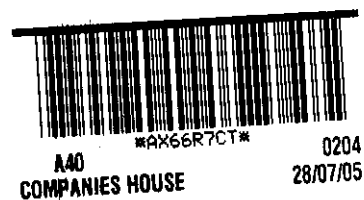


SPRINGCOLOUR LIMITED

REPORT AND ACCOUNTS

29 January 2005

Registered No: 3429928



SPRINGCOLOUR LIMITED
DIRECTORS' REPORT

Directors: J S Piasecki (Chairman)
S C Sargent
J E West
A J Broderick
L J P Hill
S B Reece-Raybould

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 29 January 2005.

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 £56,000 (2004: profit £60,000) and is dealt with as shown in the profit and loss account.

The directors recommend a dividend of £200,000 (2004: £nil).

DIRECTORS

The directors of the company who served during the period were those listed above. Mr A J Broderick was appointed on 12 May 2004 and Mrs L J P Hill and Mr S B Reece-Raybould were appointed on 19 October 2004.

DIRECTORS' INTERESTS

According to the register maintained as required under the Companies Act 1985 none of the directors as at 29 January 2005 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 29 January 2005 and their interests in the share capital of that company are shown in its accounts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 for that period. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 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

26 July 2005

SPRINGCOLOUR LIMITED

INDEPENDENT AUDITORS' REPORT

to the members of Springcolour Limited

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

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 auditors 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

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 transactions with the Company is not disclosed.

BASIS OF AUDIT 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.

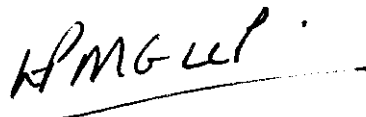
SPRINGCOLOUR LIMITED

INDEPENDENT AUDITORS' REPORT

to the members of Springcolour Limited

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 29 January 2005 and of the profit of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG LLP

Chartered Accountants

Registered Auditor

Leicester

27 July 2005

SPRINGCOLOUR LIMITED**PROFIT AND LOSS ACCOUNT**

for the year ended 29 January 2005

	Note	2005 £000	2004 £000
TURNOVER	2	6,601	5,376
Cost of sales		(3,765)	(3,410)
GROSS PROFIT		2,836	1,966
Administrative expenses		(2,408)	(1,891)
TRADING PROFIT		428	75
Interest payable	3	(309)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	119	75
Taxation	6	25	(15)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		144	60
Proposed final dividend		(200)	-
RETAINED (LOSS)/PROFIT FOR THE YEAR		(56)	60

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

SPRINGCOLOUR LIMITED**BALANCE SHEET**

at 29 January 2005

	Note	29 Jan 2005 £000	31 Jan 2004 £000
FIXED ASSETS			
Tangible assets	7	298	327
CURRENT ASSETS			
Stocks	8	2,620	2,051
Debtors	9	1,162	731
Cash		129	254
		3,911	3,036
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	10	(4,164)	(3,242)
NET CURRENT LIABILITIES		(253)	(206)
TOTAL ASSETS LESS CURRENT LIABILITIES		45	121
PROVISIONS FOR LIABILITIES AND CHARGES	11	(4)	(24)
NET ASSETS		41	97
CAPITAL AND RESERVES			
Called up share capital	12	-	-
Profit and loss account	13	41	97
EQUITY SHAREHOLDERS' FUNDS		41	97

Approved by the Board on 26 July 2005.

S C Sargent
Director

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 2002 and was updated for FRS17 purposes to 29 January 2005 by a qualified independent actuary. Full FRS17 disclosure can be found in the financial statements for Goldsmiths Group Limited dated 29 January 2005.

SPRINGCOLOUR LIMITED
NOTES TO THE ACCOUNTS
at 29 January 2005

2. TURNOVER

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

3. INTEREST

	2005 £000	2004 £000
<i>Group interest payable</i>	309	-
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	309	-
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4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

is stated after charging:	2005 £000	2004 £000
Depreciation	77	52
Operating lease rentals – property	64	63
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SPRINGCOLOUR LIMITED
NOTES TO THE ACCOUNTS
at 29 January 2005

5. DIRECTORS AND EMPLOYEES

	2005	2004
a) Staff costs	£000	£000
(including directors' emoluments)		
Wages and salaries	902	693
Social security costs	89	66
Pension costs	17	15
	<hr/>	<hr/>
	1,008	774
	<hr/>	<hr/>

	2005	2004
Directors' remuneration	£000	£000
Emoluments	53	-
Ordinary contributions paid to defined contribution pension scheme	3	-
Highest paid director - emoluments	27	-
- ordinary pension contributions	2	-

b) The average number of employees, including directors, during the period was as follows:	No.	No.
Management and administration	35	28
	<hr/>	<hr/>
	35	28
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SPRINGCOLOUR LIMITED
NOTES TO THE ACCOUNTS
at 29 January 2005

6. TAXATION	2005 £000	2004 £000
Corporation tax on profits for the period at 30% (2004: 30%)	-	13
Adjustment in respect of prior years	(5)	-
Total current tax	(5)	13
Deferred taxation – origination and reversal of timing differences	(21)	7
Adjustment in respect of prior periods	1	(5)
Total deferred tax	(20)	2
Tax on profit on ordinary activities	(25)	15
Current tax reconciliation		
Profit on ordinary activities before taxation	119	75
Taxation at 30%	36	22
Group relief	(66)	(9)
Expenses not deductible/income not taxable	7	7
Capital allowances in excess of depreciation	21	(7)
Adjustments to tax charge in respect of prior years	(5)	-
Depreciation on assets not qualifying for capital allowances	2	-
Current tax (credit)/charge for the year	(5)	13

SPRINGCOLOUR LIMITED
NOTES TO THE ACCOUNTS
at 29 January 2005

7. TANGIBLE FIXED ASSETS

	Short leasehold land and buildings £000	Fixtures, fittings and equipment £000	Total £000
Cost:			
At 1 February 2004	2	428	430
Additions	-	48	48
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At 29 January 2005	2	476	478
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Depreciation:			
At 1 February 2004	-	103	103
Charge for the period	-	77	77
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At 29 January 2005	-	180	180
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Net book value:			
At 1 February 2004	2	325	327
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At 29 January 2005	2	296	298
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SPRINGCOLOUR LIMITED
NOTES TO THE ACCOUNTS
at 29 January 2005

8. STOCKS

	2005 £000	2004 £000
Raw materials and consumables	2,620	2,051

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

	2005 £000	2004 £000
Trade debtors	930	681
Prepayments	232	50
	1,162	731

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £000	2004 £000
Trade creditors	384	-
Amounts owed to parent undertakings	420	200
Amounts owed to fellow subsidiary undertakings	3,131	2,945
VAT	74	7
Corporation tax	-	13
Accruals and deferred income	155	77
	4,164	3,242

11. PROVISION FOR LIABILITIES AND CHARGES

	2005 £000	2004 £000
At 1 February 2004	24	22
(Release)/charge for the year (note 6)	(20)	2
At 29 January 2005	4	24

SPRINGCOLOUR LIMITED
NOTES TO THE ACCOUNTS
at 29 January 2005

11. PROVISION FOR LIABILITIES AND CHARGES – continued

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

	2005 £000	2004 £000
Accelerated capital allowances	10	30
Short term timing differences	(6)	(6)
	4	24

12. CALLED-UP SHARE CAPITAL

	2005 £	2004 £
Authorised, allotted, issued and fully paid Ordinary shares of £1 each	1	1

13. RESERVES

	Profit and Loss Account £000
At 1 February 2004	97
Retained loss for the period	(56)
At 29 January 2005	41

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2005 £000	2004 £000
(Loss)/profit after taxation	(56)	60
Net (reduction in)/addition to shareholders' funds	(56)	60
Opening shareholders' funds	97	37
Closing shareholders' funds	41	97

15. COMMITMENTS

Operating leases

	2005 £000	2004 £000
Expiring within two to five years	64	63

16. HOLDING COMPANY AND CONTROLLING PARTY

The Company's immediate parent undertaking is Mildghosts Limited.

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.