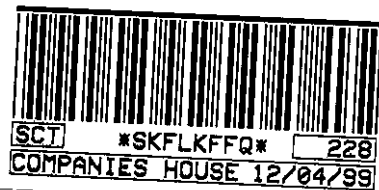


**K S L TRADING AND MARKETING LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 1998**



*EAM.*

**K S L TRADING AND MARKETING LIMITED**

<b>Director</b>	Karen Sparkes
<b>Secretary</b>	H B J Secretarial Limited
<b>Registered Office</b>	19 Ainslie Place Edinburgh
<b>Company Number</b>	SC 159770
<b>Bankers</b>	Midland Bank plc 76 Hanover Street Edinburgh
<b>Auditors</b>	Winton & Co 16 Hamilton Street Broughty Ferry Dundee
<b>Solicitors</b>	Henderson Boyd Jackson 19 Ainslie Place Edinburgh

**K S L TRADING AND MARKETING LIMITED**

**DIRECTORS' REPORT**

The director submits her report together with the audited statement of accounts for the year ended 31st March 1998.

**Principal Activities**

The principal activity of the company is the wholesale distribution of office furniture.

**Directors and Directors' Interests**

The directors of the company throughout the period were :

**K Sparkes**

**G Mulvaney (resigned 22/8/97)**

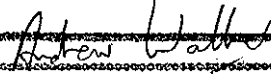
The directors' interests, including family interests, in the share capital of the company at 31st March 1998 and 31st March 1997 are as follows :

	Ordinary £1 Shares	
	31/3/98	31/3/97
K Sparkes	500	500

**Small Company Rules**

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

**BY ORDER OF THE BOARD**

Director   
H B J Secretarial Limited

**H B J Secretarial Limited**  
**Secretary**

24th March 1999.

**K S L TRADING AND MARKETING LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR TO 31 MARCH 1998**


	<b>Notes</b>	<b>12 Months to 31/3/98</b>	<b>2 Months to 31/3/97</b>
Turnover	<b>1</b>	£638,142	£122,774
Cost of Sales		484,735	100,218
<b>GROSS PROFIT</b>		<hr/> £153,407	<hr/> £ 22,556
Rental Fee		1,000	-
Consultancy Fee		34,000	-
		<hr/> £188,407	<hr/> £ 22,556
Administration Costs		178,110	27,797
Interest Payable	<b>3</b>	7,233	1,129
		<hr/>	<hr/>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>2</b>	£ 3,064	£( 6,370)
Tax on Profit on Ordinary Activities	<b>4</b>	1,265	( 1,480)
		<hr/>	<hr/>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		£ 1,799	£( 4,890)
Retained Profit brought forward		285	5,175
		<hr/>	<hr/>
<b>RETAINED PROFIT carried forward</b>		<hr/> £ 2,084 <hr/>	<hr/> £ 285 <hr/>

# K S L TRADING AND MARKETING LIMITED

## BALANCE SHEET AS AT 31 MARCH 1998

	Notes	1998	1997
<b>FIXED ASSETS</b>	<b>5</b>	<b>£ 12,287</b>	<b>£ 11,339</b>
<b>CURRENT ASSETS</b>			
Debtors	6	£223,621	£118,799
Stock	1	41,965	36,508
Cash in Hand		40	53
		<u>£265,626</u>	<u>£155,360</u>
<b>CREDITORS</b>			
Amounts falling due within one year	7	274,829	163,794
<b>NET CURRENT LIABILITIES</b>		<u>£( 9,203)</u>	<u>£( 8,434)</u>
		<u>£ 3,084</u>	<u>£ 2,905</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	8	-	1,620
<b>TOTAL ASSETS</b>		<u>£ 3,084</u>	<u>£ 1,285</u>
<b>SHARE CAPITAL AND RESERVES</b>			
Share Capital	9	£ 1,000	£ 1,000
Profit and Loss Account		2,084	285
<b>SHAREHOLDERS' FUNDS</b>		<u>£ 3,084</u>	<u>£ 1,285</u>

The financial statements, which 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, were approved by the board on 24th March 1999 and signed on its behalf.



K Sparkes  
Director

# K S L TRADING AND MARKETING LIMITED

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

#### a) Accounting Convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### b) 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 each asset over its expected useful life on the following basis :

Fixtures & Fittings - 20% straight line basis

Office Equipment - 20% straight line basis

#### c) Turnover

Turnover represents the invoiced value of goods supplied by the company net of value added tax and trade discounts.

#### d) Stock

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

#### e) Cash Flow Statement

The company is a small company and is therefore exempt from preparing a cash flow statement under Financial Reporting Standard No 1.

#### f) Leasing and Hire Purchase

Assets obtained under hire purchase contracts or finance leases are capitalised as tangible fixed assets. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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.

#### g) Operating Leases

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

	12 Months to 31/3/98	2 Months to 31/3/97
<b>2. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		
Profit/(loss) on ordinary activities before taxation is stated after charging :		
Auditors Remuneration	£ 850	£ 750
Depreciation	3,908	490
Staff Costs	83,186	11,340
	<hr/>	<hr/>
Directors Remuneration		
Emoluments	£23,750	£ 3,333
	<hr/>	<hr/>
<b>3. INTEREST PAYABLE</b>		
Bank Interest	£ 5,733	£ 130
Factoring Interest	1,500	999
	<hr/>	<hr/>
	£ 7,233	£ 1,129
	<hr/>	<hr/>

# K S L TRADING AND MARKETING LIMITED

## NOTES TO THE ACCOUNTS (continued)

	1998	1997
<b>4. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES</b>		
Corporation Tax	£ 1,265	£( 1,507)
Prior Year Adjustment	-	27
	<u>£ 1,265</u>	<u>£( 1,480)</u>

### 5. FIXED ASSETS

	Fixtures & Fittings	Office Equipment	Total
Cost to 31st March 1997	£1,269	£13,417	£14,686
Additions during period	142	4,714	4,856
Cost to 31st March 1998	<u>£1,411</u>	<u>£18,131</u>	<u>£19,542</u>
Depreciation to 31st March 1997	£ 296	£ 3,051	£ 3,347
Depreciation for period	282	3,626	3,908
Depreciation to 31st March 1998	<u>£ 578</u>	<u>£ 6,677</u>	<u>£ 7,255</u>
Net Book Value at 31st March 1998	<u>£ 833</u>	<u>£11,454</u>	<u>£12,287</u>
Net Book Value at 31st March 1997	<u>£ 973</u>	<u>£10,366</u>	<u>£11,339</u>

Included above are assets held under finance lease, as follows, Office Equipment £6,936. The amount of depreciation in respect of such assets amounts to £2,448.

	1998	1997
<b>6. DEBTORS</b>		
Trade Debtors (Factored)	£188,114	£114,064
Other Debtors	35,507	4,735
	<u>£223,621</u>	<u>£118,799</u>

**K S L TRADING AND MARKETING LIMITED****NOTES TO THE ACCOUNTS**  
**(continued)**

	<b>1998</b>	<b>1997</b>
<b>7. CREDITORS</b>		
Amounts falling due within one year :		
Trade Creditors	£124,598	£132,804
Lease Creditor	1,620	4,720
Factoring Loan	87,710	10,086
Bank	33,085	13,608
Other Creditors	26,551	2,166
Corporation Tax	1,265	410
	<u>£274,829</u>	<u>£163,794</u>

Included within other creditors is an amount £24,301 (1997 - £167) which relates to social security and other taxes.

**8. CREDITORS**

Amounts falling due after more than one year :

Lease Creditor	£ -	£ 1,620
	<u>          </u>	<u>          </u>

**9. SHARE CAPITAL****Authorised**

1,000 Ordinary Shares of £1.00 each	£ 1,000	£ 1,000
	<u>          </u>	<u>          </u>

**Issued**

1,000 Ordinary Shares of £1.00 each, fully paid	£ 1,000	£ 1,000
	<u>          </u>	<u>          </u>

**10. RELATED PARTY TRANSACTION**

The company received £34,000 in consultancy fees from B Linton who is a shareholder of the company.

**11. DIRECTORS' RESPONSIBILITIES**

Company Law requires the directors to prepare accounts 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 accounts, 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 accounts 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 accounts 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.



## **K S L TRADING AND MARKETING LIMITED**

### **AUDITORS REPORT TO THE MEMBERS OF K S L TRADING AND MARKETING LIMITED**

We have audited the financial statements on pages one to six which have been prepared using the historical cost convention and the accounting policies set out on page four.

#### **Respective Responsibilities of Directors and Auditors**

As described on page six the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion based on our audit of those statements and 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 are 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 the 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 at 31st March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Winton & Co  
Chartered Accountants  
Registered Auditors

16 Hamilton Street  
Broughty Ferry  
Dundee

24th March 1999.