

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 1 MARCH 1996 TO 30 APRIL 1997
FOR
FALCON ELECTRICAL WHOLESALERS LIMITED



FALCON ELECTRICAL WHOLESALERS LIMITED

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FOR THE PERIOD 1 MARCH 1996 TO 30 APRIL 1997**

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FALCON ELECTRICAL WHOLESALERS LIMITED

**COMPANY INFORMATION
FOR THE PERIOD 1 MARCH 1996 TO 30 APRIL 1997**

DIRECTORS: R S Bhambra
B S Bhambra

SECRETARY: J F Smith

REGISTERED OFFICE: Kiew House
210 Brighton Road
Purley, Surrey
CR8 4HB

REGISTERED NUMBER: 3020816

AUDITORS: Smith Kiew Partnership
Registered Auditors
Kiew House
210 Brighton Road
Purley, Surrey
CR8 4HB

FALCON ELECTRICAL WHOLESALERS LIMITED

REPORT OF THE DIRECTORS FOR THE PERIOD 1 MARCH 1996 TO 30 APRIL 1997

The directors present their report with the financial statements of the company for the period 1 March 1996 to 30 April 1997.

COMMENCEMENT OF TRADING

The company commenced trading on 1 February 1997.

CHANGE OF NAME

The company passed a special resolution on 8 November 1996 changing its name from Stockhaven Limited to Falcon Electrical Wholesalers Limited.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of electrical wholesalers.

DIRECTORS

The directors during the period under review were:

R S Bhambra
B S Bhambra

The beneficial interests of the directors holding office on 30 April 1997 in the issued share capital of the company were as follows:

	30.4.97	1.3.96
Ordinary £1 shares		
R S Bhambra	500	500
B S Bhambra	500	500

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 judgments 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.

AUDITORS

The auditors, SK Taxation & Business Consultants Ltd, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:


J F Smith - SECRETARY

Dated: 31 October 1997

FALCON ELECTRICAL WHOLESALERS LIMITED

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
FALCON ELECTRICAL WHOLESALERS LIMITED**

We have audited the financial statements on pages four to ten which have been prepared under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors

As described on page two 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 1997 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Smith Kiew Partnership

Smith Kiew Partnership

Registered Auditors

Kiew House

210 Brighton Road

Purley, Surrey

CR8 4HB

Dated: 3 November 1997

FALCON ELECTRICAL WHOLESALERS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1 MARCH 1996 TO 30 APRIL 1997**

		Period 1.3.96 to 30.4.97	Period 13.4.95 to 29.2.96
	Notes	£	£
TURNOVER	2	1,073,139	-
Cost of sales		896,124	-
GROSS PROFIT		177,015	-
Administrative expenses		166,380	-
OPERATING PROFIT	4	10,635	-
Interest payable and similar charges	5	3,907	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,728	-
Tax on profit on ordinary activities	6	1,631	-
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		5,097	-
RETAINED PROFIT CARRIED FORWARD		£5,097	-

CONTINUING OPERATIONS

The company commenced trading on 1 February 1997.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current period.

FALCON ELECTRICAL WHOLESALERS LIMITED

**BALANCE SHEET
30 APRIL 1997**

		1997		1996	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	7		9,500	-	-
Tangible assets	8		66,173	-	-
			<u>75,673</u>		<u>-</u>
CURRENT ASSETS:					
Stocks	9	777,763		-	-
Debtors	10	947,245		-	-
Cash in hand		654		1,000	
		<u>1,725,662</u>		<u>1,000</u>	
CREDITORS: Amounts falling due within one year	11	1,208,446		-	
NET CURRENT ASSETS:			<u>517,216</u>		<u>1,000</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			592,889		1,000
CREDITORS: Amounts falling due after more than one year	12		586,792		-
			<u>£6,097</u>		<u>£1,000</u>
CAPITAL AND RESERVES:					
Called up share capital	14		1,000		1,000
Profit and loss account			5,097		-
Shareholders' funds	15		<u>£6,097</u>		<u>£1,000</u>

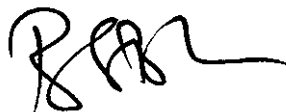
These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

R S Bhambra - DIRECTOR



B S Bhambra - DIRECTOR



Approved by the Board on 31 October 1997

The notes form part of these financial statements

FALCON ELECTRICAL WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 MARCH 1996 TO 30 APRIL 1997

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1997, is being written off evenly over its estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

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

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the period are charged in the profit and loss account.

2. TURNOVER

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

3. STAFF COSTS

Staff costs include the following:

	Period 1.3.96 to 30.4.97 £	Period 13.4.95 to 29.2.96 £
Pension costs (other than social security costs)	18,681	-

FALCON ELECTRICAL WHOLESALERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 MARCH 1996 TO 30 APRIL 1997

4. OPERATING PROFIT

The operating profit is stated after charging:

	Period 1.3.96 to 30.4.97 £	Period 13.4.95 to 29.2.96 £
Depreciation - owned assets	3,834	-
Goodwill written off	500	-
Auditors' remuneration	2,000	-
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	25,497	-
	<u> </u>	<u> </u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes the following:

	Period 1.3.96 to 30.4.97 £	Period 13.4.95 to 29.2.96 £
Hire purchase	349	-
	<u> </u>	<u> </u>

6. TAXATION

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

	Period 1.3.96 to 30.4.97 £	Period 13.4.95 to 29.2.96 £
UK Corporation Tax	1,631	-
	<u> </u>	<u> </u>

UK Corporation Tax has been charged at 24% (1996 - not applicable).

FALCON ELECTRICAL WHOLESALERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 MARCH 1996 TO 30 APRIL 1997**

7. INTANGIBLE FIXED ASSETS

	Goodwill
	<u>£</u>
COST:	
Additions	10,000
	<u> </u>
At 30 April 1997	10,000
	<u> </u>
AMORTISATION:	
Charge for period	500
	<u> </u>
At 30 April 1997	500
	<u> </u>
NET BOOK VALUE:	
At 30 April 1997	9,500
	<u> </u>

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Motor vehicles	Totals
	<u>£</u>	<u>£</u>	<u>£</u>
COST:			
Additions	43,307	26,700	70,007
	<u> </u>	<u> </u>	<u> </u>
At 30 April 1997	43,307	26,700	70,007
	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION:			
Charge for period	2,165	1,669	3,834
	<u> </u>	<u> </u>	<u> </u>
At 30 April 1997	2,165	1,669	3,834
	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE:			
At 30 April 1997	41,142	25,031	66,173
	<u> </u>	<u> </u>	<u> </u>

The net book amount of motor vehicles includes £19,599 in respect of assets held under finance leases. The depreciation charged in the period on these assets amounts to £1,307.

9. STOCKS

	1997	1996
	<u>£</u>	<u>£</u>
Stock	777,763	-
	<u> </u>	<u> </u>

FALCON ELECTRICAL WHOLESALERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 MARCH 1996 TO 30 APRIL 1997**

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

	1997 £	1996 £
Trade debtors	930,713	-
Other debtors	4,000	-
Prepayments & accrued income	12,532	-
	<u>947,245</u>	<u>-</u>

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

	1997 £	1996 £
Bank loans and overdrafts (see note 13)	344,007	-
Trade creditors	765,624	-
Directors current accounts	42,697	-
Hire purchase	5,167	-
Other creditors	3,300	-
Social security & other taxes	41,295	-
Taxation	1,631	-
Accrued expenses	4,725	-
	<u>1,208,446</u>	<u>-</u>

**12. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	1997 £	1996 £
Hire purchase	5,673	-
Purchase of business account	581,119	-
	<u>586,792</u>	<u>-</u>

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	1997 £	1996 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>344,007</u>	<u>-</u>

FALCON ELECTRICAL WHOLESALERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 MARCH 1996 TO 30 APRIL 1997**

14. CALLED UP SHARE CAPITAL

Authorised:			1997	1996
Number:	Class:	Nominal value:	£	£
1,000	Ordinary	£1	1,000	-
			<u> </u>	<u> </u>
Allotted, issued and fully paid:			1997	1996
Number:	Class:	Nominal value:	£	£
1,000	Ordinary	£1	1,000	1,000
			<u> </u>	<u> </u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997	1996
	£	£
Profit for the financial period	5,097	-
Issue of shares	-	1,000
	<u> </u>	<u> </u>
NET ADDITION TO SHAREHOLDERS' FUNDS	5,097	1,000
Opening shareholders' funds	1,000	-
	<u> </u>	<u> </u>
CLOSING SHAREHOLDERS' FUNDS	6,097	1,000
	<u> </u>	<u> </u>
Equity interests	6,097	1,000
	<u> </u>	<u> </u>