fixed assets is written off evenly over their useful lives as follows:

Short leasehold land and buildings	- evenly over the period of the lease
Fixtures, fittings and equipment	- 10 years
Computer equipment	- 3 years

**Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items.

**Deferred taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

**Pensions**

**Defined contribution scheme**

The group, of which the company is a member, operates a defined contribution pension scheme in which certain employees of the company are eligible to participate.

Contributions are charged to the profit and loss account as they are incurred.

**Defined benefit scheme**

The company is a member of a pension scheme providing benefits based on final pensionable pay. This scheme is now closed to new and existing employees. Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS17 "Retirement Benefits" the scheme has been accounted for, in these financial statements as if the scheme was a defined contributions scheme.

The latest full actuarial valuation was carried out at 6 April 2005 and was updated for FRS17 purposes to 28 January 2006 by a qualified independent actuary. Full FRS17 disclosure can be found in the financial statements for Goldsmiths Group Limited dated 28 January 2006.



**SPRINGCOLOUR LIMITED**  
**NOTES TO THE ACCOUNTS**  
at 28 January 2006

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**2. TURNOVER**

Turnover, all of which arises in the UK, comprises the invoice value of goods and services supplied exclusive of VAT.

**3. INTEREST**

	2006 £000	2005 £000
Group interest payable	344	309
	<hr/>	<hr/>
	344	309
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**4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

is stated after charging:	2006 £000	2005 £000
Depreciation	87	77
Operating lease rentals – property	66	64
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**SPRINGCOLOUR LIMITED**  
**NOTES TO THE ACCOUNTS**  
at 28 January 2006

**5. DIRECTORS AND EMPLOYEES**

	2006	2005
a) <b>Staff costs</b>	£000	£000
<i>(including directors' emoluments)</i>		
Wages and salaries	982	902
Social security costs	91	89
Pension costs	27	17
	<hr/>	<hr/>
	1,100	1,008
	<hr/>	<hr/>

	2006	2005
<b>Directors' remuneration</b>	£000	£000
Emoluments	139	53
Ordinary contributions paid to defined contribution pension scheme	21	3
Highest paid director - emoluments	71	27
- ordinary pension contributions	11	2
b) The average number of employees, including directors, during the period was as follows:	No.	No.
Management and administration	37	35
	<hr/>	<hr/>
	37	35
	<hr/>	<hr/>

**SPRINGCOLOUR LIMITED**  
**NOTES TO THE ACCOUNTS**  
at 28 January 2006

<b>6. TAXATION</b>	<b>2006 £000</b>	<b>2005 £000</b>
Corporation tax on profits for the period at 30% (2005: 30%)	-	-
Adjustment in respect of prior years	-	(5)
<b>Total current tax</b>	-	(5)
Deferred taxation – origination and reversal of timing differences	(7)	(21)
Adjustment in respect of prior periods	3	1
<b>Total deferred tax</b>	(4)	(20)
<b>Tax on profit on ordinary activities</b>	(4)	(25)
<b>Current tax reconciliation</b>		
(Loss)/profit on ordinary activities before taxation	(739)	119
Taxation at 30%	(222)	36
Group relief	-	(66)
Expenses not deductible/income not taxable	7	7
Capital allowances in excess of depreciation	28	21
Adjustments to tax charge in respect of prior years	-	(5)
Depreciation on assets not qualifying for capital allowances	2	2
Current year losses carried forward	185	-
<b>Current tax charge/(credit) for the year</b>	-	(5)

**SPRINGCOLOUR LIMITED**  
**NOTES TO THE ACCOUNTS**  
at 28 January 2006

**7. TANGIBLE FIXED ASSETS**

	Short leasehold land and buildings £000	Fixtures, fittings and equipment £000	Total £000
<b>Cost:</b>			
At 29 January 2005	2	476	478
Additions	-	41	41
Disposals	-	(39)	(39)
At 28 January 2006	2	478	480
<b>Depreciation:</b>			
At 29 January 2005	-	180	180
Charge for the period	1	86	87
Disposals	-	(28)	(28)
At 28 January 2006	1	238	239
<b>Net book value:</b>			
At 29 January 2005	2	296	298
At 28 January 2006	1	240	241

**SPRINGCOLOUR LIMITED**  
**NOTES TO THE ACCOUNTS**  
at 28 January 2006

**8. STOCKS**

	2006 £000	2005 £000
Raw materials and consumables	2,023	2,620

Stocks comprise watches and jewellery held for resale. The replacement cost of stocks is approximately equal to the value at which they are stated in the accounts.

**9. DEBTORS**

	2006 £000	2005 £000
Trade debtors	790	930
Prepayments	194	232
	984	1,162

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2006 £000	2005 £000
Trade creditors	131	384
Amounts owed to parent undertakings	462	420
Amounts owed to fellow subsidiary undertakings	3,026	3,131
VAT	83	74
Accruals and deferred income	281	155
	3,983	4,164

**11. PROVISION FOR LIABILITIES AND CHARGES**

	2006 £000	2005 £000
At 29 January 2005	4	24
Release for the year (note 6)	(4)	(20)
At 28 January 2006	-	4

**SPRINGCOLOUR LIMITED**  
**NOTES TO THE ACCOUNTS**  
at 28 January 2006

**11. PROVISION FOR LIABILITIES AND CHARGES – continued**

The amounts provided for deferred taxation, representing full provision, are as follows:

	2006 £000	2005 £000
Accelerated capital allowances	-	10
Short term timing differences	-	(6)
	-	4

**12. CALLED-UP SHARE CAPITAL**

	2006 £	2005 £
Authorised, allotted, issued and fully paid Ordinary shares of £1 each	1	1

**13. RESERVES**

	Profit and Loss Account £000
At 29 January 2005	41
Retained loss for the period	(735)
At 28 January 2006	(694)

**14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>2006</b> <b>£000</b>	<b>2005</b> <b>£000</b>
Loss after taxation	(735)	(56)
Net reduction in shareholders' funds	(735)	(56)
Opening shareholders' funds	41	97
Closing shareholders' funds	(694)	41

**15. COMMITMENTS**

**Operating leases**

	<b>2006</b> <b>£000</b>	<b>2005</b> <b>£000</b>
Expiring within one year	49	-
Expiring within one to two years	-	64

**16. HOLDING COMPANY AND CONTROLLING PARTY**

Mildghosts Limited sold its investment in Springcolour Limited to Goldsmiths Limited (formerly Goldsmiths Plc) on 7 November 2006.

The Company's immediate parent undertaking is now Goldsmiths Limited (formerly Goldsmiths Plc).

At the balance sheet date the controlling party and ultimate parent undertaking was Goldsmiths Group Limited. Copies of the accounts of Goldsmiths Group Limited can be obtained from Goldsmiths House, Elland Road, Braunstone, Leicester, LE3 1TT. Those accounts are the only group accounts prepared that include the company.

**17. PENSIONS**

The group, of which the company is a member, operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in independently managed funds.

Contributions to the defined contribution scheme are charged to the profit and loss account as they are incurred.

**18. CASH FLOW STATEMENT**

At the year end the company was a wholly-owned subsidiary of Goldsmiths Group Limited which has published a group cash flow statement in accordance with Financial Reporting Standard No. 1 (Revised). Accordingly, a cash flow statement is not presented in these accounts.

**19. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with related parties that are part of Goldsmiths Group Limited or investees of the group.