

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

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2002**

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 2002.

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 and loss of the company for that period. In preparing those financial statements, the directors, is 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 in order to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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 activity of the company is office refurbishment

Director

The directors at 31 August 2002 and their interests in the share capital were as follows:

	<u>Ordinary shares of £1</u>	
	<u>At 31.08.02</u>	<u>At 01.09.01</u>
J K Noakes	1,000	1,000
J L Mitchell (appointed 02.07.02)	-	-

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

13 February 2003

**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 for the year ended 31 August 2002 on pages 3 to 8. 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 in accordance with the accounting policies set out on page 5.

Respective responsibilities of director 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 UK accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and UK 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 UK 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 2002 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 Auditors
13 February 2001**

**Haland House
Weybridge
Surrey KT139DY**

**BOURNES OF LONDON LIMITED
(TRADING AS ACORN PROJECTS)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2002**

	Note	2002 £	2001 £
Turnover	1	3,844,765	3,135,068
Cost of sales		<u>(3,057,825)</u>	<u>(2,549,081)</u>
Gross profit		786,940	585,987
Administrative expenses		<u>(589,002)</u>	<u>(431,908)</u>
Operating profit	2	197,938	154,079
Interest receivable		47	345
Interest payable		<u>(1,019)</u>	<u>(2,213)</u>
Profit on ordinary activities before taxation		196,966	152,211
Taxation	3	<u>(42,554)</u>	<u>(32,168)</u>
Profit on ordinary activities after taxation		154,412	120,043
Dividends	4	<u>(25,000)</u>	<u>(31,000)</u>
Retained profit for the year		129,412	89,043
Retained profit brought forward		<u>148,024</u>	<u>58,981</u>
Retained profit carried forward		<u>277,436</u>	<u>148,024</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Profit for the year		154,412	120,043
Amortisation of revaluation surplus	5	(1,034)	(1,001)
Total recognised gain for the year		<u>153,378</u>	<u>119,042</u>

The annexed notes form part of these financial statements.

**BOURNES OF LONDON LIMITED
(TRADING AS ACORN PROJECTS)
BALANCE SHEET
AS AT 31 AUGUST 2002**

	Note	2002	2001
		£	£
Fixed assets			
Tangible assets	5	37,021	37,319
Current assets			
Stocks and work in progress		150,682	220,367
Debtors	6	720,565	799,379
Cash at bank and in hand		<u>314,988</u>	<u>500</u>
		1,186,235	1,020,246
Creditors			
Amounts falling due within one year	7	<u>(939,519)</u>	<u>(902,206)</u>
Net current assets		<u>246,716</u>	<u>118,040</u>
Net assets		<u>283,737</u>	<u>155,359</u>
Capital and reserves			
Called up share capital	8	1,000	1,000
Revaluation reserves	9	5,301	6,335
Profit and loss account		<u>277,436</u>	<u>148,024</u>
Shareholders' funds		<u>283,737</u>	<u>155,359</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 and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002)

The annexed notes form part of these financial statements

Approved by the board

**J K Noakes
Director**

13 February 2003

**BOURNES OF LONDON LIMITED
(TRADING AS ACORN PROJECTS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2002**

1. Accounting policies

1.1 Basis of preparation of the financial statements

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 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 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 and work in progress are valued at the lower of cost and net realisable value. Cost includes all direct expenditure incurred on each contract. Full provision is included for 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 lesser are charged to the profit and loss account as incurred.

2. Operating profit

The operating profit is stated after charging:

	2002	2001
	£	£
Director's emoluments	57,958	45,362
Auditors' remuneration	3,500	2,600
Depreciation of tangible fixed assets owned by the co.	10,831	5,124
Hire of plant and machinery	42,768	48,576

3. Taxation

	2002	2001
	£	£
UK corporation tax payable	<u>42,554</u>	<u>32,168</u>

4. Dividends

	2002	2001
	£	£
Proposed dividend	<u>25,000</u>	<u>31,000</u>

**BOURNES OF LONDON LIMITED
(TRADING AS ACORN PROJECTS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2002**

5. Tangible Assets

	Leasehold property	Plant & machinery etc	Total
	£	£	£
Cost or valuation			
At 01.09.01	18,406	32,585	50,991
Additions	9,049	2,398	11,447
Disposals	-	-	-
At 31.08.02	<u>27,455</u>	<u>34,983</u>	<u>62,438</u>
Depreciation			
At 01.09.01	1,164	12,508	13,672
Charge for the year	7,389	3,322	10,711
Amortisation of plant revaluation			
Surplus	-	1,034	1,034
Disposals	-	-	-
At 31.08.02	<u>8,553</u>	<u>16,864</u>	<u>25,417</u>
Net book value			
At 31.08.02	<u>18,902</u>	<u>18,119</u>	<u>37,021</u>
At 31.08.01	<u>17,242</u>	<u>20,077</u>	<u>37,319</u>

Cost or valuation of plant and machinery at 31 August 2002 is represented by:

	£
Cost of assets	26,352
Revaluation in 1999	<u>8,631</u>
	<u>34,983</u>

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

	£
Costs of assets	434
Aggregate depreciation	<u>207</u>
Net book value	<u>227</u>

**BOURNES OF LONDON LIMITED
(TRADING AS ACORN PROJECTS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2002**

6. Debtors

	2002	2001
	£	£
Due within one year		
Trade debtors	649,543	762,728
Director's current account	1,910	-
Other debtors and prepayments	69,112	36,651
	<u>720,565</u>	<u>799,379</u>

7. Creditors: amounts falling due within one year

	2002	2001
	£	£
Bank overdraft (secured)	-	19,536
Trade creditors	510,211	376,651
Corporation tax	37,358	26,957
Social security and other taxes	11,522	19,767
Director's current account	-	15
Other creditors	380,428	459,280
	<u>939,519</u>	<u>902,206</u>

The bank overdraft is secured by a fixed and floating charge over the assets of the company.

8. Share capital

	2002	2001
	£	£
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	<u>1,000</u>	<u>1,000</u>

The authorised share capital of the company was increased to £100,000 in August 200

9. Revaluation reserve

	£
Surplus on revaluation of tangible assets at 01.09.01	6,335
Amortisation of revaluation surplus	1,034
	<u>5,301</u>
Surplus on revaluation of tangible assets at 31.08.02	<u>5,301</u>

**BOURNES OF LONDON LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2002**

10. Other commitments

At 31 August 2002, the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2002	2001	2002	2001
	£	£	£	£
Expiry date:				
Within one year	-	-	-	6,643
Between two and five years	40,941	30,965	24,900	13,009

11. Transactions with the directors

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

	£
Balance due to the director at 01.09.01	(15)
Advances to the director	26,925
Dividend payable	(25,000)
Balance due from director at 31.08.02	<u>1,910</u>

In addition, a loan of £2,000 due from Mrs J Noakes, the director's mother, at 31 August 2001 was repaid during the year.

The director is also a director of M.A.C Plus Limited, a company in which he also owns one third of the issued shared capital. Transactions between M.A.C Plus Limited and the company during the year, together with balances outstanding at the end of the year, were as follows:

	£
Contract works invoiced to M.A.C Plus Limited, net of credits and VAT	492,253
Amount due from M.A.C Plus limited in respect of contract works	3,733
Amount due from M.A.C Plus limited in respect of initial working capital	5,000

J K Noakes was also sole director and shareholder of Bournes of Windsor Limited, a company, which was dissolved on 19 November 2002 after exchanging names with Rehydra Limited, another dormant company. During the year, the company wrote off £325 in respect of expenses incurred on behalf of Bournes of Windsor Limited in the previous year. J K Noakes is sole director and shareholder of the new company, which continues to be dormant.