Company Registration No. 2076721 (England and Wales)

VIVA ENTERPRISES LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2003

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VIVA ENTERPRISES LIMITED

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VIVA ENTERPRISES LIMITED

REPORT OF THE DIRECTOR

FOR THE YEAR ENDED 31 MARCH 2003

The director presents his report and financial statements for the year ended 31 March 2003.

Activities and review of the business
The principal activity of the company is that of electrical and lighting retailers and wholesalers.

The results for the year and the financial position at the year end were considered satisfactory by the director who expects continued growth in the foreseeable future.

Results and dividends
The results for the year are set out at page 4. During the year the company paid dividends of £350,000 / 2002: £320,000.

Donations
During the year the company made charitable donations of £24,733 / 2002: £2,257.

Director
The director of the company and his interest in the shares of the company was as follows: -

	Ordinary Shares of £1 each	
	31.3.2003	**31.3.2002**
R Dangoor	1,000	1,000

Auditors
The auditors, Tung Sing & Co, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

Statement of Director's responsibilities
Company law requires the director 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 director is required to:

- select the 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

By order of the board

R Dangoor
Director
19 December 2003

VIVA ENTERPRISES LIMITED

AUDITORS' REPORT TO VIVA ENTERPRISES LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 3 to 12, together with the financial statements for the company for the year ended 31 March 2003 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of director and auditors

The director is responsible for preparing the abbreviated accounts in accordance with Section 246A 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 carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. 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 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 3 to 12 are properly prepared in accordance with that provision.

Tung Sing & Co
Chartered Accountants
Registered Auditor

26 Oakleigh Park South
London N20 9JU

19 December 2003

VIVA ENTERPRISES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
Gross profit		2,304,602	1,885,507
Other income	**2**	123,261	163,261
		2,427,863	2,048,768
Administrative expenses		(1,783,678)	(1,604,431)
Operating profit	**3**	644,185	444,337
Interest receivable		49,780	26,141
Interest payable		(2,463)	(2,534)
Profit on ordinary activities before taxation		691,502	467,944
Tax on profit on ordinary activities	**5**	(152,363)	(67,614)
Profit on ordinary activities after taxation		539,139	400,330
Dividend paid		(350,000)	(320,000)
Retained profit for the financial year		189,139	80,330
Retained profit brought forward		2,337,056	2,256,726
Retained profit carried forward		2,526,195	2,337,056

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

VIVA ENTERPRISES LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 MARCH 2003

	Notes	£	2003 £	£	2002 £
Fixed assets					
Tangible assets	6		478,561		476,486
Investments	7		149		149
			478,710		476,635
Current assets					
Stock	8	590,410		594,176	
Debtors	9	1,017,160		590,726	
Cash at bank and in hand		1,920,923		1,709,645	
		3,528,493		2,894,547	
Creditors: Amounts falling due within one year	10	(1,405,424)		(958,670)	
Net current assets			2,123,069		1,935,877
Total assets less current liabilities			2,601,779		2,412,512
Provisions for liabilities and charges	11		(20,282)		(20,154)
			2,581,497		2,392,358
Capital and reserves					
Called up share capital	13		1,000		1,000
Share premium			54,302		54,302
Profit and loss account			2,526,195		2,337,056
Shareholders' funds	14		2,581,497		2,392,358

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

The abbreviated financial statements were approved by the Director on 19 December 2003.

R Dangoor
Director

VIVA ENTERPRISES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2003

	2003		2002	
	£	£	£	£
Net cash inflow from operating activities		506,046		644,497
Returns on investments and servicing of finance				
Interest received	49,780		26,141	
Interest paid	(2,463)		(2,534)	
Dividends received	120,000		160,000	
Net cash inflow for returns on investments and servicing of finance		167,317		183,607
Taxation		(64,832)		(62,735)
Capital expenditure				
Payments to acquire tangible assets	(51,003)		(52,925)	
Receipts from sales of tangible assets	3,750		1,000	
Net cash (outflow) for capital expenditure		(47,253)		(51,925)
Equity dividends paid		(350,000)		(320,000)
Increase in cash in the year		211,278		393,444

VIVA ENTERPRISES LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2003

1. Reconciliation of operating profit to net cash inflow from operating activities

	2003 £	2002 £
Operating profit	524,185	284,337
Depreciation of tangible assets	41,901	41,363
Loss on disposal of fixed assets	3,277	2,631
Decrease in stocks	3,766	15,213
(Increase)/ decrease in debtors	(426,434)	226,618
Increase in creditors within one year	359,351	74,335
Net cash inflow from operating activities	506,046	644,497

2. Analysis of net funds

	1 April 2002 £	Cash flow £	31 March 2003 £
Net cash			
Cash at bank and in hand	1,709,645	211,278	1,920,923
Net funds	1,709,645	211,278	1,920,923

3. Reconciliation of net cash flow to movement in net funds

	2003 £	2002 £
Increase in cash in the year	211,278	393,444
Opening net funds	1,709,645	1,316,201
Closing net funds	1,920,923	1,709,645

VIVA ENTERPRISES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2003

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention.

1.2. Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3. 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 less estimated residual value of each asset over its expected useful life, as follows: -

Freehold properties	-	2% Straight line
Leasehold properties	-	Over the term of the lease
Fixtures, fittings and equipment	-	15%-25% Reducing balance
Motor vehicles	-	25% Reducing balance

1.4. Stock

Stock is valued at the lower of cost and net realisable value.

1.5 Deferred taxation

Provision is provided on the liability method to take account of timing differences between the treatment of certain items for account purposes and their treatment for tax purposes. Tax deferred is accounted for in respect of all material differences.

1.6 Pensions

Pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24

1.7 Group accounts

The company has not prepared group financial statements as it is exempt from the requirement to do so by section 248 of the Companies Act 1985 on the grounds that the group is medium.

2. Other income

	2003 £	2002 £
Rent received	3,261	3,261
Dividend received	120,000	160,000
	123,261	163,261

3. Operating profit

Operating profit is stated after charging:

	2003 £	2002 £
Director's remuneration	531,678	531,452
Director's pension contributions	105,957	110,000
Auditors remuneration	4,500	4,500
Depreciation	41,901	41,363

4. Staff costs

Staff costs, including the director's remuneration, were as follows: -

	2003 £	2002 £
Wages and salaries	1,124,111	1,028,683
Social security costs	121,810	111,120
Other pension costs	117,075	111,318
	1,362,996	1,251,121

The average monthly number of employees, including directors, during the year was as follows: -

	2003 Number	2002 Number
Office and administration	20	19
Sales and marketing	15	13
	35	32

5. Taxation

	2003 £	2002 £
Corporation tax at 25.77% / 2002: 20.5%	152,235	64,832
Deferred tax	128	,2,782
	152,363	67,614

6. Tangible fixed assets

	Leasehold Property (short) £	Freehold Properties £	Fixtures, Fittings & Equipment £	Motor Vehicle £	Total £
Cost					
As at 1.4.2002	56,509	330,915	210,986	53,822	652,232
Disposals	-	-	(748)	(19,843)	(20,591)
Additions	3,770	-	16,450	30,783	51,003
As at 31.3.2003	60,279	330,915	226,688	64,762	682,644
Depreciation					
As at 1.4.2002	7,994	44,619	90,909	32,224	175,746
Disposals	(-)	(-)	(-)	(13,564)	(13,564)
Charge for the year	3,076	6,618	23,545	8,662	41,901
As at 31.3.2003	11,070	51,237	114,454	27,322	204,083
Net Book Value					
As at 31.3.2003	49,209	279,678	112,234	37,440	478,561
As at 31.3.2002	48,515	286,296	120,077	21,598	476,486

7. Fixed assets investments

	Related Company £	Subsidiary Company £	Total £
Cost			
As at 31 March 2002 and 2003	50	99	149

The company owns 50% of the issued share capital of Elite Electrical & Lighting Distributors Limited, a company incorporated in England, whose principal activity is that of electrical wholesalers and retailers.

The company owns 100% of the issued share capital of Lanestream Properties Limited, a company incorporated in England, whose principal activity is that of property investors. No consolidated accounts have been prepared as permitted by Section 248 of the Companies Act 1985.

Under the Equity Method of Accounting, the investments would be as follows: -

	Related Company £	Subsidiary Company £	Total £
Cost			
As at 31 March 2002	428,469	98,376	526,845
Share of profit	180,320	-	180,320
Dividend	(120,000)	-	(120,000)
As at 31 March 2003	488,789	98,376	587,165

8. Stocks

	2003 £	2002 £
Finished goods and goods for resale	590,410	594,176

9. Debtors

	2003 £	2002 £
Trade debtors	329,049	283,365
Other debtors and prepayments	688,111	307,361
	1,017,160	590,726

10. Creditors: Amounts falling due within one year

	2003 £	2002 £
Trade creditors	453,529	420,010
Amount due to subsidiary company	98,376	98,376
Other taxes and social security costs	389,143	356,699
Director's current account	294,590	4,929
Other creditors and accruals	17,551	13,824
Corporation tax	152,235	64,832
	1,405,424	958,670

11. Provisions for liabilities and charges

Deferred tax is provided at 30% over the following timing differences:

	2003 £	2002 £
Accelerated capital allowances	20,282	20,154

12. Pension costs

The company operates a defined pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions payable by the company to the fund and amounted to £117,075 / 2002: £111,318.

13. Share capital

	2003 £	2002 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Authorised, Called Up and Fully Paid		
1,000 ordinary shares of £1 each	1,000	1,000

14. Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Balance as at 1 April 2002	2,392,358	2,312,028
Net profit for the year	539,139	400,330
Dividend paid	(350,000)	(320,000)
Balance as at 31 March 2003	2,581,497	2,392,358

15. Transactions with directors

(a) During the year, the company purchased goods at cost amounting to £9,813 / 2002: £12,003 from and sold goods at cost amounting to £37,535 / 2002: £30,161 to Elite Electrical and Lighting Distributors Limited, a company of which Mr R Dangoor is a director.

(b) During the year, the company paid rent of £48,750 / 2002: £48,750 to the company's independently administered pension fund. Mr R Dangoor is the beneficiary of that fund. This transaction was carried out on an arms length basis.

(c) Included within debtors is an amount of £611,200 / 2002: £241,200 owed by Careline Properties Limited, a company of which Mr R Dangoor is a shareholder.

16. Control

The company was under the control of the director throughout the current and previous year.