

SOS OFFICE SUPPLIES LIMITED
FINANCIAL STATEMENTS
31 MARCH 2001

Company Registration Number 1550821

HLB KIDSONS

Chartered Accountants & Registered Auditors

Hanover House

18 Mount Ephraim Road

Tunbridge Wells

Kent TN1 1ED



SOS OFFICE SUPPLIES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

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SOS OFFICE SUPPLIES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr K J Cobb
Mr A V Cobb
Mrs A M Cobb
Mrs L K Cobb

Company secretary

Mr K J Cobb

Registered office

Unit 4, Thistlebrook Industrial Estate
Eynsham Drive
Abbey Wood
London SE2 9RB

Auditors

HLB Kidsons
Chartered Accountants
& Registered Auditors
Hanover House
18 Mount Ephraim Road
Tunbridge Wells
Kent TN1 1ED

Bankers

National Westminster Bank
East London Customer Service Centre
PO Box 21743, 54 Marsh Wall
West India Dock
London E14 9BP

SOS OFFICE SUPPLIES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2001.

Principal activities

The principal activity of the company during the year continued to be that of wholesale stationers and suppliers of office equipment.

The directors and their interests in shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 March 2001	At 1 April 2000
Mr K J Cobb	36,750	36,750
Mr A V Cobb	37,500	37,500
Mrs A M Cobb	750	750
Mrs L K Cobb	-	-

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 7 to 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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 re-appoint HLB Kidsons as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

SOS OFFICE SUPPLIES LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2001

Small company provisions

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

Registered office:
Unit 4, Thistlebrook Industrial Estate
Eynsham Drive
Abbey Wood
London SE2 9RB

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'K J Cobb', written over a horizontal line.

Mr K J Cobb
Company Secretary

Approved by the directors on 30 July 2001

SOS OFFICE SUPPLIES LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 MARCH 2001

We have audited the financial statements on pages 5 to 11 which 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 on pages 7 to 8.

Respective responsibilities of the directors and the auditors

As described on page 2, the company's directors are responsible for the preparation of the 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.

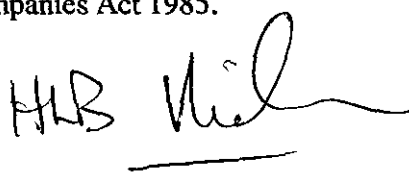
Basis of opinion

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 as at 31 March 2001 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Hanover House
18 Mount Ephraim Road
Tunbridge Wells
Kent TN1 1ED

HLB KIDSONS
Chartered Accountants
& Registered Auditors

30 July 2001

SOS OFFICE SUPPLIES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2001

	Note	2001 £	2000 £
Turnover		1,675,120	1,579,687
Cost of sales		(972,135)	(914,237)
Gross profit		<u>702,985</u>	<u>665,450</u>
Administrative expenses		(647,429)	(610,405)
Operating profit	2	<u>55,556</u>	<u>55,045</u>
Interest receivable		1,710	3,366
Interest payable		(5,711)	(4,959)
Profit on ordinary activities before taxation		<u>51,555</u>	<u>53,452</u>
Tax on profit on ordinary activities		(10,700)	(12,119)
Profit on ordinary activities after taxation		<u>40,855</u>	<u>41,333</u>
Equity dividends paid		(26,500)	(42,000)
Retained profit/(loss) for the financial year		<u>14,355</u>	<u>(667)</u>
Balance brought forward		<u>98,276</u>	<u>98,943</u>
Balance carried forward		<u><u>112,631</u></u>	<u><u>98,276</u></u>

SOS OFFICE SUPPLIES LIMITED

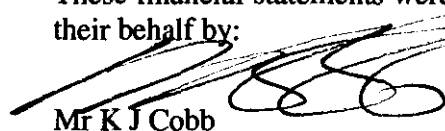
BALANCE SHEET

31 MARCH 2001

	Note	£	2001 £	2000 £
Fixed assets				
Tangible assets	4		115,645	112,222
Investments	5		2,185	2,185
			<u>117,830</u>	<u>114,407</u>
Current assets				
Stocks		50,094		35,850
Debtors	6	280,337		245,754
Investments	7	5,791		-
Cash at bank and in hand		20,925		90,172
		<u>357,147</u>		<u>371,776</u>
Creditors: amounts falling due within one year	8	<u>(278,716)</u>		<u>(300,061)</u>
Net current assets			<u>78,431</u>	<u>71,715</u>
Total assets less current liabilities			<u>196,261</u>	<u>186,122</u>
Creditors: amounts falling due after more than one year	9		<u>(8,630)</u>	<u>(12,846)</u>
			<u>187,631</u>	<u>173,276</u>
Capital and reserves				
Called-up equity share capital	13		75,000	75,000
Profit and loss account			112,631	98,276
Shareholders' funds			<u>187,631</u>	<u>173,276</u>

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

These financial statements were approved by the directors on the 30 July 2001 and are signed on their behalf by:


Mr K J Cobb

SOS OFFICE SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2001

1. Accounting policies

Basis of accounting

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

The turnover shown in the Profit and Loss Account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold property	- Straight line over life of lease
Fixtures, fittings & equipment	- 15% reducing balance, 25% straight line or 33% reducing balance
Motor vehicles	- 25% reducing balance

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for its directors. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

SOS OFFICE SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2001

1. Accounting policies (*continued*)

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

2. Operating profit

Operating profit is stated after charging:

	2001	2000
	£	£
Depreciation	27,120	28,936
Auditors' fees	<u>4,850</u>	<u>4,600</u>

3. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2001	2000
	£	£
Aggregate emoluments	160,844	161,897
Value of company pension contributions to money purchase schemes	<u>6,200</u>	<u>16,200</u>
	<u>167,044</u>	<u>178,097</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	2001	2000
	No.	No.
Money purchase schemes	<u>2</u>	<u>2</u>

SOS OFFICE SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2001

4. Tangible fixed assets

	Land & buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2000	30,248	119,475	120,389	270,112
Additions	-	5,587	24,956	30,543
At 31 March 2001	<u>30,248</u>	<u>125,062</u>	<u>145,345</u>	<u>300,655</u>
Depreciation				
At 1 April 2000	13,308	72,293	72,289	157,890
Charge for the year	1,200	9,120	16,800	27,120
At 31 March 2001	<u>14,508</u>	<u>81,413</u>	<u>89,089</u>	<u>185,010</u>
Net book value				
At 31 March 2001	<u>15,740</u>	<u>43,649</u>	<u>56,256</u>	<u>115,645</u>
At 31 March 2000	<u>16,940</u>	<u>47,182</u>	<u>48,100</u>	<u>112,222</u>

Hire purchase agreements

Included within the net book value of £115,645 is £41,734 (2000 - £48,765) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £14,394 (2000 - £16,979).

5. Investments

	Listed Investments £
Cost	
At 1 April 2000 and 31 March 2001	<u>2,185</u>
Net book value	
At 31 March 2001	<u>2,185</u>
At 31 March 2000	<u>2,185</u>

On 31 March 2001 the market value of these investments was £4,077 (2000: £3,661).

SOS OFFICE SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2001

6. Debtors

	2001	2000
	£	£
Trade debtors	271,634	235,878
Other debtors	8,703	9,876
	<u>280,337</u>	<u>245,754</u>

7. Investments

	2001	2000
	£	£
Other investments	5,791	-

Other investments of £5,791 (2000: £nil) relate entirely to listed investments. On 31 March 2001, the market value of these investments was £4,517 (2000: £nil).

8. Creditors: amounts falling due within one year

	2001	2000
	£	£
Trade creditors	205,444	216,675
Hire purchase agreements	21,868	31,309
Corporation tax	10,918	12,150
Other taxation and social security	31,996	32,627
Accruals and deferred income	8,490	7,300
	<u>278,716</u>	<u>300,061</u>

The company's bank hold an unscheduled mortgage debenture dated 1 September 1988 entitling a right of set off between any accounts held in the name of the company.

9. Creditors: amounts falling due after more than one year

	2001	2000
	£	£
Hire purchase agreements	8,630	12,846

The liabilities due under hire purchase agreements are secured on the assets concerned.

10. Deferred taxation

No provision has been made in the accounts and the amounts unprovided at the end of the year are as follows:

	2001	2000
	£	£
Excess of taxation allowances over depreciation on fixed assets	8,305	-

SOS OFFICE SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

11. Commitments under operating leases

At 31 March 2001 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2001	2000
	£	£
Operating leases which expire:		
After more than 5 years	<u>28,500</u>	<u>27,000</u>

12. Related party transactions

The company was under the joint control of Mr K J Cobb and Mr A V Cobb throughout the current and previous year.

Included within other debtors is an amount of £4,515 (2000: £5,715) due from Mr W Cobb, an employee of the company and brother of Mr K J Cobb and Mr A V Cobb.

13. Share capital

Authorised share capital:

	2001	2000
	£	£
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

Allotted, called up and fully paid:

	2001	2000
	£	£
Ordinary share capital	<u>75,000</u>	<u>75,000</u>