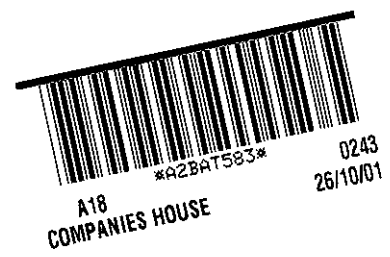


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**Report of the Directors and  
Financial Statements  
for the Year Ended 31 March 2001  
for  
QVS Electrical Wholesale Limited**



**QVS Electrical Wholesale Limited**

**Company Information  
for the Year Ended 31 March 2001**

**DIRECTORS:**

M Duggan  
P C Brain

**SECRETARY:**

Wrights Secretaries Limited

**REGISTERED OFFICE:**

8 Lincoln's Inn Fields  
London  
WC2A 3BP

**REGISTERED NUMBER:**

02975861 (England and Wales)

**AUDITORS:**

Fitzgerald & Law  
Registered Auditors and  
Chartered Accountants  
8 Lincoln's Inn Fields  
London  
WC2A 3BP

**QVS Electrical Wholesale Limited**

**Report of the Directors  
for the Year Ended 31 March 2001**

The directors present their report with the financial statements of the company for the year ended 31 March 2001.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of electrical goods wholesalers.

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

**DIRECTORS**

The directors during the year under review were:

M Duggan  
P C Brain

The beneficial interests of the directors holding office on 31 March 2001 in the issued share capital of the company were as follows:

	31.3.01	1.4.00
<b>Ordinary shares £1 shares</b>		
M Duggan	94	94
P C Brain	161	161

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 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 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**

The auditors, Fitzgerald & Law, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**ON BEHALF OF THE BOARD:**



M Duggan - DIRECTOR

Dated: 22/10/01

**QVS Electrical Wholesale Limited**

**Report of the Independent Auditors to the Shareholders of  
QVS Electrical Wholesale Limited**

We have audited the financial statements of QVS Electrical Wholesale Limited for the year ended 31 March 2001 on pages four to ten. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 as at 31 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Fitzgerald & Law*

Fitzgerald & Law  
Registered Auditors and  
Chartered Accountants  
8 Lincoln's Inn Fields  
London  
WC2A 3BP

Dated: 23/10/2001

**QVS Electrical Wholesale Limited**

**Profit and Loss Account  
for the Year Ended 31 March 2001**

	Notes	2001		2000	
		£	£	£	£
<b>TURNOVER</b>			4,617,334		4,322,816
Cost of sales			3,213,769		2,976,615
<b>GROSS PROFIT</b>			1,403,565		1,346,201
Distribution costs		122,873		107,737	
Administrative expenses		1,290,046		1,065,696	
			1,412,919		1,173,433
			(9,354)		172,768
Other operating income			30,184		28,414
<b>OPERATING PROFIT</b>	2		20,830		201,182
Interest receivable and similar income			3,359		3,059
			24,189		204,241
Interest payable and similar charges			1,933		3,889
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			22,256		200,352
Tax on profit on ordinary activities	3		11,154		40,461
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>			11,102		159,891
Dividends	4		80,000		130,000
			(68,898)		29,891
Retained profit brought forward			153,219		123,328
<b>RETAINED PROFIT CARRIED FORWARD</b>			£84,321		£153,219

The notes form part of these financial statements

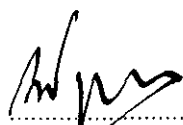
**QVS Electrical Wholesale Limited**

**Balance Sheet  
31 March 2001**

		2001		2000	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Intangible assets	5		31,790		32,732
Tangible assets	6		145,292		149,952
			<u>177,082</u>		<u>182,684</u>
<b>CURRENT ASSETS:</b>					
Stocks		475,791		393,086	
Debtors	7	311,686		247,140	
Cash at bank and in hand		28,093		185,582	
		<u>815,570</u>		<u>825,808</u>	
<b>CREDITORS:</b> Amounts falling due within one year	8	833,131		768,380	
<b>NET CURRENT (LIABILITIES)/ASSETS:</b>			<u>(17,561)</u>		<u>57,428</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			159,521		240,112
<b>CREDITORS:</b> Amounts falling due after more than one year	9		-		11,693
			<u>£159,521</u>		<u>£228,419</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	11		300		300
Share premium	12		74,900		74,900
Profit and loss account			84,321		153,219
<b>SHAREHOLDERS' FUNDS:</b>			<u>£159,521</u>		<u>£228,419</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

**ON BEHALF OF THE BOARD:**



M Duggan - DIRECTOR

Approved by the Board on 23/10/01

The notes form part of these financial statements

## **QVS Electrical Wholesale Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2001**

#### **1. ACCOUNTING POLICIES**

##### **Accounting convention**

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

##### **Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

##### **Intangible fixed assets**

Expenditure in connection with new branch's incurred prior to the commencement of trade has been capitalised. These expenses are amortised at the following annual rates to write off each asset over its estimated useful life.

Pre-opening costs                      - 33 1/3% on cost

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold Improvements	- Over the remaining period of the lease
Office Equipment	- 20% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 20% on cost

##### **Stocks**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **Deferred taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

##### **Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

**QVS Electrical Wholesale Limited**

**Notes to the Financial Statements  
for the Year Ended 31 March 2001**

**2. OPERATING PROFIT**

The operating profit is stated after charging:

	2001	2000
	£	£
Depreciation - owned assets	29,999	19,739
Depreciation - assets on hire purchase contracts or finance leases	7,720	12,157
Preliminary expenses written off	16,589	14,179
Auditors' remuneration	5,200	5,000
	<u>97,090</u>	<u>21,960</u>
Directors' emoluments and other benefits etc	<u>97,090</u>	<u>21,960</u>

**3. TAXATION**

The tax charge on the profit on ordinary activities for the year was as follows:

	2001	2000
	£	£
UK corporation tax	11,270	43,000
(Over)/under provision in prior years	(116)	(2,539)
	<u>11,154</u>	<u>40,461</u>

**4. DIVIDENDS**

	2001	2000
	£	£
Dividends	<u>80,000</u>	<u>130,000</u>

**5. INTANGIBLE FIXED ASSETS**

	Preliminary expenses
	£
<b>COST:</b>	
At 1 April 2000	63,004
Additions	15,647
At 31 March 2001	<u>78,651</u>
<b>AMORTISATION:</b>	
At 1 April 2000	30,272
Charge for year	16,589
At 31 March 2001	<u>46,861</u>
<b>NET BOOK VALUE:</b>	
At 31 March 2001	<u>31,790</u>
At 31 March 2000	<u>32,732</u>



**QVS Electrical Wholesale Limited**

**Notes to the Financial Statements  
for the Year Ended 31 March 2001**

**6. TANGIBLE FIXED ASSETS**

	Leasehold Improvements	Office Equipment	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
<b>COST:</b>					
At 1 April 2000	64,299	71,262	26,807	64,837	227,205
Additions	28,260	3,541	1,258	-	33,059
	<u>92,559</u>	<u>74,803</u>	<u>28,065</u>	<u>64,837</u>	<u>260,264</u>
At 31 March 2001					
<b>DEPRECIATION:</b>					
At 1 April 2000	13,052	30,914	12,191	21,096	77,253
Charge for year	8,866	13,143	2,743	12,967	37,719
	<u>21,918</u>	<u>44,057</u>	<u>14,934</u>	<u>34,063</u>	<u>114,972</u>
At 31 March 2001					
<b>NET BOOK VALUE:</b>					
At 31 March 2001	<u>70,641</u>	<u>30,746</u>	<u>13,131</u>	<u>30,774</u>	<u>145,292</u>
At 31 March 2000	<u>51,247</u>	<u>40,348</u>	<u>14,616</u>	<u>43,741</u>	<u>149,952</u>

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Motor vehicles
	£
<b>COST:</b>	
At 1 April 2000 and 31 March 2001	<u>60,786</u>
<b>DEPRECIATION:</b>	
At 1 April 2000	19,809
Charge for year	<u>7,720</u>
At 31 March 2001	<u>27,529</u>
<b>NET BOOK VALUE:</b>	
At 31 March 2001	<u>33,257</u>
At 31 March 2000	<u>40,977</u>

**QVS Electrical Wholesale Limited**

**Notes to the Financial Statements  
for the Year Ended 31 March 2001**

**7. DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	2001 £	2000 £
Trade debtors	117,652	116,801
Other debtors	44,495	59,080
Prepayments	149,539	71,259
	<u>311,686</u>	<u>247,140</u>

**8. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	2001 £	2000 £
Trade creditors	738,543	644,871
Hire purchase	6,465	13,938
Other creditors	108	-
V.A.T.	44,631	45,079
Social security & other taxes	15,527	12,492
Taxation	11,270	43,000
Accruals	16,587	9,000
	<u>833,131</u>	<u>768,380</u>

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

	2001 £	2000 £
Hire purchase	-	11,693
	<u>-</u>	<u>11,693</u>

**10. OPERATING LEASE COMMITMENTS**

The following payments are committed to be paid within one year:

	2001 £	2000 £
Expiring:		
Between one and five years	49,951	-
In more than five years	84,000	58,523
	<u>133,951</u>	<u>58,523</u>

**QVS Electrical Wholesale Limited**

**Notes to the Financial Statements  
for the Year Ended 31 March 2001**

**11. CALLED UP SHARE CAPITAL**

Authorised: Number:	Class:	Nominal value:	2001 £	2000 £
10,000	Ordinary shares	£1	<u>10,000</u>	<u>10,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2001 £	2000 £
300	Ordinary shares	£1	<u>300</u>	<u>300</u>

**12. SHARE PREMIUM**

	2001 £	2000 £
Premium on issue of ordinary shares	<u>74,900</u>	<u>74,900</u>

**13. RELATED PARTY DISCLOSURES**

During the year the company provided a loan to the directors of £8,300 to Mr. P Brain and £15,000 to Mr. M Duggan. The loan was made on a commercial basis accruing interest of £267. Included within other debtors is an amount of £23,300 owed by the directors.

During the year the company received professional marketing services from Mr P C Brain of £nil (2000 - £41,371) on a normal trading basis. At the year end an amount of £nil (2000 - £nil) was due to Mr P C Brain from the company.

During the year the company received goods for resale in the sum of £72,791 (2000 - £40,435) from Electrical Express (Europe) Limited, a company in which Mr.P C Brain has an interest. Included within trade creditors at the balance sheet date is an amount of £25,449 (2000 - £921) due to Electrical Express (Europe) Limited.