

GODIVA BEARINGS (SOUTHERN) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

COMPANY NO: 01293580



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GODIVA BEARINGS (SOUTHERN) LIMITED

**INDEX TO THE
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

	Page
Report of the directors	1-2
Auditors' report	3
Profit & Loss Account	4
Balance Sheet	5
Cash flow statement	6
Notes to the financial statements	7-16

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 2002

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 loss of £100,503 (2001: profit £86,678) 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>31/3/02</u>	<u>1/4/01</u>
				0.025p ordinary	
I. D. Cuthill (Chairman)	Ordinary shares			-	-
P. Cuthill	Ordinary shares			-	-
D. N. Harrow	Ordinary shares			-	-
T. J. Brain (appointed 21/1/02)	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 £223
(2001: £755)

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.

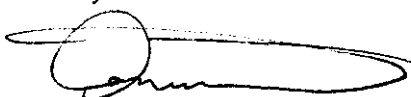
CLOSE COMPANY

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: 27th September 2002

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF

GODIVA BEARINGS (SOUTHERN) LIMITED

We have examined the abbreviated accounts on pages 4 to 16 together with full financial statements of the company for the year ended 31 March 2002 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 section 246A(3) of the Act to the Registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision 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 Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 16 are properly prepared in accordance with that provision.

Jacob, Covenagh - Seal

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

Date *27th September 2002*

GODIVA BEARINGS (SOUTHERN) LIMITED
ABBREVIATED FINANCIAL STATEMENTS

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2002

	Note	2002 £	2001 £
GROSS PROFIT		2,445,000	2,676,067
Administrative expenses		(2,498,340)	(2,463,693)
Other operating income		<u>-</u>	<u>-</u>
OPERATING (LOSS) / PROFIT	2	(53,340)	212,374
- Continuing Operations			
Interest receivable	3	7,793	1,743
Interest payable	4	<u>(58,178)</u>	<u>(72,656)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(103,725)	141,461
Tax on (loss) / profit on ordinary activities	7	<u>3,222</u>	<u>(54,783)</u>
RETAINED (LOSS) / PROFIT FOR THE YEAR	15	<u><u>(100,503)</u></u>	<u><u>86,678</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 16 form part of these financial statements.

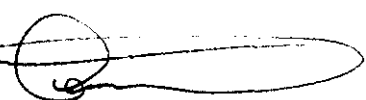
GODIVA BEARINGS (SOUTHERN) LIMITED
ABBREVIATED FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31ST MARCH 2002

	Notes	2002		2001	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	8		194,461		279,218
CURRENT ASSETS					
Stock	9	3,297,369		3,190,329	
Debtors	10	1,795,863		2,341,840	
Cash at bank and in hand		13,811		149,390	
		<u>5,107,043</u>		<u>5,681,559</u>	
CREDITORS: Amounts falling due within one year	11	<u>(2,071,444)</u>		<u>(2,618,439)</u>	
NET CURRENT ASSETS			3,035,599		3,063,120
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,230,060</u>		<u>3,342,338</u>
CREDITORS: Amounts falling due after more than one year	12		<u>(44,420)</u>		<u>(56,195)</u>
NET ASSETS			<u>3,185,640</u>		<u>3,286,143</u>
CAPITAL AND RESERVES					
Called up share capital	14		12		12
Profit and loss account	15		<u>3,185,628</u>		<u>3,286,131</u>
EQUITY SHAREHOLDERS' FUNDS	16		<u>3,185,640</u>		<u>3,286,143</u>

The financial statements were approved by the board
on *27th September* 2002 and signed on its behalf by

D. Harrow
Director



The notes on pages 7 to 16 form part of these financial statements.

GODIVA BEARINGS (SOUTHERN) LIMITED
ABBREVIATED FINANCIAL STATEMENTS

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2002

	Notes	2002		2001	
		£	£	£	£
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	17		308,651		455,025
Return on investments and servicing of finance:					
Interest received		7,793		1,743	
Interest paid		(50,648)		(64,736)	
Interest element of hire purchase and finance lease payments		<u>(7,530)</u>		<u>(7,920)</u>	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(50,385)		(70,913)
Taxation:					
Corporation tax paid			(54,783)		(15,000)
Capital expenditure:					
Purchase of tangible fixed assets		(32,771)		(83,757)	
Receipts from sale of tangible assets		<u>-</u>		<u>1,000</u>	
NET CASH (OUTFLOW) / INFLOW FROM CAPITAL EXPENDITURE			<u>(32,771)</u>		<u>(82,757)</u>
NET CASH INFLOW / (OUTFLOW) FROM BEFORE FINANCING			170,712		286,355
Financing:					
Capital element of hire purchase and finance lease payments			(12,647)		(13,627)
Repayment of loan			(157,500)		-
INCREASE / (DECREASE) IN CASH	18		<u>565</u>		<u>272,728</u>

The notes on pages 7 to 16 form part of these financial statements.

GODIVA BEARINGS (SOUTHERN) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

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 in full on all timing differences existing at the balance sheet date.

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 2002**

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 (LOSS) / PROFIT

**2002
£**

**2001
£**

The operating profit/(loss) is stated after charging:

Depreciation:

Owned assets

96,318

81,778

Leased assets

21,210

21,210

Auditors' remuneration:

Audit fees - current auditors

8,400

7,300

Other services

1,200

500

Operating lease rentals - land and buildings
- other

99,021

113,432

101,564

99,272

3. INTEREST RECEIVABLE

**2002
£**

**2001
£**

Bank and other interest receivable

7,793

1,743

4. INTEREST PAYABLE

**2002
£**

**2001
£**

On bank loans and overdrafts

49,335

48,986

Other interest

1,313

15,750

Hire purchase and finance lease interest

7,530

7,920

58,178

72,656

GODIVA BEARINGS (SOUTHERN) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

5. DIRECTORS AND EMPLOYEES

	2002	2001
	£	£
Staff costs:		
Wages and salaries	1,463,561	1,232,130
Social security costs	151,944	125,204
Other pension costs	<u>107,052</u>	<u>283,569</u>
	<u>1,722,557</u>	<u>1,640,903</u>
The average monthly number of employees during the year / period:	Number	Number
Office and management	11	11
Sales and distribution	<u>26</u>	<u>25</u>
	<u>37</u>	<u>36</u>
	£	£
Emoluments in respect of directors were:		
Aggregate emoluments	801,524	673,296
Company contributions paid to money purchase pension schemes	<u>84,251</u>	<u>261,180</u>
	<u>885,775</u>	<u>934,476</u>
Emoluments in respect of the highest paid director were:		
Aggregate emoluments	368,942	203,093
Company contributions paid to money purchase pension schemes	<u>36,994</u>	<u>210,902</u>
	<u>405,936</u>	<u>413,995</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 £107,052 (2001: £283,569).

All contributions were paid in the year.

The company paid interest of £1,313 (2001: £15,750) to the directors' pension fund.

GODIVA BEARINGS (SOUTHERN) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

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

Tax on (loss) / profit on ordinary activities

(a) The tax credit/charge for the year comprises:

	2002	2001
	£	£
UK Corporation tax (2001 - 24%)	<u>(3,222)</u>	<u>54,783</u>

(b) Factors affecting tax credit/charge for the year

	2002	2001
	£	£
(Loss) / profit on ordinary activities before tax	(103,725)	141,461

Effects of:

Expenses not deductible for tax purposes	38,402	55,984
Depreciation in excess of capital allowances	55,409	28,811
Losses carried back	9,914	-

Profits chargeable	<u>-</u>	<u>226,256</u>
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At standard rate of corporation tax	-	67,877
Adjustment for marginal relief	-	(13,094)
Relief at marginal rate on losses	(3,222)	-
Tax credit/charge	<u>(3,222)</u>	<u>54,783</u>

(c) Factors affecting future tax charges

The company has an unrecognised deferred tax asset of £7,793 (2001 liability £11,109) due to timing differences on capital allowances.

GODIVA BEARINGS (SOUTHERN) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

8. TANGIBLE FIXED ASSETS

	Land & buildings £	Plant & machinery £	Fixtures & fittings £	Computer equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2001	15,658	36,247	299,607	236,356	68,152	656,020
Additions	<u>2,847</u>	<u>2,000</u>	<u>2,093</u>	<u>25,831</u>	<u>-</u>	<u>32,771</u>
At 31 March 2002	<u>18,505</u>	<u>38,247</u>	<u>301,700</u>	<u>262,187</u>	<u>68,152</u>	<u>688,791</u>
Depreciation						
At 1 April 2001	6,343	26,165	153,584	150,955	39,755	376,802
Charge	<u>2,453</u>	<u>7,070</u>	<u>43,053</u>	<u>47,914</u>	<u>17,038</u>	<u>117,528</u>
At 31 March 2002	<u>8,796</u>	<u>33,235</u>	<u>196,637</u>	<u>198,869</u>	<u>56,793</u>	<u>494,330</u>
Net book value						
At 31 March 2002	<u>9,709</u>	<u>5,012</u>	<u>105,063</u>	<u>63,318</u>	<u>11,359</u>	<u>194,461</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>
					2002 £	2001 £
Analysis of land and buildings (net book value)						
Short leasehold improvements					<u>9,709</u>	<u>9,315</u>
Included above are assets held under finance leases or hire purchase contracts as follows:						
Net book values:						
Fixtures & fittings					6,313	10,485
Motor vehicles					<u>11,359</u>	<u>28,397</u>
					<u>17,672</u>	<u>38,882</u>
Depreciation charge for the year:						
Fixtures & fittings					4,172	4,172
Motor vehicles					<u>17,038</u>	<u>17,038</u>
					<u>21,210</u>	<u>21,210</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 2002**

9. STOCKS	2002	2001
	£	£
Finished goods and goods for resale	<u>3,297,369</u>	<u>3,190,329</u>
10. DEBTORS	2002	2001
	£	£
Trade debtors	1,613,957	2,128,991
Amounts due from group undertakings	-	42,289
Other debtors	74,105	74,604
Prepayments and accrued income	<u>107,801</u>	<u>95,956</u>
	<u>1,795,863</u>	<u>2,341,840</u>
11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2002	2001
	£	£
Bank overdrafts	840,619	976,763
Trade creditors	800,472	918,967
Other creditors	6,605	157,500
Corporation tax	-	54,783
Other taxes and social security costs	176,554	197,598
Net obligations under finance leases and hire purchase contracts	16,505	17,377
Directors' current accounts	82,268	76,102
Accruals	<u>148,421</u>	<u>219,349</u>
	<u>2,071,444</u>	<u>2,618,439</u>
<p>The bank overdraft is secured on the debtors of the company. Other creditors related to a loan from the company self administered pension scheme repaid in May 2001.</p>		
12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2002	2001
	£	£
Net obligations under finance leases and hire purchase contracts	<u>44,420</u>	<u>56,195</u>

GODIVA BEARINGS (SOUTHERN) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

13. NET OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS	2002 £	2001 £
The company's net obligations under finance leases and hire purchase contracts are repayable as follows:		
In one year, or less or on demand	16,505	17,377
Between one and two years	3,749	15,524
Between two and five years	<u>40,671</u>	<u>40,671</u>
	60,925	73,572
Finance charges and interest allocated to future accounting periods	<u>-</u>	<u>-</u>
	60,925	73,572
Included in current liabilities	<u>-16,505</u>	<u>-17,377</u>
	<u>44,420</u>	<u>56,195</u>
14. SHARE CAPITAL	2002 £	2001 £
<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	2002 £	2001 £
Retained profits at 1 April 2001	3,286,131	3,199,453
Retained (losses) / profits for the year	<u>(100,503)</u>	<u>86,678</u>
Retained profits at 31 March 2002	<u>3,185,628</u>	<u>3,286,131</u>

GODIVA BEARINGS (SOUTHERN) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2002	2001
	£	£
(Loss) / profit for the financial year	(100,503)	86,678
Shareholders' funds at 1 April	<u>3,286,143</u>	<u>3,199,465</u>
Shareholders' funds at 31 March	<u>3,185,640</u>	<u>3,286,143</u>
Represented by:-		
Equity interests	<u>3,185,640</u>	<u>3,286,143</u>

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

	2002	2001
	£	£
Operating (loss) / profit	(53,340)	217,542
Depreciation	117,528	102,988
Increase in stock	(107,040)	315,721
Decrease in debtors	549,199	55,585
Decrease in creditors	<u>(197,696)</u>	<u>(236,811)</u>
Net cash inflow from operating activities	<u>308,651</u>	<u>455,025</u>

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

	2002	2001
	£	£
Increase in cash in the year	565	272,728
Repayment of other creditors	157,500	-
Cash outflow from financing	<u>12,647</u>	<u>13,627</u>
Changes in net debt resulting from cash flows	170,712	286,355
Non cash changes	<u>-</u>	<u>3,187</u>
Movement in net debt in the period	170,712	289,542
Opening net debt	<u>(1,058,445)</u>	<u>(1,347,987)</u>
Total net cash outflow / movement in net debt	<u>(887,733)</u>	<u>(1,058,445)</u>

GODIVA BEARINGS (SOUTHERN) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

19. ANALYSIS OF NET DEBT

	1 April 2001	Cash flows	Other non - cash changes	31 March 2002
Net cash				
Cash at bank and in hand	149,390	(135,579)	-	13,811
Bank overdrafts	<u>(976,763)</u>	<u>136,144</u>	<u>-</u>	<u>(840,619)</u>
	(827,373)	565		(826,808)
Debt				
Finance leases	(73,572)	12,647		(60,925)
Other creditors	<u>(157,500)</u>	<u>157,500</u>	<u>-</u>	<u>-</u>
	<u>(1,058,445)</u>	<u>170,712</u>	<u>-</u>	<u>(887,733)</u>
Analysed in balance sheet				
Cash at bank and in hand	149,390			13,811
Bank overdrafts	<u>(976,763)</u>			<u>(840,619)</u>
Finance leases				
within one year	(17,377)			(16,505)
after one year	(56,195)			(44,420)
Other creditors	<u>(157,500)</u>			<u>-</u>
	<u>(1,058,445)</u>			<u>(887,733)</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	
	2002	2001	2002	2001
	£	£	£	£
Expiry date:				
Within one year	-	-	14,965	17,796
Between one and five years	-	-	43,287	41,018
After five years	<u>97,505</u>	<u>95,934</u>	<u>-</u>	<u>-</u>
	<u>97,505</u>	<u>95,934</u>	<u>58,252</u>	<u>58,814</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 2002**

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
£206,191 for the year.

At 31st March 2002 the company owed £6,605 to Autosport Bearings & Components Limited.