

**SOS OFFICE SUPPLIES LTD
REGISTERED OFFICE
UNIT 4
THISTLEBROOK INDUSTRIAL ESTATE
EYNHAM DRIVE
ABBEY WOOD
LONDON SE2 9RB**

Company Registration Number: 1550821

FINANCIAL STATEMENTS

and

TAX COMPUTATIONS

YEAR ENDED 31 MARCH 2002

**Brendan P Byrne & Co
Financial Accountants
The White House
Clifton Marine Parade
Imperial Business Park
Gravesend
Kent
DA11 ODY**

**Auditors
Simia Farra Fanning
Chartered Certified Accountants
& Registered Auditors
Sir Robert Peel House
344-348 High Road
Ilford
Essex
IG1 1QP**



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Financial Statements

Year ended 31 March 2002

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Officers and Professional Advisers

Board of Directors

Mr A V Cobb (Managing)
Mr K J Cobb (Finance)
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

Accountants

Brendan P Byrne & Co.
The White House
Clifton Marine Parade
Imperial Business Park
Gravesend, Kent DA11 0DY

Auditors

Simia Farra Fanning
Chartered Certified Accountants
& Registered Auditors
Sir Robert Peel House
344/348 High Road
Ilford
Essex IG1 1QP

Bankers

National Westminster Bank Plc
East London Customer Service Centre
54 Marsh Wall
West India Dock
London E14 9BP

The Directors' Report

Year Ended 31 March 2002

The Directors have pleasure in presenting their report and the Financial Statements of the company for the year ended 31 March 2002.

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 the Shares of the Company

The Directors who served the company during the year together with their beneficial interest in the shares of the company were as follows:-

Ordinary Shares of £1 each		
	At 31 March 2002	At 1 April 2001
Mr A V Cobb	37,500	37,500
Mr K J Cobb	36,750	36,750
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 8 to 9, 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

During the year HLB Kidsons tendered their resignation as auditors: in accordance with Section 385 of The Companies Act 1985 Brendan P Byrne & Co. were appointed Accountants and Simia Farra Fanning were appointed auditors to the company for the ensuing year.

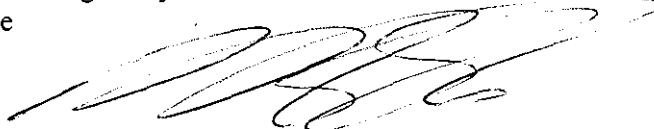
The Directors' Report (continued)
Year Ended 31 March 2002

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 Board of 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 28 March 2003

Independent Auditors' Report to the Shareholders of SOS Office Supplies Limited

Year ended 31 March 2002

We have audited the financial statements of SOS Office Supplies Limited for the Year ended 31 March 2002 which comprise the profit and loss account, the balance sheet and the related notes. 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 in the statement of directors' responsibilities the company's directors are responsible for the preparation of the 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 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 directors' report 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 directors' report 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, except that the scope of our work was limited as explained below. 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. However, the evidence available to us was limited because we were not appointed auditors until 25 March 2003 and in consequence it was not possible for us to perform the auditing procedures necessary to obtain sufficient evidence with regard to stock quantities, as we were unable to attend the stocktake, because the year end had already passed. The stock figure in the balance sheet at the year end was £78,431. Any adjustment to this would have a consequential effect on the result for the year. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Independent Auditors' Report to the Shareholders
of SOS Office Supplies Limited (continued)**

Year ended 31 March 2002

Qualified opinion arising from limitation of audit scope

Except for any adjustment that might have been found to be necessary had we been able to obtain sufficient evidence concerning stock quantity held at the balance sheet date in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to stock quantities:

- We were unable to determine whether proper accounting records had been maintained.
- We have not obtained all the information and explanation that we considered necessary for the purpose of our audit.



**Simia Farra Fanning
Registered Auditors**

**Sir Robert Peel House
344/348 High Road
Ilford
Essex IG1 1QP**

31/3/03

SOS Office Supplies Limited
Profit & Loss Account
Year Ended 31 March 2002

	Note	2002 £	2001 £
Turnover		1,795,967	1,675,120
Cost of Sales		(1,071,211)	(972,135)
Gross Profit		<u>724,756</u>	<u>702,985</u>
Administrative Expenses		(632,723)	(647,429)
Operating Profit	2	<u>92,033</u>	<u>55,556</u>
Interest Receivable		692	1,710
Interest Payable		(9,245)	(5,711)
Profit on ordinary activities before taxation		<u>83,480</u>	<u>51,555</u>
Tax on profit on ordinary activities		(21,120)	(10,700)
Profit on ordinary activities after taxation		<u>62,360</u>	<u>40,855</u>
Equity dividends paid		(13,300)	(26,500)
Retained Profit for the financial year		<u>49,060</u>	<u>14,355</u>
Balance brought forward		<u>112,631</u>	<u>98,276</u>
Balance carried forward		<u>161,691</u>	<u>112,631</u>

SOS Office Supplies Limited
Balance Sheet
31 March 2002

		2002	2001
		£	£
	Notes		
Fixed Assets			
Tangible assets	4	83,647	115,645
Investments	5	<u>2,185</u>	<u>2,185</u>
		85,832	117,830
Current Assets			
Stocks		78,431	50,094
Debtors	6	336,745	280,337
Investments	7	-	5,791
Cash at bank & in hand		<u>28,812</u>	<u>20,925</u>
		443,988	357,147
Creditors: Amounts falling due			
Within one year	8	(288,071)	(278,716)
Net Current Assets		<u>155,917</u>	<u>78,431</u>
Total assets less current liabilities		241,729	196,261
Creditors: amounts falling due			
After more than one year	9	<u>(5,058)</u>	<u>(8,630)</u>
		<u>236,691</u>	<u>187,631</u>
Capital and Reserves			
Called-up equity share capital	13	75,000	75,000
Profit and loss account		<u>161,691</u>	<u>112,631</u>
Shareholders' funds		<u>236,691</u>	<u>187,631</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 28/3/03 and signed on behalf by:

Mr K J Cobb

SOS Office Supplies Limited
Notes to the Financial Statements
Year Ended 31 March 2002

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 2002

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:-

	2002 £	2001 £
Depreciation	24,301	27,120
Auditors' fees	2,700	4,850
	<u> </u>	<u> </u>

3. Directors' emoluments

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

	2002 £	2001 £
Aggregate emoluments	155,226	160,844
Value of company pension contributions to money purchase schemes	<u>6,200</u>	<u>6,200</u>
	<u>161,426</u>	<u>167,044</u>

Aggregate emoluments does not include Employers NIC (Directors) as in previous years.

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

	2002 No.	2001 No.
Money purchase schemes	<u>2</u>	<u>2</u>

SOS Office Supplies Limited
Notes to the Financial Statements
Year Ended 31 March 2002

4. Tangible fixed assets

	Leasehold Land & Buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2001	30,248	125,062	145,345	300,655
Additions	-	2,237	-	2,237
Disposals	-	-	(56,287)	(56,287)
At 31 March 2002	<u>30,248</u>	<u>127,299</u>	<u>89,058</u>	<u>246,605</u>
Depreciation				
At 1 April 2001	14,508	81,413	89,089	185,010
Charge for the year	1,200	9,037	14,064	24,301
Disposals	-	-	(46,353)	(46,353)
At 31 March 2002	<u>15,708</u>	<u>90,450</u>	<u>56,800</u>	<u>162,958</u>
Net book value				
At 31 March 2001	15,740	43,649	56,256	115,645
At 31 March 2002	<u>14,540</u>	<u>36,849</u>	<u>32,258</u>	<u>83,647</u>

Hire purchase agreements

Included within the net book value of £83,647 is £18,929 (2001 - £41,734) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £6,309 (2001 - £14,394).

5. Investments

	Listed Investments £
Cost	
At 1 April 2001 and 31 March 2002	<u>2,185</u>
Net book value	
At 31 March 2002	<u>2,185</u>
At 31 March 2001	<u>2,185</u>

On 31 March 2002 the market value of these investments was £3,933 (2001: £4,077).

SOS Office Supplies Limited
Notes to the Financial Statements
Year Ended 31 March 2002

6. Debtors	2002	2001
	£	£
Trade debtors	311,975	271,634
Other debtors	<u>24,770</u>	<u>8,703</u>
	<u>336,745</u>	<u>280,337</u>

Other debtors includes amount due from Directors' Loan Account balances as follows:-

	2002	2001
	£	£
A V Cobb	3,131	-
K J Cobb	<u>3,031</u>	<u>-</u>
	<u>6,162</u>	<u>-</u>

7. Investments	2002	2001
	£	£
Other investments	NIL	5,791

8. Creditors: amounts falling due within one year

	2002	2001
	£	£
Stock creditors	(9,923)	-
Trade creditors	233,490	205,444
Hire purchase agreements	7,469	21,868
Corporation tax	20,500	10,918
Other taxation and social security	30,535	31,996
Accruals and deferred income	<u>6,000</u>	<u>8,490</u>
	<u>288,071</u>	<u>278,716</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 if the company.

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

	2002	2001
	£	£
Hire purchase agreements	<u>5,058</u>	<u>8,630</u>

The liabilities due within and after one year under hire purchase agreements are secured on the assets concerned.

SOS Office Supplies Limited
Notes to the Financial Statements
Year Ended 31 March 2002

10. Deferred taxation

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

	2002 £	2001 £
Excess of taxation allowances over depreciation on fixed assets	4,974 =====	8,305 =====

11. Commitments under operating leases

At 31 March 2002 the company had aggregate annual commitments under non-cancellable operating leases as set out below:

	2002 £	2001 £
Operating leases which expire: After more than 5 years	28,500 =====	28,500 =====

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 £3,998 (2001: £4,515) 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:

	2002 £	2001 £
500,000 Ordinary shares of £1 each	500,000 =====	500,000 =====

Allotted, called up and fully paid:

	2002 £	2001 £
Ordinary share capital	75,000 =====	75,000 =====

14. Tax on Profit on Ordinary Activities

The Corporation Tax provision incorporated in these Financial Statements is based on the liability calculated in the Tax Computation and takes no account of adjusted Capital Allowances.

SOS Office Supplies Limited
Notes to the Financial Statements
Year Ended 31 March 2002

	2002	2001
	£	£
Interest receivable		
Bank interest receivable	528	1,565
Dividends from listed investments	<u>164</u>	<u>145</u>
	692	1,710
	===	===

SOS Office Supplies Ltd

Management Information

Year Ended 31 March 2002

The following pages do not form part of the statutory financial statements which are the subject of the Auditors' Report on pages 4 & 5.