

COMPANY NUMBER  
1482985  
(ENGLAND & WALES)

## E LEVY & CO (ELCO) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2002



SEYMOUR COOPER & COMPANY  
Chartered Certified Accountants  
LONDON

E LEVY & CO (ELCO) LIMITED  
YEAR ENDED 31 MAY 2002

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E LEVY & CO (ELCO) LIMITED

YEAR ENDED 31 MAY 2002

GENERAL COMPANY INFORMATION

COMPANY REGISTERED NUMBER	1482985 ENGLAND & WALES)
REGISTERED OFFICE	FINCHLEY HOUSE 707 HIGH ROAD LONDON N12 0BT
DIRECTORS	MR E LEVY MRS S LEVY
SECRETARY	MRS S LEVY
PRINCIPAL BANKERS	FIBI BANK UK PLC
ACCOUNTANTS	SEYMOUR COOPER & COMPANY Chartered Certified Accountants FINCHLEY HOUSE 707 HIGH ROAD LONDON N12 0BT
AUDITORS	P C MAVRON & COMPANY LIMITED Chartered Accountants Registered Auditors 38 SOUTH MOLTON STREET MAYFAIR LONDON W1K 5RL

E LEVY & CO (ELCO) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2002

The Directors present their Report and the Financial Statements for the year ended 31 May 2002:

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 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 serviceing of electrical goods and equipment.

DIRECTORS

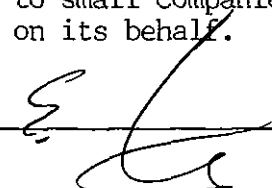
The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:

	<u>Number of Shares</u>	<u>1.6.2001</u>	<u>31.5.2002</u>
Mr E Levy		51	51
Mrs S Levy		49	49

AUDITORS

Messrs Seymour Cooper & Company resigned from that office and they have been succeeded by P C Mavron & Company Limited, Chartered Accountants and Registered Auditors.

This Report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the Board on 1 May 2003 and signed on its behalf.

  
E LEVY, DIRECTOR

E LEVY & CO (ELCO) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS  
OF E LEVY & CO (ELCO) LIMITED  
FOR THE YEAR ENDED 31 MAY 2002

We have audited the financial statements of E Levy & Co (Elco) Limited for the year ended 31 May 2002 which are set out on pages 2 to 8. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 the information specified by law regarding directors' remuneration and transactions with the company 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 OPINION

We conducted our audit in accordance with United Kingdom 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 the company's affairs as at 31 May 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*P C Mavron*

P C MAVRON & COMPANY LIMITED  
Chartered Accountants  
and Registered Auditors  
38 SOUTH MOLTON STREET  
MAYFAIR  
LONDON W1K 5 RL

1 May 2003

E LEVY & CO (ELCO) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2002

	<u>Notes</u>	<u>2001</u>	<u>2002</u>
TURNOVER	1(b) & 2	880,767	1,086,952
Cost of Sales		<u>630,509</u>	<u>791,620</u>
GROSS PROFIT		250,258	295,332
Administrative Expenses		(185,393)	(221,321)
Interest Payable	4	<u>( 27,152)</u>	<u>( 20,360)</u>
OPERATING PROFIT	3	37,713	53,651
Interest Receivable		--	--
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>37,713</u>	<u>53,651</u>
TAXATION ON PROFITS ON ORDINARY ACTIVITIES	5	<u>4,260</u>	<u>9,401</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		33,453	44,250
Dividends	6	<u>25,000</u>	<u>50,000</u>
RETAINED PROFIT (LOSS) FOR YEAR		8,453	( 5,750)
RETAINED PROFIT BROUGHT FWD		<u>5,177</u>	<u>13,630</u>
RETAINED PROFIT CARRIED FWD		<u>£13,630</u>	<u>£7,880</u>

There were no recognised gains or losses for 2001 and 2002 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 (ELCO) LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MAY 2002

	<u>2001</u>	<u>2002</u>
Sales	880,767	1,086,952
Cost of Sales:		
Stock at beginning of year	436,257	502,967
Purchases	697,219	788,467
	<hr/>	<hr/>
Stock at end of year	1,133,476	1,291,434
	502,967	499,814
	<hr/>	<hr/>
	630,509	791,620
	<hr/>	<hr/>
BALANCE - GROSS PROFIT	250,258	295,332
Expenditure:		
Rent and Rates	57,681	62,832
Lighting and Heating	2,904	4,917
Telephone and Fax	3,295	3,569
Insurance	6,718	5,518
Postage, Stationery and		
Computer Supplies	4,473	5,713
Repairs and Renewals	5,378	3,030
General Expenses	2,140	2,660
Wages and National Insurance	61,768	76,282
Directors' Remuneration	2,340	2,340
Motor and Travel Expenses	11,064	16,442
Delivery and Shipping	3,581	6,616
Advertising and Promotion	3,420	7,539
Entertaining	476	99
Auditors' Remuneration	1,060	1,100
Accountancy Charges	2,650	3,400
Bad Debts	98	—
Depreciation	12,839	13,122
	<hr/>	<hr/>
	181,885	215,179
	<hr/>	<hr/>
	68,373	80,153
Finance Costs:		
Bank Interest	27,152	20,360
Bank Charges	3,508	6,142
	<hr/>	<hr/>
	30,660	26,502
	<hr/>	<hr/>
BALANCE - NET PROFIT	<u>£37,713</u>	<u>£53,651</u>

This account does not form part of the statutory accounts.

E LEVY & CO (ELCO) LIMITED  
BALANCE SHEET AS AT 31 MAY 2002

	<u>Notes</u>	<u>2001</u>	<u>2002</u>
FIXED ASSETS			
Tangible Assets	1 (c) & 7	47,706	58,564
CURRENT ASSETS			
Stock	1(d)	502,967	499,814
Debtors	8	100,600	87,838
		<u>603,567</u>	<u>587,652</u>
CREDITORS			
Amounts falling due within one year	9	<u>637,543</u>	<u>638,236</u>
NET CURRENT LIABILITIES		<u>(33,976)</u>	<u>(50,584)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£13,730</u>	<u>£7,980</u>
CAPITAL AND RESERVES			
Called-up Share Capital	10	100	100
Profit and Loss Account		<u>13,630</u>	<u>7,880</u>
SHAREHOLDERS' FUNDS	11	<u>£13,730</u>	<u>£7,980</u>

The directors have taken advantage, in the preparation of these financial statements, of the exemptions available under Part 1 of Schedule 8 of 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 1 May 2003 and signed on its behalf.


 E LEVY, DIRECTOR

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



E LEVY & CO (ELCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2002

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.

(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 their improvements	over term of lease
Fixtures and fittings	10% of reducing balance
Motor vehicles	25% of 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.

(e) Foreign Currencies

Assets and liabilities in foreign currencies are converted into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are converted into sterling at the rates of exchange ruling at the dates of the transactions.

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>2001</u>	<u>2002</u>
Depreciation of assets owned by the company	12,839	13,122
Auditors' Remuneration	1,060	1,100
Directors' Remuneration	2,340	2,340
	<hr/>	<hr/>

# E LEVY & CO (ELCO) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2002 (CONTINUED)

### 4 INTEREST PAYABLE

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

### 5 TAXATION

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

	<u>2001</u>	<u>2002</u>
UK Corporation Tax	4,260	9,401

### 6 DIVIDENDS

Amount voted for the year	<u>25,000</u>	<u>50,000</u>
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### 7 TANGIBLE FIXED ASSETS

	Leasehold Property	Improvements to Property	Fixtures & Fittings	Motor Vehicles	Total
Cost at 1.6.01	8,663	26,089	36,283	38,471	109,506
Addns/Dispos.	--	--	--	23,980	23,980
As at 31.5.02	<u>8,663</u>	<u>26,089</u>	<u>36,283</u>	<u>62,451</u>	<u>133,486</u>
Depreciation					
At 1.6.01	8,663	18,257	19,923	14,957	61,800
Charge for year	--	2,608	1,636	8,878	13,122
At 31.5.02	<u>8,663</u>	<u>20,865</u>	<u>21,559</u>	<u>23,835</u>	<u>74,922</u>
Net Book Values:					
31.5.02	-- =====	5,224 =====	14,724 =====	38,616 =====	58,564 =====
31.5.01	-- =====	7,832 =====	16,360 =====	23,514 =====	47,706 =====

### 8 DEBTORS

Amounts falling due within one year:

	<u>2001</u>	<u>2002</u>
Trade Debtors	62,683	73,192
Prepayments	1,500	880
Directors' Current Account	36,417	9,278
VAT	--	4,488
	<u>100,600</u>	<u>87,838</u>

E LEVY & CO (ELCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2002 (CONTINUED)

9 CREDITORS

Amounts falling due within one year:

	<u>2001</u>	<u>2002</u>
Bank loans and overdrafts	356,519	313,756
Trade creditors	219,954	246,772
PAYE & National Insurance	13,002	19,047
Value Added Tax	440	--
Corporation Tax	10,760	20,161
Accruals	36,868	38,500
	<u>637,543</u>	<u>638,236</u>

10 CALLED-UP SHARE CAPITAL

Ordinary Shares of £1 each  
(Authorised £1000)

<u>100</u>	<u>100</u>
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11 MOVEMENT IN SHAREHOLDERS' FUNDS

Profit for year	33,453	44,250
Opening Shareholders' Funds	5,277	13,730
	<u>38,730</u>	<u>57,980</u>
Dividends	25,000	50,000
	<u>13,730</u>	<u>7,980</u>
Closing Shareholders' Funds	<u>13,730</u>	<u>7,980</u>

12 CONTINGENT LIABILITIES

There were no contingent liabilities existing at the balance sheet date. (2001 - None)

13 CAPITAL COMMITMENTS

No contracts for future capital expenditure had been authorised or entered into as at the balance sheet date. (2001 - None).