

GODIVA BEARINGS (SOUTHERN) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2001



COMPANY NO: 01293580

GODIVA BEARINGS (SOUTHERN) LIMITED

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ABBREVIATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2001

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GODIVA BEARINGS (SOUTHERN) LIMITED ABBREVIATED FINANCIAL STATEMENTS

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 March 2001

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company acts as distributors, dealers and wholesalers of bearings and other products to the engineering industry.

The directors consider the results for the year to be satisfactory and for similar levels of activity to continue for the foreseeable future.

DIVIDEND AND TRANSFER TO RESERVES

The directors have not paid an interim dividend, and they do not recommend payment of a final dividend.

It is proposed that the retained profit of £86,678 (2000: loss £193,169) is transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year, together with their beneficial interests in the company at the beginning and end of the year, were as follows:

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>31/3/01</u>	<u>1/4/00</u>
		0.025p ordinary	
I. D. Cuthill (Chairman)	Ordinary shares	-	-
P. Cuthill	Ordinary shares	-	-
D. N. Harrow	Ordinary shares	-	-

The interests of the directors in the shares of the holding company are shown in the financial statements of that company.

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 the 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:

GODIVA BEARINGS (SOUTHERN) LIMITED
ABBREVIATED FINANCIAL STATEMENTS

REPORT OF THE DIRECTORS (Continued)

DIRECTORS RESPONSIBILITIES (Continued)

- 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.

CHARITABLE CONTRIBUTIONS

During the year the company made various charitable contributions totalling £755
(2000: £330)

EURO

The directors have considered the potential impact of the Euro and are of the opinion that this will not have a material impact on the company within the foreseeable future.

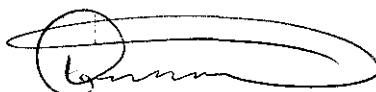
CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

A resolution to reappoint Jacob Cavenagh & Skeet, as auditors of the company, will be proposed at the Annual General Meeting.

By Order of the Board



D. Harrow

Managing Director

Date: 3rd DECEMBER 2001

REPORT OF THE AUDITORS
TO THE MEMBERS OF
GODIVA BEARINGS (SOUTHERN) LIMITED

We have examined the abbreviated accounts on pages 4 to 15 together with full financial statements of the company for the year ended 31 March 2001 prepared under Section 226 of the Companies Act 1985

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Act to the Registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared from those financial statements. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246 (5) and (6) of the Companies Act 1985, and the abbreviated accounts on page 4 to 15 are properly prepared in accordance with those provisions.

Jacob, Cavenagh & Skeet

Jacob Cavenagh & Skeet
Chartered Accountants
and Registered Auditor

6/8 Tudor Court
Brighton Road
Sutton
Surrey
SM2 5AE

7th December 2001

GODIVA BEARINGS (SOUTHERN) LIMITED
ABBREVIATED FINANCIAL STATEMENTS

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2001

	Note	2001 £	2000 £
GROSS PROFIT		2,676,067	2,318,801
Administrative expenses		(2,463,693)	(2,448,710)
Other operating income		<u>-</u>	<u>8,000</u>
OPERATING PROFIT / (LOSS)	2	212,374	(121,909)
- Continuing Operations			
Interest receivable	3	1,743	1,234
Interest payable	4	<u>(72,656)</u>	<u>(90,085)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		141,461	(210,760)
Tax on profit / (loss) on ordinary activities	7	<u>(54,783)</u>	<u>17,591</u>
RETAINED PROFIT/(LOSS) FOR THE YEAR	15	<u><u>86,678</u></u>	<u><u>(193,169)</u></u>

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 7 to 15 form part of these financial statements.

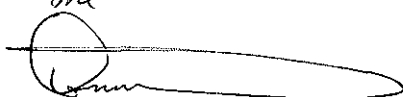
GODIVA BEARINGS (SOUTHERN) LIMITED
ABBREVIATED FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31ST MARCH 2001

	Notes	2001		2000	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	8		279,218		304,617
CURRENT ASSETS					
Stock	9	3,190,329		3,506,050	
Debtors	10	2,341,840		2,335,201	
Cash at bank and in hand		149,390		219	
		<u>5,681,559</u>		<u>5,841,470</u>	
CREDITORS: Amounts falling due within one year	11	<u>(2,618,439)</u>		<u>(2,719,300)</u>	
NET CURRENT ASSETS			3,063,120		3,122,170
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,342,338</u>		<u>3,426,787</u>
CREDITORS: Amounts falling due after more than one year	12		<u>(56,195)</u>		<u>(227,322)</u>
NET ASSETS			<u>3,286,143</u>		<u>3,199,465</u>
CAPITAL AND RESERVES					
Called up share capital	14		12		12
Profit and loss account	15		<u>3,286,131</u>		<u>3,199,453</u>
EQUITY SHAREHOLDERS' FUNDS	16		<u>3,286,143</u>		<u>3,199,465</u>

These accounts have been prepared in accordance with the special provisions of s246A of the Companies Act 1985 relating to medium - sized companies.

The financial statements were approved by the board
on 3rd DECEMBER 2001 and signed on its behalf by



D. Harrow
Director

The notes on pages 7 to 15 form part of these financial statements.

GODIVA BEARINGS (SOUTHERN) LIMITED
ABBREVIATED FINANCIAL STATEMENTS

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2001

	Notes	2001		2000	
		£	£	£	£
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	17		455,025		(15,852)
Return on investments and servicing of finance:					
Interest received			1,743		1,234
Interest paid			(64,736)		(82,776)
Interest element of hire purchase and finance lease payments			<u>(7,920)</u>		<u>(7,309)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(70,913)		(88,851)
Taxation:					
Corporation tax paid			(15,000)		(4,676)
Capital expenditure:					
Purchase of tangible fixed assets			(83,757)		(16,300)
Receipts from sale of tangible assets			<u>1,000</u>		<u>55,631</u>
NET CASH (OUTFLOW) / INFLOW FROM CAPITAL EXPENDITURE			<u>(82,757)</u>		<u>39,331</u>
NET CASH INFLOW / (OUTFLOW) FROM BEFORE FINANCING			286,355		(70,048)
Financing:					
Capital element of hire purchase and finance lease payments			(13,627)		(88,074)
INCREASE / (DECREASE) IN CASH	18		<u>272,728</u>		<u>(158,122)</u>

The notes on pages 7 to 15 form part of these financial statements.

GODIVA BEARINGS (SOUTHERN) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company and its holding company and fellow subsidiary comprise a medium sized group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year. The turnover and result before taxation is attributable to the principal activity of the company.

1.3 DEPRECIATION

Depreciation is provided using the following annual rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful economic lives as follows:

Leasehold improvements	7 years straight line
Plant and machinery	5 years straight line
Fixtures and fittings	15% straight line
Motor vehicles	4 years straight line
Computer equipment	5 years straight line

1.4 STOCKS

Stocks are valued at the lower of cost or net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal.

1.5 DEFERRED TAXATION

Deferred taxation is provided only to the extent that it is probable an actual liability or asset will crystallise in the foreseeable future.

1.6 LEASING AND HIRE PURCHASE

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations outstanding.

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

GODIVA BEARINGS (SOUTHERN) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001**

1. ACCOUNTING POLICIES (CONTINUED)

1.7 PENSIONS

The company operates a defined contribution scheme on behalf of executive directors. Contributions are charged to the profit and loss account as incurred. These contributions are invested separately from the company's assets.

1.8 FOREIGN CURRENCY

Trading transactions denominated in foreign currencies are translated into the exchange rate ruling when the transaction was entered into. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date. Exchange gains or losses are included in the profit and loss account.

2. OPERATING PROFIT / (LOSS)	2001	2000
	£	£
The operating profit/(loss) is stated after charging:		
Depreciation:		
Owned assets	81,778	64,572
Leased assets	21,210	28,736
Auditors' remuneration:		
Audit fees - current auditors	7,300	7,000
Audit fees - previous auditors	-	950
Other services	500	
Operating lease rentals - land and buildings	113,432	127,295
- other	99,272	95,570
Exceptional restructuring costs	-	24,745
	<u> </u>	<u> </u>
3. INTEREST RECEIVABLE	2001	2000
	£	£
Bank and other interest receivable	<u>1,734</u>	<u>1,234</u>
4. INTEREST PAYABLE	2001	2000
	£	£
On bank loans and overdrafts	48,986	66,217
Other interest	15,750	16,559
Hire purchase and finance lease interest	<u>7,920</u>	<u>7,309</u>
	<u>72,656</u>	<u>90,085</u>

GODIVA BEARINGS (SOUTHERN) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001**

5. DIRECTORS AND EMPLOYEES	2001	2000
	£	£
Staff costs:		
Wages and salaries	1,232,130	1,221,651
Social security costs	125,204	132,858
Other pension costs	<u>283,569</u>	<u>256,887</u>
	<u>1,640,903</u>	<u>1,611,396</u>
The average monthly number of employees during the year / period:	Number	Number
Office and management	11	11
Sales and distribution	<u>25</u>	<u>22</u>
	<u>36</u>	<u>33</u>
	£	£
Emoluments in respect of directors were:		
Aggregate emoluments	673,296	672,797
Company contributions paid to money purchase pension schemes	<u>261,180</u>	<u>255,732</u>
	<u>934,476</u>	<u>928,529</u>
Emoluments in respect of the highest paid director were:		
Aggregate emoluments	203,093	346,801
Company contributions paid to money purchase pension schemes	<u>210,902</u>	<u>35,895</u>
	<u>413,995</u>	<u>382,696</u>

Retirement benefits are accruing to three directors under defined contribution (money purchase) schemes.

6. PENSION COSTS

The company operates a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. Contributions payable by the company amounted to £283,569 (2000: £256,887). All contributions were paid in the year. The company paid interest of £15,750 (2000: £15,750) to the directors' pension fund.

7. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2001	2000
	£	£
The taxation charge / (refund) based on the profit / (loss) for the year comprises:		
UK Corporation tax at 24% (2000 - 20%)	<u>54,783</u>	<u>(17,591)</u>

On a full provisioning basis, the unrecognised deferred tax liability amounts to £11,109 (2000: £(17591))

GODIVA BEARINGS (SOUTHERN) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001**

8. TANGIBLE FIXED ASSETS

	Land & buildings £	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2000	15,658	36,247	273,267	208,722	76,404	610,298
Additions	-	-	56,124	27,634	-	83,758
Disposals	-	-	(29,784)	-	(8,252)	(38,036)
At 31 March 2001	<u>15,658</u>	<u>36,247</u>	<u>299,607</u>	<u>236,356</u>	<u>68,152</u>	<u>656,020</u>
Depreciation						
At 1 April 2000	4,106	18,963	139,058	113,627	29,927	305,681
Charge	2,237	7,202	39,183	37,328	17,038	102,988
Disposals	-	-	(24,657)	-	(7,210)	(31,867)
At 31 March 2001	<u>6,343</u>	<u>26,165</u>	<u>153,584</u>	<u>150,955</u>	<u>39,755</u>	<u>376,802</u>
Net book value						
At 31 March 2001	<u>9,315</u>	<u>10,082</u>	<u>146,023</u>	<u>85,401</u>	<u>28,397</u>	<u>279,218</u>
Net book value						
At 31 March 2000	<u>11,552</u>	<u>17,284</u>	<u>134,209</u>	<u>95,095</u>	<u>46,477</u>	<u>304,617</u>
					2001 £	2000 £
Analysis of land and buildings (net book value)						
Short leasehold improvements					<u>9,315</u>	<u>11,552</u>
Included above are assets held under finance leases or hire purchase contracts as follows:						
Net book values:						
Plant & machinery					-	2,454
Fixtures & fittings					10,485	14,657
Computer equipment					-	5,356
Motor vehicles					<u>28,397</u>	<u>45,437</u>
					<u>38,882</u>	<u>67,904</u>
Depreciation charge for the year:						
Plant & machinery					-	614
Fixtures & fittings					4,172	3,516
Computer equipment					-	1,891
Motor vehicles					<u>17,038</u>	<u>22,715</u>
					<u>21,210</u>	<u>28,736</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets concerned.

GODIVA BEARINGS (SOUTHERN) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001**

9. STOCKS	2001 £	2000 £
Finished goods and goods for resale	<u>3,190,329</u>	<u>3,506,050</u>

10. DEBTORS	2001 £	2000 £
Trade debtors	2,128,991	2,051,488
Amounts due from group undertakings	42,289	31,751
Other debtors	74,604	107,538
Prepayments and accrued income	<u>95,956</u>	<u>144,424</u>
	<u>2,341,840</u>	<u>2,335,201</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2001 £	2000 £
Bank overdrafts	976,763	1,100,320
Trade creditors	918,967	990,186
Other creditors	157,500	-
Corporation tax	54,783	-
Other taxes and social security costs	197,598	176,459
Net obligations under finance leases and hire purchase contracts	17,377	20,564
Directors' current accounts	76,102	5,771
Accruals	<u>219,349</u>	<u>426,000</u>
	<u>2,618,439</u>	<u>2,719,300</u>

The bank overdraft is secured on the debtors of the company.

Other creditors relates to a loan from the company self administered pension scheme repayable in May 2001. Interest is being charged at 10% p.a. on a monthly basis.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2001 £	2000 £
Net obligations under finance leases and hire purchase contracts	56,195	69,822
Other creditors	<u>-</u>	<u>157,500</u>
	<u>56,195</u>	<u>227,322</u>

Other creditors relates to a loan from the company self administered pension scheme repayable in May 2001. Interest is being charged at 10% p.a. on a monthly basis.

GODIVA BEARINGS (SOUTHERN) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001**

13. NET OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS	2001 £	2000 £
The company's net obligations under finance leases and hire purchase contracts are repayable as follows:		
In one year, or less or on demand	17,377	20,564
Between one and two years	15,524	17,377
Between two and five years	<u>40,671</u>	<u>52,445</u>
	73,572	90,386
Finance charges and interest allocated to future accounting periods	<u>-</u>	<u>-</u>
	73,572	90,386
Included in current liabilities	<u>(17,377)</u>	<u>(20,564)</u>
	<u>56,195</u>	<u>69,822</u>
14. SHARE CAPITAL	2001 £	2000 £
<i>Authorised</i>		
Equity interests		
400,000 Ordinary shares of 0.025 pence each	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i>		
Equity interests		
48,000 Ordinary shares of 0.025 pence each	<u>12</u>	<u>12</u>
15. PROFIT AND LOSS ACCOUNT	2001 £	2000 £
Retained profits at 1 April 2000	3,199,453	3,392,622
Retained profits / (losses) for the year	<u>86,678</u>	<u>(193,169)</u>
Retained profits at 31 March 2001	<u>3,286,131</u>	<u>3,199,453</u>

GODIVA BEARINGS (SOUTHERN) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001**

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2001 £	2000 £
Profit / (loss) for the financial year	86,678	(193,169)
Shareholders' funds at 1 April	<u>3,199,465</u>	<u>3,392,634</u>
Shareholders' funds at 31 March	<u><u>3,286,143</u></u>	<u><u>3,199,465</u></u>
Represented by:-		
Equity interests	<u><u>3,286,143</u></u>	<u><u>3,199,465</u></u>

**17. RECONCILIATION OF OPERATING PROFIT TO NET CASH
INFLOW FROM OPERATING ACTIVITIES**

	2001 £	2000 £
Operating profit / (loss)	217,542	(109,844)
Depreciation	102,988	93,308
Decrease in stock	315,721	162,612
Decrease / (increase) in debtors	55,585	(67,769)
Decrease in creditors	<u>(236,811)</u>	<u>(94,159)</u>
Net cash inflow / (outflow) from operating activities	<u><u>455,025</u></u>	<u><u>(15,852)</u></u>

**18. RECONCILIATION OF NET CASH FLOW TO MOVEMENT
IN NET DEBT**

	2001 £	2000 £
Increase / (decrease) in cash in the year	272,728	(158,122)
Cash outflow from financing	<u>13,627</u>	<u>88,074</u>
Changes in net debt resulting from cash flows	286,355	(70,048)
New finance leases	-	(68,152)
Non cash changes	<u>3,187</u>	<u>-</u>
Movement in net debt in the period	289,542	(138,200)
Opening net debt	<u>(1,347,987)</u>	<u>(1,209,787)</u>
Total net cash outflow / movement in net debt	<u><u>(1,058,445)</u></u>	<u><u>(1,347,987)</u></u>

GODIVA BEARINGS (SOUTHERN) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001**

19. ANALYSIS OF NET DEBT

	1 April 2000	Cash flows	Other non - cash changes	31 March 2001
Net cash				
Cash at bank and in hand	219	149,171	-	149,390
Bank overdrafts	<u>(1,100,320)</u>	<u>123,557</u>	<u>-</u>	<u>(976,763)</u>
	(1,100,101)	272,728		(827,373)
Debt				
Finance leases	(90,386)	13,627	3,187	(73,572)
Other creditors	<u>(157,500)</u>	<u>-</u>	<u>-</u>	<u>(157,500)</u>
	<u>(1,347,987)</u>	<u>286,355</u>	<u>3,187</u>	<u>(1,058,445)</u>
Analysed in balance sheet				
Cash at bank and in hand	219			149,390
Bank overdrafts	<u>(1,100,320)</u>			<u>(976,763)</u>
Finance leases				
within one year	(20,564)			(17,377)
after one year	(69,822)			(56,195)
Other creditors	<u>(157,500)</u>			<u>(157,500)</u>
	<u>(1,347,987)</u>			<u>(1,058,445)</u>

20. REVENUE COMMITMENTS

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

	Land and buildings		Other	
	2001	2000	2001	2000
	£	£	£	£
Expiry date:				
Within one year	-	16,058	17,796	5,256
Between one and five years			41,018	85,630
After five years	<u>95,934</u>	<u>95,185</u>	<u>-</u>	<u>-</u>
	<u>95,934</u>	<u>111,243</u>	<u>58,814</u>	<u>90,886</u>

21. CONTINGENT LIABILITIES

The company's bankers have provided a VAT deferment bond with recourse to the company. The potential liability to the bank amounts to £20,000.

GODIVA BEARINGS (SOUTHERN) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001**

22. ULTIMATE HOLDING COMPANY

The company is a wholly owned subsidiary of Godiva Bearings Limited.
Copies of the parent company's accounts are available from the company secretary at
Unit 3 Shepperton Business Park, Govett Avenue, Shepperton, TW17 8AA

The company is ultimately controlled by the chairman, I.D. Cuthill, and the sales director, P. Cuthill.

23. RELATED PARTY TRANSACTIONS

Autosport Bearings & Components Limited is a fellow subsidiary of Godiva Bearings Limited.

The company supplied goods to Autosport Bearings & Components Limited amounting to
£132,891 for the year.

At 31st March 2001 the company was owed £42,289 by Autosport Bearings & Components Limited.