

**BOURNES OF LONDON LIMITED
(TRADING AS ACORN PROJECTS)**

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2003**

Company no 3615613

**BOURNES OF LONDON LIMITED
(TRADING AS ACORN PROJECTS)
DIRECTORS' REPORT**

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

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.

Principal activities

The principal activities of the company are office refurbishment and maintenance term contracts. During the year, the company acquired a number of significant maintenance term contracts.

Director

The directors at 31 August 2003 and their interests in the share capital of the company were as follows:

	<u>Ordinary shares of £1</u>	
	<u>At 31.08.03</u>	<u>At 01.09.02</u>
J K Noakes	50,000	1,000
J L Mitchell	-	-

In addition, K M Curtis and M L White were appointed directors on 24 September 2003.

Auditors

The auditors, Kevin Kearney Associates, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

Small company rules

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


J K Noakes
Director

15 March 2004

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
BOURNES OF LONDON LIMITED
(TRADING AS ACORN PROJECTS)**

We have audited the financial statements of Bournes of London Limited for the year ended 31 August 2003 on pages 3 to 9. These financial statements have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 5.

Respective responsibilities of 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 Accounting 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 which 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.

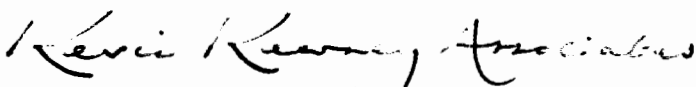
Basis of audit opinion

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 August 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Kevin Kearney Associates
Chartered Accountants and Registered Auditor

Haland House
Weybridge
Surrey KT13 9DY

15 March 2004

**BOURNES OF LONDON LIMITED
(TRADING AS ACORN PROJECTS)
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2003**

	Note	Continuing operations £	2003 Acquired operations £	Total £	2002 £
Turnover	1	5,626,533	2,104,627	7,731,160	3,844,765
Cost of sales		<u>(4,704,118)</u>	<u>(1,650,821)</u>	<u>(6,354,939)</u>	<u>(3,057,825)</u>
Gross profit		922,415	453,806	1,376,221	786,940
Administrative expenses		<u>(819,043)</u>	<u>(149,838)</u>	<u>(968,881)</u>	<u>(589,002)</u>
Operating profit	2	<u>103,372</u>	<u>303,968</u>	407,340	197,938
Interest receivable				643	47
Interest payable				<u>(2,717)</u>	<u>(1,019)</u>
Profit on ordinary activities before taxation				405,266	196,966
Taxation	3			<u>(107,259)</u>	<u>(42,554)</u>
Profit on ordinary activities after taxation				298,007	154,412
Dividends	4			<u>(50,000)</u>	<u>(25,000)</u>
Retained profit for the year				248,007	129,412
Retained profit brought forward				<u>277,436</u>	<u>148,024</u>
Retained profit before transfers				525,443	277,436
Transfer to issued share capital	10			<u>(49,000)</u>	-
Retained profit carried forward				<u>476,443</u>	<u>277,436</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Profit for the year		298,007	154,412
Amortisation of revaluation surplus	6	(765)	(1,034)
Total recognised gain for the year		<u>297,242</u>	<u>153,378</u>

With the exception of the acquisition of significant maintenance term contracts during the year, none of the company's activities were acquired or discontinued during the year.

The annexed notes form part of these financial statements.

BOURNES OF LONDON LIMITED
(TRADING AS ACORN PROJECTS)
BALANCE SHEET
AS AT 31 AUGUST 2003

	Note	2003		2002	
		£	£	£	£
Fixed assets					
Intangible assets	5		21,716		-
Tangible assets	6		<u>92,151</u>		<u>37,021</u>
			113,867		37,021
Current assets					
Stocks and work in progress		1,751,965		150,682	
Debtors	7	2,368,396		720,565	
Investments	8	20,000		-	
Cash at bank and in hand		<u>11,742</u>		<u>314,988</u>	
		4,152,103		1,186,235	
Creditors					
Amounts falling due within one year	9	<u>(3,718,991)</u>		<u>(939,519)</u>	
Net current assets			433,112		246,716
Provisions for liabilities and charges					
Deferred taxation	10		(16,000)		-
Net assets			<u><u>530,979</u></u>		<u><u>283,737</u></u>
Capital and reserves					
Called up share capital	11		50,000		1,000
Revaluation reserve	12		4,536		5,301
Profit and loss account			<u>476,443</u>		<u>277,436</u>
Shareholders' funds			<u><u>530,979</u></u>		<u><u>283,737</u></u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

The annexed notes form part of these financial statements.

Approved by the Board



J K Noakes
Director

15 March 2004

BOURNES OF LONDON LIMITED
(TRADING AS ACORN PROJECTS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003

1. Accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax.

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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	Straight line over the lease period
Plant and machinery	15% reducing balance
Office equipment	20% reducing balance
Motor vehicles	25% reducing balance

1.4 Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Work in progress is valued on the basis of cost plus attributable profit on each contract where cost includes all direct expenditure incurred. Full provision is made for significant contract losses actually realised or foreseen after the balance sheet date.

1.5 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

1.6 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.7 Pensions

The company contributes to an external pension scheme in respect of certain employees who transferred to the company on the acquisition of the maintenance term contracts. These contributions were undertaken by the company to maintain the employment terms and conditions of those particular employees.

BOURNES OF LONDON LIMITED
(TRADING AS ACORN PROJECTS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003

2. Operating profit

The operating profit is stated after charging:

	2003	2002
	£	£
Directors' emoluments	99,715	57,958
Auditors' remuneration	5,000	3,500
Depreciation of tangible fixed assets owned by the company	16,916	10,831
Hire of plant and machinery	119,424	42,768
Other operating leases	65,315	23,360
Pension contributions	1,489	-

3. Taxation

	2003	2002
	£	£
UK current year taxation		
UK corporation tax	77,582	42,554
Transfer to deferred taxation	16,000	-
	<u>93,582</u>	<u>42,554</u>
Prior years		
UK corporation tax	13,677	-
	<u>107,259</u>	<u>42,554</u>

4. Dividends

	2003	2002
	£	£
Proposed final dividend of £1.00 per share	<u>50,000</u>	<u>25,000</u>

5. Intangible assets

Intangible assets represent the capital costs of acquisition of maintenance term contracts. These contracts have been acquired in stages and the costs are capitalised as incurred. The acquisition of these contracts has continued after the year end and the total acquisition costs have not been finalised. The directors consider it appropriate, therefore, to defer application of amortisation of the investment until the acquisition is concluded.

BOURNES OF LONDON LIMITED
(TRADING AS ACORN PROJECTS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003

6. Tangible assets

	Leasehold property	Plant & machinery etc	Total
	£	£	£
Cost or valuation			
At 01.09.02	27,455	34,983	62,438
Additions	-	72,811	72,811
Disposals	-	-	-
At 31.08.03	<u>27,455</u>	<u>107,794</u>	<u>135,249</u>
Depreciation			
At 01.09.02	8,553	16,864	25,417
Charge for the year	7,389	9,527	16,916
Amortisation of plant revaluation surplus	-	765	765
Disposals	-	-	-
At 31.08.03	<u>15,942</u>	<u>27,156</u>	<u>43,098</u>
Net book value			
At 31.08.03	<u>11,513</u>	<u>80,638</u>	<u>92,151</u>
At 31.08.02	<u>18,902</u>	<u>18,119</u>	<u>37,021</u>

Cost or valuation of plant and machinery at 31 August 2003 is represented by:

	£
Cost of assets	99,163
Revaluation in 1999	<u>8,631</u>
	<u>107,794</u>

If there had been no revaluation of assets in 1999, those assets would have been included above as follows:

	£
Cost of assets	434
Aggregate depreciation	<u>241</u>
Net book value	<u>193</u>

BOURNES OF LONDON LIMITED
(TRADING AS ACORN PROJECTS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003

7. Debtors

	2003	2002
	£	£
Due within one year		
Trade debtors	2,201,731	649,543
Director's current account	-	1,910
Other debtors and prepayments	166,665	69,112
	<u>2,368,396</u>	<u>720,565</u>

Trade debtors include amounts assigned for discounting to debt factors totalling £1,317,662 (2002 - nil).

8. Investments

Investments are stated at cost and represent listed shares. The market value of these shares at the year end was £25,575.

9. Creditors: amounts falling due within one year

	2003	2002
	£	£
Amount due in respect of factored debts	242,209	-
Trade creditors	1,255,283	510,211
Director's current account	235	-
Corporation tax	77,582	37,358
Social security and other taxes	111,055	11,522
Other creditors	2,032,627	380,428
	<u>3,718,991</u>	<u>939,519</u>

10. Deferred taxation

	2003	2002
	£	£
Charge for the year	<u>16,000</u>	<u>-</u>

The provision for deferred taxation is made up of accelerated capital allowances.

11. Share capital

	2003	2002
	£	£
Authorised		
Ordinary shares of £1 each	<u>100,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each		
Balance at 01.09.02	1,000	1,000
Capitalisation of reserves by transfer from profit and loss account	49,000	-
Balance at 31.08.03	<u>50,000</u>	<u>1,000</u>

BOURNES OF LONDON LIMITED
(TRADING AS ACORN PROJECTS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2003

12. Revaluation reserve

	£
Surplus on revaluation of tangible assets at 01.09.02	5,301
Amortisation of revaluation surplus	<u>765</u>
Surplus on revaluation of tangible assets at 31.08.03	<u><u>4,536</u></u>

13. Other commitments

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

	Land and buildings		Other	
	2003	2002	2003	2002
	£	£	£	£
Expiry date:				
Within one year	-	-	14,020	-
Between two and five years	40,941	40,941	114,927	24,900

14. Transactions with the directors

The transactions during the year with J K Noakes, one of the company's directors, are summarised on his current account as follows:

	£
Balance due to the director at 01.09.02	1,910
Advances to the director	47,855
Dividend payable	<u>(50,000)</u>
Balance due to the director at 31.08.03	<u><u>(235)</u></u>

The director is also a director of M.A.C. Plus Limited, a company in which he also owns one third of the issued share capital. There were no transactions between M.A.C. Plus Limited and the company during the year. The amount due from M.A.C. Plus Limited at the end of the year was £5,000.