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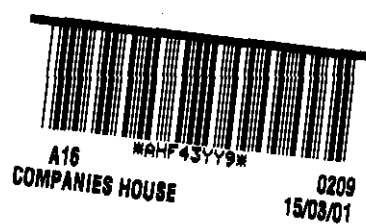
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Flex Connectors Limited

Report and Unaudited Financial Statements

Year Ended

31 July 2000



BDO Stoy Hayward
Chartered Accountants

Flex Connectors Limited

Annual report and financial statements for the year ended 31 July 2000

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Directors

H J Gearing
S Garon

Secretary and registered office

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

Company number

36583 0

Accountants

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

Flex Connectors Limited

Report of the directors for the year ended 31 July 2000

The directors present their report together with the financial statements for the year ended 31 July 2000.

Results and dividends

The profit and loss account is set out on page 4 and shows the loss for the year.

Principal activities, review of business and future developments

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

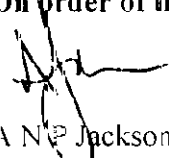
The directors do not recommend the payment of a dividend.

Directors

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

		Ordinary shares of £1 each	
		Number	Number
		31 July 2000	31 July 1999
H J Gearing		16,000	16,000
S Garton	(appointed 8 June 2000)	14,000	-

On order of the Board



A N P Jackson

Secretary

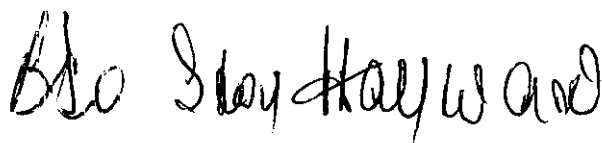
15 February 2001

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 year ended 31 July 2000, 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

15 February 2001

Flex Connectors Limited**Profit and loss account for the year ended 31 July 2000**

	Note	31 July 2000 £	9 months ended 31 July 1999 £
Turnover	2	74,731	3,749
Cost of sales		51,750	3,532
Gross profit		22,981	217
Administrative expenses		231,030	80,523
Operating loss	3	(208,049)	(80,306)
Interest payable and similar charges	6	(2,670)	(14)
Loss on ordinary activities before and after taxation		(210,719)	(80,320)
Accumulated loss brought forward		(80,320)	-
Accumulated loss carried forward		(291,039)	(80,320)

All amounts relate to continuing activities.

All recognised gains and losses in the current year and prior period are included in the profit and loss account. There are no movements in shareholders' funds in the current year and prior period apart from the loss for the year/period.

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

Flex Connectors Limited

Balance sheet at 31 July 2000

	Note	31 July 2000 £	31 July 2000 £	31 July 1999 £	31 July 1999 £
Fixed assets					
Tangible assets	7		82,921		63,098
Current assets					
Stocks	8	17,236		6,389	
Debtors	9	40,880		25,162	
		<u>58,116</u>		<u>31,551</u>	
Creditors: amounts falling due within one year	10	<u>56,249</u>		<u>77,327</u>	
Net current assets/(liabilities)			<u>1,867</u>		<u>(45,776)</u>
Total assets less current liabilities			<u>84,788</u>		<u>17,322</u>
Creditors: amounts falling due after more than one year	11		<u>293,827</u>		<u>15,642</u>
			<u>(209,039)</u>		<u>1,680</u>
Capital and reserves					
Called up share capital	12		82,000		82,000
Profit and loss account			(291,039)		(80,320)
Equity shareholders' funds			<u>(209,039)</u>		<u>1,680</u>

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

Flex Connectors Limited

Balance sheet at 31 July 2000 (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 2000 and of its loss for the year 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 15 February 2001



Director

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:

Going concern

Berck Limited, an associated company, has confirmed its intention to provide such support as Flex Connectors Limited requires for its continued operations for a period of not less than one year from the date the financial statements were approved.

Based on this factor, plus an improved level of trading since the year end, the financial statements have been approved on a going concern basis.

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 the Companies Act 1985.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax.

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% straight line
Tooling	- 10% straight line

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.

Flex Connectors Limited**Notes forming part of the financial statements for the year ended 31 July 2000 (Continued)****3 Operating loss**

This is arrived at after charging:

	31 July 2000 £	9 months ended 31 July 1999 £
Depreciation of tangible fixed assets	10,967	7,327

4 Employees

Staff costs (including directors) consist of:

	31 July 2000 £	9 months ended 31 July 1999 £
Wages and salaries	94,583	38,792
Social security costs	9,591	3,838
	104,174	42,630

The average number of employees (including directors) during the year was 4 (1999 - 4).

5 Directors' remuneration

	31 July 2000 £	9 months ended 31 July 1999 £
Director's emoluments	35,333	16,333

Flex Connectors Limited

Notes forming part of the financial statements for the year ended 31 July 2000 (*Continued*)

6 Interest payable and similar charges

	31 July 2000 £	9 months ended 31 July 1999 £
Bank interest payable	2,670	14

7 Tangible fixed assets

	Office equipment £	Tooling £	Total £
<i>Cost</i>			
At 1 August 1999	1,895	68,530	70,425
Additions	3,750	27,040	30,790
	<u>5,645</u>	<u>95,570</u>	<u>101,215</u>
At 31 July 2000			
<i>Depreciation</i>			
At 1 August 1999	474	6,853	7,327
Provided for the year	1,410	9,557	10,967
	<u>1,884</u>	<u>16,410</u>	<u>18,294</u>
At 31 July 2000			
<i>Net book value</i>			
At 31 July 2000	<u>3,761</u>	<u>79,160</u>	<u>82,921</u>
At 31 July 1999	<u>1,421</u>	<u>61,677</u>	<u>63,098</u>

8 Stocks

	31 July 2000 £	31 July 1999 £
Raw materials	17,236	6,389

9 Debtors

	31 July 2000 £	31 July 1999 £
Trade debtors	26,435	4,406
Other debtors	7,637	18,589
Prepayments and accrued income	6,808	2,167
	<u>40,880</u>	<u>25,162</u>

All amounts fall due for payment within one year.

10 Creditors: amounts falling due within one year

	31 July 2000 £	31 July 1999 £
Bank loans and overdrafts (secured)	10,274	39,992
Trade creditors	6,711	31,653
Taxation and social security	12,264	1,927
Accruals and deferred income	27,000	3,755
	<u>56,249</u>	<u>77,327</u>

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 2000 £	31 July 1999 £
Amounts owed to associated undertakings	289,827	11,642
Director's loan account	4,000	4,000
	<u>293,827</u>	<u>15,642</u>

12 Share capital

	Authorised	Allotted, called up and fully paid
	31 July 2000	31 July 1999
	£	£
<i>Equity share capital</i>		
Ordinary shares of £1 each	100,000	82,000

13 Reconciliation of movements in shareholders' funds

	31 July 2000	9 months ended 31 July 1999
	£	£
Loss for the year	(210,719)	(80,320)
New share capital subscribed	-	82,000
Net additions to shareholders' funds	(210,719)	1,680
Opening shareholders' funds	1,680	-
Closing shareholders' funds	(209,039)	1,680

14 Commitments under operating leases

As at 31 July 2000, the company had annual commitments under non-cancellable operating leases as set out below:

	31 July 2000	Other	31 July 1999	Other
	Land and buildings	£	Land and buildings	£
	£	£	£	£
Operating leases which expire:				
Within one year	-	4,340	-	-
In two to five years	13,000	-	13,000	-

Flex Connectors Limited

Notes forming part of the financial statements for the year ended 31 July 2000 (*Continued*)

15 Related party disclosures

Related party transactions and balances

	Loan from related party	Purchases from related party	Amounts owed by related party	Amounts owed to related party
	£	£	£	£
Related party				
Berck Limited	234,900	58,927	-	293,827

Berck Limited owns 41.5% of the issued share capital.