

G K SERVICES LIMITED

**DIRECTOR'S REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2002**



ANGELL PINDER
CHARTERED ACCOUNTANTS
1 Victoria Street
Dunstable
Beds
LU6 3AZ

Company No. 1984761 (England and Wales)



G K SERVICES LIMITED

Company Information

DIRECTOR

M A Venning

SECRETARY

Mrs S J Venning

REGISTERED OFFICE

1 Victoria Street
Dunstable
Beds
LU6 3AZ

ACCOUNTANTS

ANGELL PINDER
Chartered Accountants
1 Victoria Street
Dunstable
Beds
LU6 3AZ

BANKERS

National Westminster Bank Plc
72-74 High Street
Watford
Herts
WD1 2BQ

G K SERVICES LIMITED

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The following pages do not form part of the statutory accounts:

Trading and Profit and Loss Account and Summary 9 & 10

G K SERVICES LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2002

The director presents his annual report together with the financial statements of the company for the year ended 31st March 2002.

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 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 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.

PRINCIPAL ACTIVITY

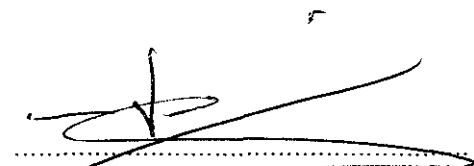
The company's principal activity continues to be that of the manufacture and fitting of electrical connectors.

DIRECTOR

The director who served during the year and his beneficial interests in the share capital of the company was as follows:

	<u>At 31st March 2002</u>	<u>At 31st March 2001</u>
M A Venning - £1 Ordinary 'A' Shares	2	-

This report, which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies was approved by the board on 17th May 2002 and signed on it's behalf.



M A VENNING
Director

G K SERVICES LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2002**

	<u>Notes</u>	<u>2002</u> £	<u>2001</u> £
TURNOVER		995903	939294
COST OF SALES		(594148)	(566368)
		—————	—————
GROSS PROFIT		401755	372926
Distribution Costs		(15500)	(19773)
Administrative Expenses		(234019)	(251872)
Other Operating Income		3653	7482
		—————	—————
OPERATING PROFIT	2	155889	108763
Interest Payable & Similar Charges	3	(1484)	(1430)
		—————	—————
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		154405	107333
Taxation	4	(30229)	(23687)
		—————	—————
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		124176	83646
DIVIDENDS	5	(63700)	(28500)
		—————	—————
		60476	55146
RETAINED PROFIT BROUGHT FORWARD		124786	248638
APPROPRIATION OF RETAINED PROFIT RE PURCHASE OF SHARES BY COMPANY		-	(178998)
		—————	—————
RETAINED PROFIT CARRIED FORWARD		185262	124786
		=====	=====

The notes on pages 4 to 8 form part of these financial statements.

G K SERVICES LIMITED**BALANCE SHEET AS AT 31ST MARCH 2002**

		<u>2002</u> £	<u>2001</u> £
FIXED ASSETS			
Tangible Assets	6	114481	112804
CURRENT ASSETS			
Stocks	7	39751	57649
Debtors	8	185951	179837
Cash at Bank & In Hand		12405	4068
		238107	241554
CREDITORS: Amounts Falling Due Within One Year	9	(153016)	(223447)
NET CURRENT ASSETS		85091	18107
TOTAL ASSETS LESS CURRENT LIABILITIES		199572	130911
CREDITORS: Amounts Falling Due After More Than One Year	10	(6875)	-
PROVISIONS FOR LIABILITIES AND CHARGES	11	(7430)	(6122)
NET ASSETS		185267	124789
CAPITAL AND RESERVES			
Called Up Share Capital	12	5	3
Profit and Loss Account		185262	124786
SHAREHOLDERS' FUNDS	13	185262	124789

In approving these financial statements as director of the company I hereby confirm:

- a) that for the year in question the company was entitled to the exemption conferred by section 249A(1) of the Companies Act 1985.
- b) that no notice has been deposited at the registered office of the company pursuant to section 249B(2) requesting that an audit be conducted for the year ended 31st March 2002 and
- c) that I acknowledge my responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with section 221, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit for the year then ended and which otherwise comply with the provisions of the Companies Act relating to accounts so far as applicable to the company.

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies were approved by the board on 17th May 2002 and signed on its behalf.


M A VENNING - Director

The notes on pages 4 to 8 form part of these financial statements.

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

1. ACCOUNTING POLICIES

(a) Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

(b) 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 or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & Equipment	- 10% straight line basis
Motor Vehicles	- 25% reducing balance basis
Fixtures & Fittings	- 20% straight line basis

(c) Stocks

Stocks are stated at the lower of cost and net realisable value as follows:

Raw Materials	- purchase cost, including overheads incurred in bringing the stock to its present location and condition, on a first-in, first-out basis.
Work in Progress and Finished Goods	- cost of direct materials and labour plus attributable overheads based on normal level of activity.

(d) Deferred Taxation

Deferred taxation is provided at the current tax rate on the differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the accounts.

(e) Leasing and Hire Purchase

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value in the balance sheet.

The interest element of lease obligations is charged to the profit and loss account over the period of the lease so as to give a constant rate of charge on the remaining balance of the obligation.

Rentals paid under operating leases are charged to the profit and loss account in equal annual instalments over the period of the lease.

(f) Trade Debtors - Invoice Discounting

The gross amount of the trade debtors assigned are included in the total trade debtors figure in note 8. The liability in respect of proceeds received and interest charges accrued is shown in creditors in note 9. The interest and service charges are charged to the profit and loss account as incurred. This treatment is in accordance with Financial Reporting Standard No. 5.

G K SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2002 - continued****2. OPERATING PROFIT**

	<u>2002</u>	<u>2001</u>
	£	£
<i>This is stated after charging:</i>		
Depreciation on assets owned by the Company	22090	14518
Depreciation on assets held under hire purchase and lease finance contracts	1650	1750
Directors' Emoluments	-	34723
Operating Lease Rentals - Land & Buildings	36350	36350
Hire of Motor Vehicles	6654	6755
<i>And crediting:</i>		
Rent Receivable	(3653)	(3753)
Management Charge	-	(3727)

3. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2002</u>	<u>2001</u>
	£	£
Finance leases and hire purchase contract charges	1484	1430

4. TAXATION

	<u>2002</u>	<u>2001</u>
	£	£
UK Corporation Tax at small company rate based on the tax adjusted profit for the year	28921	18272
Deferred taxation	1308	5421
Adjustment in respect of prior years	-	(6)
	<u>30229</u>	<u>23687</u>

5. DIVIDENDS

	<u>2002</u>	<u>2001</u>
	£	£
Dividends declared and paid during the year:		
'A' Ordinary Shares £500 per share (2001:Nil)	10000	-
'B' Ordinary Shares £28000 per share (2001:£28500)	28000	28500
'C' Ordinary Shares £5700 per share (2001:Nil)	5700	-
'D' Ordinary Shares £20000 per share (2001:Nil)	20000	-
	<u>63700</u>	<u>28500</u>

G K SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2002 - continued**

6.	<u>TANGIBLE FIXED ASSETS</u>	<u>Plant & Machinery</u>	<u>Motor Vehicles</u>	<u>Fixtures & Fittings</u>	<u>Total</u>
	<u>Cost</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
	At 1st April 2001	280930	34153	23181	338264
	Additions	14541	-	10876	25417
	At 31st March 2002	295471	34153	34057	363681
	<u>Depreciation</u>				
	At 1st April 2001	194729	10495	20236	225460
	Provision for the Year	15322	5914	2504	23740
	At 31st March 2002	210051	16409	22740	249200
	<u>Net Book Value</u>				
	At 31st March 2002	85420	17744	11317	114481
	At 31st March 2001	86201	23658	2945	112804

Assets held under Finance Leases and Hire Purchase Contracts

Included in the overall total for fixed assets above are amounts relating to assets held under finance leases and hire purchase contracts as follows:

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Net Book Value	14713	13708
Depreciation Charged In The Year	1750	3785

7.	<u>STOCKS</u>	<u>2002</u>	<u>2001</u>
		<u>£</u>	<u>£</u>
	Stocks	31009	45437
	Work in Progress	8742	12212
		39751	57649

8.	<u>DEBTORS</u> - due within one year	<u>2002</u>	<u>2001</u>
		<u>£</u>	<u>£</u>
	Trade Debtors	118122	165543
	Prepayments & Accrued Income	4623	4627
	Invoice discounting current account	53530	-
	Amounts due from connected company	9667	9667
		185951	179837

INVOICE DISCOUNTING

The company has sold all its existing and future trade debts due from UK Customers to an invoice discounting company. The company continues to bear significant benefits and risks relating to them and ultimately the invoice discounting company can exercise recourse for debts not paid on time and any outstanding at the end of the agreement. The charges incurred in connection with the invoice discounting were: £10,238 (2001:£10,791).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2002 - continued****9. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	<u>2002</u>	<u>2001</u>
	£	£
Trade Creditors	76797	91833
Obligations Under Finance Leases and Hire		
Purchase Contracts	5500	4462
Directors' Current Accounts	11496	66498
Current Corporation Tax	28921	18272
Other Taxes and Social Security Costs	24054	27436
Accruals & Other Creditors	6248	4400
Invoice Discounting Current Account	-	10546
	<u>153016</u>	<u>223447</u>

**10. CREDITORS: AMOUNTS FALLING DUE AFTER
MORE THAN ONE YEAR**

	<u>2002</u>	<u>2001</u>
	£	£
Obligations Under Finance Leases and Hire		
Purchase Contracts	6875	-

11. PROVISIONS FOR LIABILITIES AND CHARGES**Deferred Taxation**

Full provision for deferred taxation has been made as follows:

	<u>2002</u>	<u>2001</u>
	£	£
Capital Allowances in Advance of Depreciation	7430	6122

12. SHARE CAPITAL**Authorised**

	<u>2002</u>	<u>2001</u>
	£	£
100 Ordinary 'A' Shares of £1 each	100	100
100 Ordinary 'B' Shares of £1 each	100	100
100 Ordinary 'C' Shares of £1 each	100	-
100 Ordinary 'D' Shares of £1 each	100	-

	<u>400</u>	<u>200</u>
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Allotted, called up and fully paid

2 Ordinary 'A' Shares of £1 each	2	2
1 Ordinary 'B' Share of £1 each	1	1
1 Ordinary 'C' Share of £1 each	1	-
1 Ordinary 'D' Share of £1 each	1	-

	<u>5</u>	<u>3</u>
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On 1st September 2001 the director increased the nominal share capital of the company by £200 to £400 by creating 100 Ordinary £1 'C' Shares and 100 Ordinary £1 'D' Shares.

G K SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2002 - continued

13. MOVEMENT ON SHAREHOLDERS FUNDS

	<u>2002</u> £	<u>2001</u> £
Balance Brought Forward	124789	248642
Nominal Value of 'B' shares issued	-	1
Nominal Value of 'C' shares issued	1	-
Nominal Value of 'D' shares issued	1	-
Nominal Value of 'A' Shares cancelled	-	(2)
Appropriation from Revenue Reserves in respect of 'A' shares purchased by company	-	(178998)
Profit for the year	60476	55146
	<u>185267</u>	<u>124789</u>

14. COMMITMENTS UNDER OPERATING LEASES

At 31st March 2002 the company had annual commitments under non-cancellable operating leases as follows:

	<u>2002</u> £	<u>2001</u> £
Due:		
- Within One Year	32790	40399
- In The Second to Fifth Years Inclusive	2700	34003
	<u>35490</u>	<u>74402</u>

15. RELATED PARTY TRANSACTIONS

Mr M A Venning is also the director of Avtec Industries Limited from whom the company received a management charge of Nil (2001: £3,727).

At the balance sheet date Avtec Industries Limited owed the company £9,667 (2001 : £9,667).