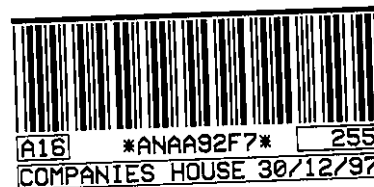


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NICHO ELECTRICAL LIMITED

Financial Statements

for the year ended 5 April 1997



NICHO ELECTRICAL LIMITED

Annual report and financial statements for the year ended 5 April 1997

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Director	T Nicholls
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Secretary and Registered Office	Mrs Y Knight 123 Lower Camden Chislehurst Kent BR7 5JD
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Auditors	Whelan-Briggs Chartered Accountants 5 Heath Road Weybridge Surrey KT13 8SX
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NICHO ELECTRICAL LIMITED

Report of the Directors for the year ended 5 April 1997

The director presents his report together with the audited financial statements for the year ended 5 April 1997.

REVIEW OF THE BUSINESS

The principal activity of the company continued to be that of electrical distributors.

DIRECTORS

The following have been directors during the whole of the period. The interests of the directors in the shares of the company, according to the register of director's interest, were shown below:

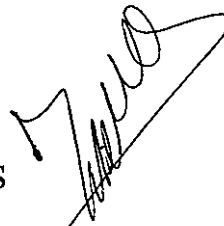
	£1 Ordinary shares	
	5 April 1997	6 April 1996
T Nicholls	2	1

AUDITORS

Whelan-Briggs have expressed their willingness to continue in office and a resolution to reappoint him will be proposed at the annual general meeting

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the Board on 3 October 1997 and signed on their behalf.

BY ORDER OF THE BOARD


T NICHOLLS
Director

RA7
Bermondsey Trading Estate
Rotherhithe New Road
London
SE16 3LL

3 October 1997

NICHO ELECTRICAL LIMITED

Statement of Directors Responsibilities for the year ended 5 April 1997

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.

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.

NICHO ELECTRICAL LIMITED

Report of the Auditors to the members of Nicho Electrical Limited

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on the page following the Director's Report, the company's director is 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 judgements made by the directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit in order to obtain all the information and explanations which we considered necessary 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 5 April 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985 as applicable to small companies.

Dated: 3 October 1997



Whelan-Briggs
Chartered Accountants
5 Heath Road
Weybridge
Surrey
KT13 8SX

NICHO ELECTRICAL LIMITED**Profit and loss account for the year ended 5 April 1997**

	Notes	1997 £	1996 £
Turnover	1	600779	571192
Cost of Sales		<u>374864</u>	<u>372964</u>
Gross Profit		225915	198228
Administration Expenses		<u>195705</u>	<u>188921</u>
		30210	9307
Profit on disposal of fixed asset		<u>2119</u>	<u>-</u>
Operating Profit		32329	9307
Other Interest Receivable and Similar Income		667	770
Interest Payable	2	<u>795</u>	<u>729</u>
Profit on ordinary activities before taxation	3	32201	9348
Tax on Profit on Ordinary Activities	4	<u>14577</u>	(<u>3879</u>)
Profit on Ordinary Activities after Taxation		17624	13227
Dividends		<u>10000</u>	<u>-</u>
Retained Profit		7624	-
Balance at 6 April 1996		<u>66197</u>	<u>52970</u>
Balance at 5 April 1997		<u>73821</u>	<u>66197</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The profit for the year represents the total gains and losses recognised for the last year.

HISTORICAL PROFITS AND LOSSES

The reported profit represents the historical profit for the year.

CONTINUING OPERATIONS

All of the companys' operations are classed as continuing.

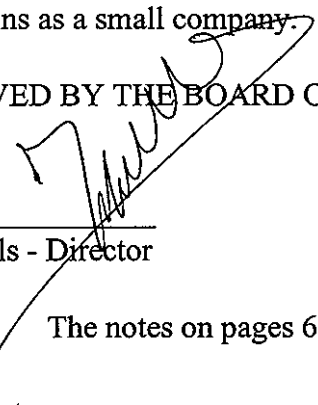
The notes on pages 6 to 9 form part of these financial statements

NICHO ELECTRICAL LIMITED
Balance Sheet at 5 April 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible Assets	5	14814	23220
CURRENT ASSETS			
Stock	6	39945	36039
Debtors	7	142407	138902
Cash at bank and in hand		-	2153
		182352	177094
CREDITORS			
Amounts falling due within one year	8	(123343)	(124029)
NET CURRENT ASSETS		<u>59009</u>	<u>53065</u>
		73823	76285
CREDITORS			
Amounts falling due after one year	9	-	(10086)
NET ASSETS		<u>73823</u>	<u>66199</u>
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Profit and loss account		73821	66197
EQUITY SHAREHOLDERS FUNDS	12	<u>73823</u>	<u>66199</u>

Advantage is taken in the preparation of the financial statements of the special exemptions applicable to small companies conferred by part I of Schedule 8 of the Companies Act 1985. In the Director's opinion, the company is entitled to these exemptions as a small company.

APPROVED BY THE BOARD ON 3 OCTOBER 1997


T Nicholls - Director

The notes on pages 6 to 9 form part of these financial statements

NICHO ELECTRICAL LIMITED

Notes forming part of the accounts for the year ended 5 April 1997

1 ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention in accordance with applicable accounting standards using the following accounting policies:-

TURNOVER

Turnover represents amounts invoiced to outside customers at invoiced amount less value added tax.

DEPRECIATION

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following rates:-

Motor vehicles	20% per annum on cost
Fixtures & fittings	10% per annum on cost

STOCKS

Stocks are valued at the lower of cost or net realisable value.

PENSION CONTRIBUTIONS

The company has a defined contribution scheme and contributions to which are charged against profits in the year.

NICHO ELECTRICAL LIMITED**Notes forming part of the accounts for the year ended 5 April 1997****/continued.**

	1997 £	1996 £
2 INTEREST PAYABLE		
Hire purchase interest payable	<u>795</u>	<u>729</u>
3 PROFIT ON ORDINARY ACTIVITIES		
This is arrived at after charging		
Salaries	79292	67453
Social Security Costs	10225	9455
Auditors remuneration	525	1000
Depreciation	6505	6580
Profit on disposal of fixed assets	2119	-
Directors' emoluments	23364	27800
Pension Contributions	<u>11947</u>	<u>6954</u>
4 TAXATION		
Corporation tax arrears	5364	-
Corporation tax at 24% (1996 - 25%)	9141	4269
Over provision in respect to previous year	-	(8194)
Interest on late payment	<u>72</u>	<u>46</u>
	<u>14577</u>	<u>(3879)</u>

NICHO ELECTRICAL LIMITED

Notes forming part of the accounts for the year ended 5 April 1997

/continued

5 TANGIBLE FIXED ASSETS

	Motor Vehicles £	Fixtures & Fittings £	Total £
COST			
At 6 April 1996	26620	17727	44347
Disposal	(5635)	-	(5635)
Additions	-	1480	1480
At 5 April 1997	<u>20985</u>	<u>19207</u>	<u>40192</u>
DEPRECIATION			
At 6 April 1996	12239	8888	21127
Adjust for disposal	(2254)	-	(2254)
Charge for the year	4197	2308	6505
At 5 April 1997	<u>14182</u>	<u>11196</u>	<u>25378</u>
NET BOOK VALUE			
At 5 April 1997	<u>6803</u>	<u>8011</u>	<u>14814</u>
At 6 April 1996	<u>14381</u>	<u>8839</u>	<u>23220</u>

Included in the above are assets purchased under hire purchase agreements with a net book value of £10392 (1996-£6803). Depreciation charged during the year on assets purchased under hire purchase agreements amounted to £4197 (1996-£2598).

6 STOCK

	1997 £	1996 £
Finished goods for resale	<u>39945</u>	<u>36039</u>

7 DEBTORS

Trade debtors	136144	131007
Prepayments	<u>6263</u>	<u>7895</u>
	<u>142407</u>	<u>138902</u>

All the above amounts are considered receivable within one year.

NICHO ELECTRICAL LIMITED**Notes forming part of the accounts for the year ended 5 April 1997****/continued**

	1997 £	1996 £
8 CREDITORS		
Amounts falling due within one year		
Bank overdraft	14449	-
Trade creditors	46527	69240
Accruals	1000	1000
Directors loan	22488	10000
Creditors for taxation and social security	22252	24893
Corporation tax	9141	5595
Other creditors	3888	8983
Hire purchase agreements	<u>3598</u>	<u>4318</u>
	<u>123343</u>	<u>124029</u>
9 CREDITORS		
Amounts falling due after one year		
Directors loan account	-	6488
Hire purchase agreement	<u>-</u>	<u>3598</u>
	<u>-</u>	<u>10086</u>
10 HIRE PURCHASE LIABILITIES		
Amounts payable within one year	3598	4318
Amount payable in one to five years	<u>-</u>	<u>3598</u>
	<u>3598</u>	<u>7916</u>
11 CALLED UP SHARE CAPITAL		
Authorised		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>
12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS		
Balance at 6 April 1996:		
Issued Share Capital	2	2
Profit & Loss Account	<u>66197</u>	<u>52970</u>
	66199	52972
Retained Profit for the Year	<u>7624</u>	<u>13227</u>
Balance at 5 April 1997	<u>73823</u>	<u>66199</u>