

VIMARK LIMITED
FINANCIAL STATEMENTS
30 JUNE 1997

COMPANY NUMBER: 02831714

Baker Tilly
Chartered Accountants
Iveco Ford House
Station Road
Watford
Herts
WD1 1TG



VIMARK LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

P E Johnson
M G Watkins
K R Bell
M Comiskey
P J Favretto
A J Johnson
P A Johnson

SECRETARY

M Comiskey

REGISTERED OFFICE

Kingsway House
Laporte Way
Luton
Bedfordshire
LU4 8RJ

AUDITORS

Baker Tilly
Chartered Accountants
Iveco Ford House
Station Road
Watford
Herts
WD1 1TG

VIMARK LIMITED

DIRECTORS' REPORT

The directors submit their report and the financial statements of Vimark Limited for the period ended 30 June 1997.

PRINCIPAL ACTIVITIES

The principal activity of the company is the distribution of electrical accessories.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company achieved an excellent annualised growth in turnover of 54% and a 279% increase in operating profit. Turnover and operating profit are expected to grow at an acceptable rate, assisted by the move to larger premises and a programme of new product launches.

DIRECTORS

The following directors have held office since 1 April 1996:

P E Johnson	
K R Bell	
A J Johnson	
P A Johnson	
P J Favretto	(appointed 26 July 1996)
J C Hooper	(appointed 26 July 1996, resigned 2 September 1997)
M G Watkins	(appointed 22 November 1996)
M Comiskey	(appointed 4 August 1997)

DIRECTORS' INTERESTS IN SHARES

The directors had no interest in the shares of the company.

CHARITABLE CONTRIBUTIONS

During the period, the company made charitable donations totalling £50 (1996: £205).

PART VII PROVISIONS

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

VIMARK LIMITED

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

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:

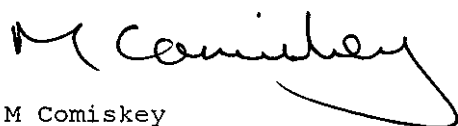
- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 requirements of 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.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board



M Comiskey
Secretary

15/2/97

AUDITORS' REPORT TO THE MEMBERS OF VIMARK LIMITED

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are 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 of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order 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 at 30 June 1997 and of its profit for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

BAKER TILLY

Registered Auditor
Chartered Accountants
Iveco Ford House
Station Road
Watford
Herts
WD1 1TG

17 December 1997

VIMARK LIMITED

PROFIT AND LOSS ACCOUNT
for the 15 months ended 30 June 1997

	Notes	15 Months to 30 June 1997	12 Months to 31 March 1996
TURNOVER	1	2,442,889	1,271,897
Cost of sales		1,697,738	911,220
Gross profit		<u>745,151</u>	<u>360,677</u>
Other operating expenses (net)	2	297,132	242,385
OPERATING PROFIT		<u>448,019</u>	<u>118,292</u>
Net interest payable	3	16,144	21,243
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>431,875</u>	<u>97,049</u>
Taxation	5	143,000	25,000
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>288,875</u>	<u>72,049</u>
Dividend	6	-	22,000
PROFIT RETAINED FOR THE FINANCIAL PERIOD	11	<u>£288,875</u>	<u>£ 50,049</u>

The operating profit for the period arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been prepared as all such gains and losses have been dealt with in the Profit and Loss Account.

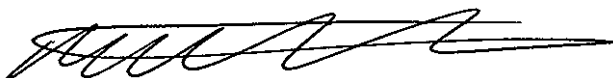
VIMARK LIMITED

BALANCE SHEET
30 June 1997

	Notes	15 Months to 30 June 1997	12 Months to 31 March 1996
CURRENT ASSETS			
Stocks	7	371,510	194,682
Debtors	8	476,473	293,845
		<u>847,983</u>	<u>488,527</u>
CREDITORS			
Amounts falling due within one year	9	494,939	424,358
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£353,044</u>	<u>£64,169</u>
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Profit and loss account	11	353,042	64,167
EQUITY SHAREHOLDERS' FUNDS	12	<u>£353,044</u>	<u>£64,169</u>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on



N. G. WATKINS

Director

15/12/97

VIMARK LIMITED

Financial statements for the 15 months ended 30 June 1997

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

STOCKS

Stocks are stated at the lower of cost and net realisable value. Provision is made for slow moving and obsolete stocks.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

VIMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 30 June 1997

	15 Months to 30 June 1997	12 Months to 31 March 1996
1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Percentage of turnover relating to non-UK markets	17%	16%
	<u> </u>	<u> </u>
The profit on ordinary activities is stated after charging:		
Auditors' remuneration	£3,000	£3,000
	<u> </u>	<u> </u>
2. OTHER OPERATING EXPENSES (NET)		
Distribution costs	50,164	29,227
Administration expenses	246,968	213,158
	<u>£297,132</u>	<u>£242,385</u>
	<u> </u>	<u> </u>
3. INTEREST PAYABLE AND SIMILAR CHARGES		
On bank loans, overdrafts and other loans repayable within 5 years:		
Other interest and similar charges	£16,144	£21,243
	<u> </u>	<u> </u>
4. DIRECTORS' REMUNERATION		
The directors received no remuneration during the period (1996: £nil)		
5. TAXATION		
UK Corporation tax at 33% (1996: 25%)	£143,000	£25,000
	<u> </u>	<u> </u>
6. DIVIDENDS		
Ordinary dividend of £ nil (1996: £11,000) per share paid	£ -	£22,000
	<u> </u>	<u> </u>

VIMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the 15 months ended 30 June 1997

	1997	1996
7. STOCKS		
Goods for resale	178,430	117,727
Goods in transit	193,080	76,955
	<u>£371,510</u>	<u>£194,682</u>
8. DEBTORS		
Trade debtors	463,124	286,138
Other debtors	231	327
Prepayments	13,118	7,380
	<u>£476,473</u>	<u>£293,845</u>
9. CREDITORS		
Amounts falling due within one year:		
Bank overdraft	83,940	41
Bank import loan	-	90,469
Invoice discounting loan	-	70,358
Trade creditors	84,697	52,904
Amounts owed to group undertakings	145,728	57,317
Corporation tax	143,168	24,519
Social security and other taxation	16,288	16,823
Accruals	21,118	111,927
	<u>£494,939</u>	<u>£424,358</u>
The company is part of a group guarantee given by all members of the KLZ Group to the National Australian Bank (NAB).		
The bank overdraft and £11,502 of deferred duty liabilities are guaranteed by NAB as part of this scheme.		
10. SHARE CAPITAL		
Authorised:		
1,000 ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>
Allotted, issued and fully paid:		
2 ordinary shares of £1 each	<u>£ 2</u>	<u>£ 2</u>

VIMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the 15 months ended 30 June 1997

	1997	1996
11. PROFIT AND LOSS ACCOUNT		
1 April 1996	64,167	14,118
Retained profit for the period	288,875	50,049
30 June 1997	<u>£353,042</u>	<u>£64,167</u>
12. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS		
Profit for the financial period	288,875	72,049
Dividends	-	(22,000)
Net addition to shareholders' funds	288,875	50,049
Opening shareholders' funds	64,169	14,120
Closing shareholders' funds	<u>£353,044</u>	<u>£64,169</u>
13. ULTIMATE PARENT UNDERTAKING		
The directors consider the ultimate parent undertaking to be KLZ Limited, incorporated in Australia.		
14. CONTINGENT LIABILITIES		
The company has participated in a group guarantee covering all the KLZ group companies' banking facilities.		