

Company Registration No. 877614 (England and Wales)

K H BOON LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003



Bird Luckin

K H BOON LIMITED

COMPANY INFORMATION

Directors	P E A Boon K H Boon A T Boon
Secretary	P E A Boon
Company number	877614
Registered office	25 Warley Hill Brentwood Essex Great Britain CM14 5HR
Auditors	Bird Luckin Aquila House, Waterloo Lane Chelmsford Essex CM1 1BN
Business address	25 Warley Hill Brentwood Essex Great Britain CM14 5HR
Bankers	Nat West Bank Plc 46 High Street Brentwood Essex Great Britain CM14 4AL

K H BOON LIMITED

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K H BOON LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2003

The directors present their report and financial statements for the year ended 31 March 2003.

Principal activities

The principal activity of the company continued to be the installation of office partitioning.

Directors

The following directors have held office since 1 April 2002:

P E A Boon
K H Boon
A T Boon

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary Shares of £ 1 each	
	31 March 2003	1 April 2002
P E A Boon	100	100
K H Boon	150	150
A T Boon	150	150

Auditors

Bird Luckin were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

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.

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

.....
K H Boon
Director

28/9/03.

K H BOON LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF K H BOON LIMITED

We have audited the financial statements of K H Boon Limited on pages 3 to 8 for the year ended 31 March 2003. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 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 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 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. 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Bird Luckin

Bird Luckin

10/10/03

Chartered Accountants
Registered Auditor

Aquila House, Waterloo Lane
Chelmsford
Essex
CM1 1BN

K H BOON LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

		Year ended 31 March 2003 £	Year ended 31 March 2002 £
	Notes		
Turnover		784,826	353,911
Cost of sales		(542,261)	(221,831)
Gross profit		242,565	132,080
Administrative expenses		(195,014)	(145,530)
Operating profit/(loss)	2	47,551	(13,450)
Other interest receivable and similar income		44	-
Interest payable and similar charges		(180)	(401)
Profit/(loss) on ordinary activities before taxation		47,415	(13,851)
Tax on profit/(loss) on ordinary activities	3	(10,179)	1,853
Profit/(loss) on ordinary activities after taxation		37,236	(11,998)
Dividends		(10,000)	-
Retained profit/(loss) for the year	9	27,236	(11,998)

K H BOON LIMITED

BALANCE SHEET AS AT 31 MARCH 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	4		13,575		7,521
Current assets					
Stocks		7,795		14,146	
Debtors	5	40,544		42,032	
Cash at bank and in hand		60,064		6,406	
		<u>108,403</u>		<u>62,584</u>	
Creditors: amounts falling due within one year	6	<u>(84,423)</u>		<u>(63,514)</u>	
Net current assets/(liabilities)			23,980		(930)
Total assets less current liabilities			37,555		6,591
Creditors: amounts falling due after more than one year	7		<u>(3,728)</u>		-
			<u>33,827</u>		<u>6,591</u>
Capital and reserves					
Called up share capital	8		400		400
Profit and loss account	9		33,427		6,191
Shareholders' funds			<u>33,827</u>		<u>6,591</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 June 2002).

The financial statements were approved by the Board on 35/9/03


K H Boon
Director


A T Boon
Director

K H BOON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 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 less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	15% on written down value
Motor vehicles	25% on written down value

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

Work in progress

This is stated at cost plus attributable overheads based on the normal level of activity. Where a long term contract is nearing practical completion, or where the total costs to follow (excluding fixed price external purchases) are insubstantial taking the contract as a whole and the directors can foresee the outcome of the contract with reasonable certainty it is valued at cost plus a proportion of the ascertainable profit. Revenue is credited with the proportion of total profit estimated to arise which the directors consider fairly reflects the work carried out. Full provision is made for any anticipated losses.

1.6 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of the Financial Reporting Standard for Smaller Entities (effective June 2002). Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future. The company recognised these liabilities in full in its previous year's financial statements.

2 Operating profit/(loss)	2003	2002
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	4,296	2,236
Auditors' remuneration	3,250	2,750
Directors' emoluments	14,220	13,720

K H BOON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

3	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	10,200	(1,853)
	Adjustment for prior years	(21)	-
	Current tax charge	<u>10,179</u>	<u>(1,853)</u>

4	Tangible fixed assets	Plant and machinery etc £
	Cost	
	At 1 April 2002	24,277
	Additions	10,350
	At 31 March 2003	<u>34,627</u>
	Depreciation	
	At 1 April 2002	16,756
	Charge for the year	4,296
	At 31 March 2003	<u>21,052</u>
	Net book value	
	At 31 March 2003	<u>13,575</u>
	At 31 March 2002	<u>7,521</u>

The net book value of tangible fixed assets includes £7,762 (2002- £-) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £2,588 (2002- £-) for the year.

5	Debtors	2003 £	2002 £
	Trade debtors	34,958	40,182
	Other debtors	5,586	1,850
		<u>40,544</u>	<u>42,032</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

6	Creditors: amounts falling due within one year	2003	2002
		£	£
	Net obligations under hire purchase contracts	2,352	-
	Trade creditors	27,784	16,469
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	-	34,243
	Taxation and social security	51,037	8,448
	Other creditors	3,250	4,354
		<u>84,423</u>	<u>63,514</u>
7	Creditors: amounts falling due after more than one year	2003	2002
		£	£
	Net obligations under hire purchase contracts	<u>3,728</u>	<u>-</u>
8	Share capital	2003	2002
		£	£
	Authorised		
	1,000 Ordinary Shares of £ 1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	400 Ordinary Shares of £ 1 each	<u>400</u>	<u>400</u>
9	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 April 2002		6,191
	Retained profit for the year		<u>27,236</u>
	Balance at 31 March 2003		<u>33,427</u>

K H BOON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

10 Financial commitments

At 31 March 2003 the company had annual commitments under non-cancellable operating leases as follows:

	2003 £	2002 £
Expiry date:		
Within one year	-	955

11 Control

The ultimate controlling parties for this and the preceeding year, are the directors whose shareholdings are as disclosed in the directors report.

12 Related party transactions

Southwark Office Supplies Limited

A company in which all three directors have a shareholding, the following transactions took place during the year.

Purchases totalling £164,496 (2002: £54,443) and a management charge of £62,000 (2002: £41,500) were made during the year.

At the year end, a balance of £Nil (2002: £34,243) was owed to Southwark Office Supplies Limited and is included within creditors falling due within one year.

A cross guarantee is in place between the two companies with regards to any respective overdraft facilities used.

Warley Hill Investment Partnership

A partnership in which all three directors have an interest, had a balance included within other debtors at the year end totalling £5,586 (2002: £Nil).

13 Post balance sheet events

Since the year end the directors have decided to merge the company's business with its sister company Southwark Office Supplies Ltd. This will be effective from 1 October 2003.