

COMPANY NUMBER
1482985
(ENGLAND & WALES)

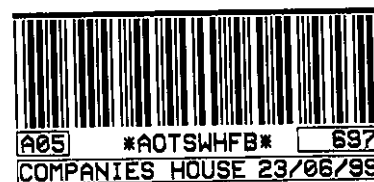
E LEVY & CO LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 1998



SEYMOUR COOPER & CO
Chartered Certified Accountants
LONDON



E LEVY & CO LIMITED
YEAR ENDED 31 MAY 1998

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E LEVY & CO LIMITED
YEAR ENDED 31 MAY 1998

GENERAL COMPANY INFORMATION

COMPANY REGISTERED NUMBER	1482985 (ENGLAND & WALES)
REGISTERED OFFICE	85 BALLARDS LANE FINCHLEY LONDON N3 1XU
DIRECTORS	MR E LEVY MRS S LEVY
SECRETARY	MRS S LEVY
PRINCIPAL BANKERS	FIBI BANK UK PLC
AUDITORS	SEYMOUR COOPER & CO CHARTERED CERTIFIED ACCOUNTANTS REGISTERED AUDITORS FINCHLEY HOUSE 707 HIGH ROAD LONDON N12 0BT

E LEVY & CO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 1998

The directors present their report and the financial statements for the year ended 31 May 1998:

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company Law requires 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 of the company 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;
- 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 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.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of retailing, wholesaling and servicing of electrical goods and equipment.

DIRECTORS

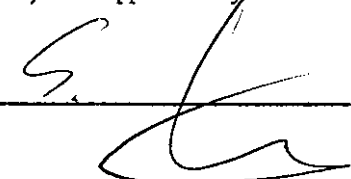
The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:

	<u>Number of Shares</u>	
	<u>1.6.97</u>	<u>31.5.98</u>
MR E LEVY	51	51
MRS S LEVY	49	49

AUDITORS

The auditors, Messrs Gordon Berman, resigned on 16 March 1999 and Messrs Seymour Cooper & Co, Chartered Certified Accountants, were appointed in their place.

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board on 14 June 1999 and signed on its behalf.


 _____ E LEVY, DIRECTOR

E LEVY & CO LIMITED
YEAR ENDED 31 MAY 1998

AUDITORS' REPORT TO THE SHAREHOLDERS OF E LEVY & CO LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 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.

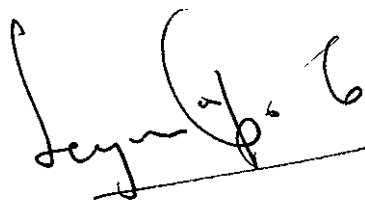
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 the company's affairs as at 31 May 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 as applicable to small companies.

A handwritten signature in dark ink, appearing to read 'Seymour Cooper & Co', is written over a horizontal line.

SEYMOUR COOPER & CO
CHARTERED CERTIFIED ACCOUNTANTS
REGISTERED AUDITORS
FINCHLEY HOUSE
707 HIGH ROAD
LONDON N12 0BT

14 June 1999

E LEVY & CO LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 1998

	<u>Notes</u>	<u>1997</u>	<u>1998</u>
TURNOVER	1(b) & 2	1,010,933	887,264
Cost of Sales		<u>766,807</u>	<u>670,464</u>
GROSS PROFIT		244,126	216,800
Administrative Expenses		(222,567)	(200,140)
Interest Payable	3	<u>(15,216)</u>	<u>(15,190)</u>
OPERATING PROFIT	4	6,343	1,470
Interest Receivable		<u>—</u>	<u>—</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,343	1,470
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	5	<u>3,309</u>	<u>921</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		3,034	549
Dividends	6	<u>—</u>	<u>17,500</u>
RETAINED PROFIT (LOSS) FOR THE YEAR		3,034	(16,951)
RETAINED PROFIT BROUGHT FORWARD		<u>31,072</u>	<u>34,107</u>
RETAINED PROFIT CARRIED FORWARD		<u>£34,106</u>	<u>£17,156</u>

There were no recognised gains or losses for 1997 or 1998 other than those included in the Profit and Loss Account.

The notes on pages 6 to 8 form part of these financial statements.

E LEVY & CO LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 1998

	<u>1997</u>	<u>1998</u>
Sales	1,010,933	887,264
Cost of Sales:		
Stock at beginning of year	329,891	327,755
Purchases	<u>764,671</u>	<u>767,085</u>
	1,094,562	1,094,840
Stock at end of year	<u>327,755</u>	<u>424,376</u>
	766,807	670,464
BALANCE - GROSS PROFIT	<u>244,126</u>	<u>216,800</u>
Expenditure:		
Rent and Rates	72,639	56,670
Lighting and Heating	2,303	4,407
Telephone and Fax	4,192	4,242
Insurance	9,543	7,006
Postage, Printing and Stationery	1,722	2,006
Repairs and Renewals	6,411	1,202
General Expenses	213	1,115
Wages and National Insurance	62,226	70,931
Directors' Remuneration	2,340	2,340
Motor and Travel Expenses	9,809	13,334
Delivery and Shipping	—	1,116
Advertising and Exhibitions	5,033	8,960
Entertaining	1,142	986
Auditors' Remuneration	1,000	1,000
Accountancy Charges	9,000	4,483
Legal Charges	2,421	3,427
Bad Debts	12,710	—
Depreciation	<u>10,366</u>	<u>8,997</u>
	213,070	192,222
Finance Costs:		
Bank Interest	15,216	15,190
Bank Charges	<u>9,166</u>	<u>7,918</u>
	24,382	23,108
BALANCE - NET PROFIT	<u>£6,674</u>	<u>£1,470</u>

This account does not form part of the statutory accounts.

E LEVY & CO LIMITED
BALANCE SHEET AS AT 31 MAY 1998

	<u>Notes</u>	<u>1997</u>	<u>1998</u>
FIXED ASSETS			
Tangible Assets	7	57,166	48,664
CURRENT ASSETS			
Stock	8	327,755	424,376
Debtors		122,315	49,526
		<u>450,070</u>	<u>473,902</u>
CREDITORS			
Amounts falling due within one year	9	<u>473,030</u>	<u>505,310</u>
NET CURRENT LIABILITIES		<u>(22,960)</u>	<u>(31,408)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£34,206</u>	<u>£17,256</u>
CAPITAL AND RESERVES			
Called-up Share Capital	10	100	100
Profit and Loss Account		<u>34,106</u>	<u>17,156</u>
SHAREHOLDERS' FUNDS	11	<u>£34,206</u>	<u>£17,256</u>

The directors have taken advantage, in the preparation of these financial statements, of the exemptions available under Part I of Schedule 8 to the Companies Act 1985, on the grounds that the company qualifies as a small company by virtue of Section 247 of the Companies Act 1985.

The financial statements were approved by the board on 14 June 1999 and signed on its behalf.

 E-LEVY, DIRECTOR

The notes on pages 6 to 8 form part of these financial statements.

E LEVY & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1998

1 ACCOUNTING POLICIES

(a) Basis of Preparation of Accounts

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, 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 cashflow statement on the grounds that it is a small company.

(b) Turnover

Turnover comprises the invoiced value of goods supplied by the company, net of Value Added Tax and trade discounts.

(c) 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 the assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property and improvements	over term of lease
Fixtures and fittings	10% on reducing balance
Motor Vehicles	25% on reducing balance

(d) Stock

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

2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3 OPERATING PROFIT

The operating profit is stated after charging:

	<u>1997</u>	<u>1998</u>
Depreciation of assets owned by the company	10,366	8,997
Loss on disposal of fixed assets	331	—
Auditors' remuneration	1,000	1,000
Directors' remuneration	2,340	2,340

4 INTEREST PAYABLE

The interest payable represents the interest payable on the company's bank loan and overdrafts.

E LEVY & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1998 (CONTINUED)

5 TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	<u>1997</u>	<u>1998</u>
UK Corporation Tax at 21%	2,361	921
Interest on tax paid late	948	—
	<u>3,309</u>	<u>921</u>

6 DIVIDENDS

Amount voted for the year	<u>—</u>	<u>17,500</u>
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7 TANGIBLE FIXED ASSETS

	Leasehold Property	Improvements to Property	Fixtures & Fittings	Motor Vehicles	Total
Cost at 1.6.97	8,663	26,089	34,283	20,540	89,575
Additions	—	—	495	—	495
As at 31.5.98	<u>8,663</u>	<u>26,089</u>	<u>34,778</u>	<u>20,540</u>	<u>90,070</u>
Depreciation at 1.6.97	6,354	7,825	11,702	6,528	32,409
Charge for year	578	2,608	2,308	3,503	8,997
At 31.5.98	<u>6,932</u>	<u>10,433</u>	<u>14,010</u>	<u>10,031</u>	<u>41,406</u>
Net Book Values:					
At 31.5.98	<u>1,731</u>	<u>15,656</u>	<u>20,768</u>	<u>10,509</u>	<u>48,664</u>
At 31.5.97	<u>2,309</u>	<u>18,264</u>	<u>22,581</u>	<u>14,012</u>	<u>57,166</u>

8 DEBTORS

Amounts falling due within one year	<u>1997</u>	<u>1998</u>
VAT	4,742	—
Trade Debtors	113,406	44,929
Prepayments	4,167	4,597
	<u>122,315</u>	<u>49,526</u>

E LEVY & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1998 (CONTINUED)

9 CREDITORS

Amounts falling due within one year	<u>1997</u>	<u>1998</u>
Bank loans and overdrafts	213,826	214,344
Trade Creditors	192,664	221,455
Directors' Current Accounts	1,476	1,067
PAYE and National Insurance	9,260	11,822
VAT	—	5,402
Corporation Tax	2,993	2,577
Advance Corporation Tax	6,000	2,000
Accruals	46,811	46,643
	<u>473,030</u>	<u>505,310</u>

10 CALLED-UP SHARE CAPITAL

Ordinary Shares of £1 each (Authorised 1,000)		
Issued and fully paid	<u>100</u>	<u>100</u>

11 MOVEMENTS IN SHAREHOLDERS' FUNDS

Profit for year	3,034	549
Opening shareholders' funds	<u>31,172</u>	<u>34,207</u>
	34,206	34,756
Dividends	<u>—</u>	<u>17,500</u>
Closing shareholders' funds	<u>34,206</u>	<u>17,256</u>

12 CONTINGENT LIABILITIES

There were no contingent liabilities existing at the balance sheet date. (1997 - None)

13 CAPITAL COMMITMENTS

No contracts for future capital expenditure had been authorised or entered into as at the balance sheet date. (1997 - None)