

Flex Connectors Limited

Report and Financial Statements

Period Ended

31 July 1999



BDO Stoy Hayward
Chartered Accountants

Flex Connectors Limited

Annual report and financial statements for the 9 months ended 31 July 1999

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Directors

H J Gearing

Secretary and registered office

A N P Jackson, 58 Pleasant Street, West Bromwich, West Midlands, B70 7DP

Company number

3658310

Accountants

BDO Stoy Hayward, Beneficial Building, 28 Paradise Circus Queensway, Birmingham, B1 2BJ

Flex Connectors Limited

Report of the directors for the 9 months ended 31 July 1999

The directors present their report together with the financial statements for the 9 months ended 31 July 1999.

Incorporation

Flex Connectors Limited was incorporated on 29 October 1998. The company commenced trading on 1 January 1999.

Results and dividends

The profit and loss account is set out on page 4 and shows the result for the 9 months.

The directors do not recommend the payment of a dividend.

Principal activities, review of business and future developments

The company's principal activity is the design and manufacture of commercial lighting fittings.

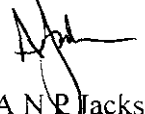
The period under review represents the first since incorporation, and the director is confident the results will improve into the new year.

Directors

The directors of the company during the 9 months and their interests in the ordinary share capital of the company were:

		Ordinary shares of £1 each	
		Number 31 July 1999	Number 29 October 1998
K Brewer	(appointed and resigned on 29 October 1998)	-	1
H J Gearing	(appointed 29 October 1998)	16,000	16,000

On order of the board


A N P Jackson

Secretary

17 May 2000

Flex Connectors Limited

Accountants' Report

Accountants' report on the unaudited accounts to the directors of Flex Connectors Limited

As described on the balance sheet you are responsible for the preparation of the accounts for the period ended 31 July 1999, set out on pages 4 to 12, and you consider that the company is exempt from an audit under section 249A(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



BDO STOY HAYWARD

Chartered Accountants

Birmingham

17 May 2000

Flex Connectors Limited

Profit and loss account for the 9 months ended 31 July 1999

	Note	9 months ended 31 July 1999 £
Turnover	2	3,749
Cost of sales		3,532
Gross profit		217
Administrative expenses		80,523
Operating loss	3	(80,306)
Interest payable and similar charges	6	(14)
Loss on ordinary activities before and after taxation		(80,320)

All amounts relate to continuing activities.

All recognised gains and losses in the current period are included in the profit and loss account.

There are no movements in shareholders' funds in the current period apart from the loss for the period.

The notes on pages 7 to 12 form part of these financial statements.

Flex Connectors Limited

Balance sheet at 31 July 1999

	Note	31 July 1999 £	31 July 1999 £
Fixed assets			
Tangible assets	7		63,098
Current assets			
Stocks	8	6,389	
Debtors	9	25,162	
		31,551	
Creditors: amounts falling due within one year			
	10	81,327	
Net current liabilities			(49,776)
Total assets less current liabilities			13,322
Creditors: amounts falling due after more than one year	11		11,642
			1,680
Capital and reserves			
Called up share capital	12		82,000
Profit and loss account			(80,320)
Equity shareholders' funds			1,680

The notes on pages 7 to 12 form part of these financial statements.

Flex Connectors Limited

Balance sheet at 31 July 1999 (*Continued*)

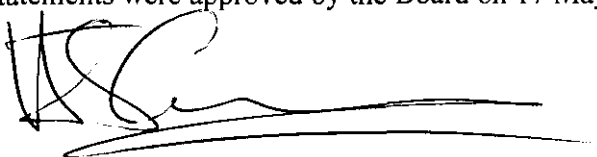
The directors have taken advantage of the exemption conferred by section 249A(1) not to have these financial statements audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 July 1999 and of its result for the period then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board on 17 May 2000

Director

A handwritten signature in black ink, consisting of a stylized 'H' followed by a series of loops and a long horizontal stroke.

The notes on pages 7 to 12 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under CA 1985.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Depreciation

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

Office Equipment	- 25%
Tooling	- 10%

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating loss

This is arrived at after charging:

	9 months ended 31 July 1999 £
Depreciation of tangible fixed assets	7,327

Flex Connectors Limited

Notes forming part of the financial statements for the 9 months ended 31 July 1999 (Continued)

4 Employees

Staff costs (including directors) consist of:

	9 months ended 31 July 1999 £
Wages and salaries	38,792
Social security costs	3,838
	42,630

The average number of employees during the period was 3.

5 Directors' remuneration

	9 months ended 31 July 1999 £
Directors' emoluments	16,333

6 Interest payable and similar charges

	9 months ended 31 July 1999 £
Bank interest payable	14

Flex Connectors Limited

Notes forming part of the financial statements for the 9 months ended 31 July 1999 (*Continued*)

7 Tangible fixed assets

	Office equipment £	Tooling £	Total £
<i>Cost</i>			
Additions	1,895	68,530	70,425
At 31 July 1999	1,895	68,530	70,425
<i>Depreciation</i>			
Provided for the 9 months	474	6,853	7,327
At 31 July 1999	474	6,853	7,327
<i>Net Book Value</i>			
At 31 July 1999	1,421	61,677	63,098

8 Stocks

	31 July 1999 £
Raw materials	6,389

9 Debtors

	31 July 1999 £
Trade debtors	4,406
Other debtors	18,589
Prepayments and accrued income	2,167
	25,162

All amounts fall due for payment within one year.

10 Creditors: amounts falling due within one year

	31 July 1999 £
Bank overdraft (secured)	39,992
Trade creditors	31,653
Taxation and social security	1,927
Directors loans	4,000
Accruals and deferred income	3,755
	81,327

The bank overdraft is secured by a guarantee from Berck Limited and a debenture on the Bank's standard form dated 17 June 1999.

11 Creditors: amounts falling due after more than one year

	31 July 1999 £
Amounts owed to associated undertakings	11,642

12 Share capital

	Authorised	Allotted, called up and fully paid
	31 July 1999 £	31 July 1999 £
<i>Equity share capital</i>		
Ordinary shares of £1 each	100,000	82,000

On 29 October 1998, 1 Ordinary share of £1 was issued on incorporation. On the same date, a further 81,999 Ordinary shares of £1 each were issued.

• **Flex Connectors Limited**

Notes forming part of the financial statements for the 9 months ended 31 July 1999 *(Continued)*

13 Reconciliation of movements in shareholders' funds

	9 months ended 31 July 1999 £
Loss for the period	(80,320)
New share capital issued	82,000
Opening shareholders' funds	-
Closing shareholders' funds	1,680

14 Commitments under operating leases

As at 31 July 1999, the company had annual commitments under non-cancellable operating leases as set out below:

	31 July 1999 Land and buildings £
Operating leases which expire:	
In two to five years	13,000

Flex Connectors Limited

Notes forming part of the financial statements for the 9 months ended 31 July 1999 *(Continued)*

15 Related party disclosures

	Loan from related party £	Purchases from related party £	Amounts owed by related party £	Amounts owed to related party £
Related party				
Berck Limited	<u>5,900</u>	<u>5,742</u>	<u>-</u>	<u>11,642</u>

Berck Limited owns 41.5% of the issued share capital.