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Report of the Directors and  
Financial Statements for the Year Ended 31 March 2004  
for  
MARTIN & BRAD (U.K.) LIMITED



MARTIN & BRAD (U.K.) LIMITED

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for the Year Ended 31 March 2004

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**MARTIN & BRAD (U.K.) LIMITED**

**Company Information**  
**for the Year Ended 31 March 2004**

**DIRECTORS:**

S Bhojwani  
R Bhojwani

**SECRETARY:**

N Thaleswar

**REGISTERED OFFICE:**

5 Tigris House  
4th Floor  
258 Edgware Road  
London  
W2 1DS

**REGISTERED NUMBER:** 1411610

**AUDITORS:**

GB & CO. Chartered Accountants  
Brent House  
214 Kenton Road  
Harrow  
Middlesex  
HA3 8BT

## MARTIN & BRAD (U.K.) LIMITED

### Report of the Directors for the Year Ended 31 March 2004

The directors present their report with the financial statements of the company for the year ended 31 March 2004.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the export of goods to West Africa.

#### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2004.

#### **DIRECTORS**

The directors during the year under review were:

S Bhojwani  
R Bhojwani

The beneficial interests of the directors holding office on 31 March 2004 in the issued share capital of the company were as follows:

	31.3.04	1.4.03
<b>Ordinary £1 shares</b>		
S Bhojwani	1	1
R Bhojwani	99,999	99,999

#### **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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

MARTIN & BRAD (U.K.) LIMITED

Report of the Directors  
for the Year Ended 31 March 2004

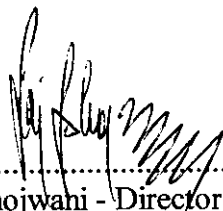
**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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.

**AUDITORS**

The auditors, GB & CO. Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



.....  
R Bhojwahi - Director

Date: 20. Dec. 2004 .....

**Report of the Independent Auditors to the Shareholders of  
MARTIN & BRAD (U.K.) LIMITED**

We have audited the financial statements of MARTIN & BRAD (U.K.) LIMITED for the year ended 31 March 2004 on pages six to fifteen. These financial statements have been prepared 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 auditors' 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 directors and auditors**

As described on pages two and three the company's directors are responsible for the preparation of 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 Report of the Directors 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 Report of the Directors 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.

Report of the Independent Auditors to the Shareholders of  
MARTIN & BRAD (U.K.) LIMITED

**Going concern & fundamental uncertainty**

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the accounts concerning the preparation of the financial statements on going concern basis, the validity of which depends on the continued support of its parent company.

In view of the significance of the uncertainty and the liquidity problem of the company, we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

**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 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

GB & CO.

GB & CO. Chartered Accountants and Registered Auditors  
Brent House  
214 Kenton Road  
Harrow  
Middlesex  
HA3 8BT

Date: 23/12/05

**MARTIN & BRAD (U.K.) LIMITED**

**Profit and Loss Account**  
**for the Year Ended 31 March 2004**

	Notes	31.3.04 £	31.3.03 £
<b>TURNOVER</b>	2	650,916	1,380,629
Cost of sales		<u>631,046</u>	<u>1,346,845</u>
<b>GROSS PROFIT</b>		19,870	33,784
Administrative expenses		<u>113,844</u>	<u>108,596</u>
<b>OPERATING LOSS</b>	4	(93,974)	(74,812)
Interest receivable and similar income		<u>5,429</u>	<u>157</u>
		(88,545)	(74,655)
Interest payable and similar charges	5	<u>6,976</u>	<u>3</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(95,521)	(74,658)
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>(95,521)</u>	<u>(74,658)</u>
<b>DEFICIT FOR THE YEAR</b>		<u>(95,521)</u>	<u>(74,658)</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current and previous years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the losses for the current and previous years.

The notes form part of these financial statements

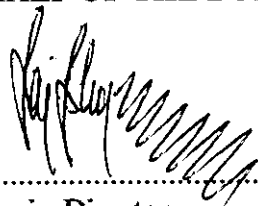


**MARTIN & BRAD (U.K.) LIMITED**

**Balance Sheet**  
**31 March 2004**

	Notes	31.3.04 £	£	31.3.03 £	£
<b>FIXED ASSETS</b>					
Tangible assets	7		3,625		3,403
Investments	8		<u>879</u>		<u>879</u>
			4,504		4,282
<b>CURRENT ASSETS</b>					
Debtors	9	5,435		100,996	
Cash at bank and in hand		<u>13,446</u>		<u>187</u>	
		18,881		101,183	
<b>CREDITORS</b>					
Amounts falling due within one year	1 0	<u>128,001</u>		<u>114,560</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(109,120)</u>		<u>(13,377)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(104,616)</u>		<u>(9,095)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		600,000		600,000
Profit and loss account	13		<u>(704,616)</u>		<u>(609,095)</u>
<b>SHAREHOLDERS' FUNDS</b>	16		<u>(104,616)</u>		<u>(9,095)</u>

**ON BEHALF OF THE BOARD:**

  
.....  
R Bhojwani - Director

Approved by the Board on 20/12/05 .....

**MARTIN & BRAD (U.K.) LIMITED**

**Cash Flow Statement**  
**for the Year Ended 31 March 2004**

	Notes	31.3.04 £	31.3.03 £
<b>Net cash (outflow)/inflow from operating activities</b>	1	(165,238)	27,147
<b>Returns on investments and servicing of finance</b>	2	(1,547)	154
<b>Capital expenditure</b>	2	<u>(1,432)</u>	<u>(1,753)</u>
		(168,217)	25,548
<b>Financing</b>	2	<u>183,146</u>	<u>(70,582)</u>
<b>Increase/(Decrease) in cash in the period</b>		<u>14,929</u>	<u>(45,034)</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net debt</b>	3		
<b>Increase/(Decrease) in cash in the period</b>		<u>14,929</u>	<u>(45,034)</u>
<b>Change in net debt resulting from cash flows</b>		<u>14,929</u>	<u>(45,034)</u>
<b>Movement in net debt in the period</b>		14,929	(45,034)
<b>Net (debt)/funds at 1 April</b>		<u>(1,483)</u>	<u>43,551</u>
<b>Net funds/(debt) at 31 March</b>		<u>13,446</u>	<u>(1,483)</u>

The notes form part of these financial statements

**MARTIN & BRAD (U.K.) LIMITED**

**Notes to the Cash Flow Statement**  
**for the Year Ended 31 March 2004**

**1. RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	31.3.04 £	31.3.03 £
Operating loss	(93,974)	(74,812)
Depreciation charges	1,209	1,134
(Increase)/Decrease in debtors	(719)	165
(Decrease)/Increase in creditors	<u>(71,754)</u>	<u>100,660</u>
<b>Net cash (outflow)/inflow from operating activities</b>	<b><u>(165,238)</u></b>	<b><u>27,147</u></b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31.3.04 £	31.3.03 £
<b>Returns on investments and servicing of finance</b>		
Interest received	5,429	157
Interest paid	<u>(6,976)</u>	<u>(3)</u>
<b>Net cash (outflow)/inflow for returns on investments and servicing of finance</b>	<b><u>(1,547)</u></b>	<b><u>154</u></b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	<u>(1,432)</u>	<u>(1,753)</u>
<b>Net cash outflow for capital expenditure</b>	<b><u>(1,432)</u></b>	<b><u>(1,753)</u></b>
<b>Financing</b>		
Increase-due from holding company	<u>183,146</u>	<u>(70,582)</u>
<b>Net cash inflow/(outflow) from financing</b>	<b><u>183,146</u></b>	<b><u>(70,582)</u></b>

The notes form part of these financial statements

**MARTIN & BRAD (U.K.) LIMITED**

**Notes to the Cash Flow Statement**  
**for the Year Ended 31 March 2004**

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.4.03 £	Cash flow £	At 31.3.04 £
Net cash:			
Cash at bank and in hand	187	13,259	13,446
Bank overdraft	<u>(1,670)</u>	<u>1,670</u>	<u>-</u>
	<u>(1,483)</u>	<u>14,929</u>	<u>13,446</u>
 Total	 <u>(1,483)</u>	 <u>14,929</u>	 <u>13,446</u>

The notes form part of these financial statements

# MARTIN & BRAD (U.K.) LIMITED

## Notes to the Financial Statements for the Year Ended 31 March 2004

### 1. ACCOUNTING POLICIES

#### **Accounting convention**

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

#### **Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

#### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings        - 25% on reducing balance

Motor vehicles               - 25% on reducing balance

#### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

#### **Going Concern**

These financial statements have been prepared on a going concern basis for which the company relies on the continued financial and trading support it receives from Bhojwani Brothers (Nigeria) Limited, as per notes 14 and 15 of these accounts. In the unlikely event of this support being discontinued, the company will be unable to meet its obligations and to trade as a going concern, and reclassification and adjustments would be needed to be made to all balance sheet items to reflect their realisable value.

#### **Foreign Currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken to the profit and loss account.

### 2. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31.3.04	31.3.03
	£	£
Sales to Africa	<u>650,916</u>	<u>1,380,629</u>
	<u>650,916</u>	<u>1,380,629</u>

## MARTIN & BRAD (U.K.) LIMITED

### Notes to the Financial Statements - continued for the Year Ended 31 March 2004

#### 3. STAFF COSTS

	31.3.04	31.3.03
	£	£
Wages and salaries	35,268	39,089
Social security costs	<u>1,880</u>	<u>1,961</u>
	<u>37,148</u>	<u>41,050</u>

The average monthly number of employees during the year was as follows:

	31.3.04	31.3.03
Office and Management	<u>4</u>	<u>4</u>

#### 4. OPERATING LOSS

The operating loss is stated after charging:

	31.3.04	31.3.03
	£	£
Depreciation - owned assets	1,209	1,134
Auditors remuneration	1,750	1,750
Foreign exchange differences	37,663	7,774
Late filing Penalty	<u>700</u>	<u>1,200</u>
Directors' emoluments	<u>15,750</u>	<u>15,750</u>

#### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.3.04	31.3.03
	£	£
Bank interest	<u>6,976</u>	<u>3</u>

#### 6. TAXATION

##### **Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2004 nor for the year ended 31 March 2003.

# MARTIN & BRAD (U.K.) LIMITED

## Notes to the Financial Statements - continued for the Year Ended 31 March 2004

### 7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 April 2003	14,820	21,208	36,028
Additions	<u>1,432</u>	<u>-</u>	<u>1,432</u>
At 31 March 2004	<u>16,252</u>	<u>21,208</u>	<u>37,460</u>
<b>DEPRECIATION</b>			
At 1 April 2003	12,380	20,246	32,626
Charge for year	<u>968</u>	<u>241</u>	<u>1,209</u>
At 31 March 2004	<u>13,348</u>	<u>20,487</u>	<u>33,835</u>
<b>NET BOOK VALUE</b>			
At 31 March 2004	<u>2,904</u>	<u>721</u>	<u>3,625</u>
At 31 March 2003	<u>2,440</u>	<u>962</u>	<u>3,402</u>

### 8. FIXED ASSET INVESTMENTS

	Listed investments £
<b>COST</b>	
At 1 April 2003 and 31 March 2004	<u>879</u>
<b>NET BOOK VALUE</b>	
At 31 March 2004	<u>879</u>
At 31 March 2003	<u>879</u>

Fixed asset investments are stated at cost.

### 9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.04 £	31.3.03 £
Amounts owed by group undertakings	-	96,280
Other debtors	<u>5,435</u>	<u>4,716</u>
	<u>5,435</u>	<u>100,996</u>

**MARTIN & BRAD (U.K.) LIMITED**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2004**

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.04	31.3.03
	£	£
Bank loans and overdrafts (see note 11)	-	1,670
Amounts owed to group undertakings	86,865	-
Tax	(837)	(837)
Other creditors	24,685	-
Accruals and deferred income	<u>17,288</u>	<u>113,727</u>
	<u>128,001</u>	<u>114,560</u>

**11. LOANS**

An analysis of the maturity of loans is given below:

	31.3.04	31.3.03
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>1,670</u>

**12. CALLED UP SHARE CAPITAL**

Authorised:

Number:	Class:	Nominal value:	31.3.04	31.3.03
			£	£
1,000,000	Ordinary	£1	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.04	31.3.03
			£	£
600,000	Ordinary	£1	<u>600,000</u>	<u>600,000</u>



## MARTIN & BRAD (U.K.) LIMITED

### Notes to the Financial Statements - continued for the Year Ended 31 March 2004

#### 13. RESERVES

	Profit and loss account £
At 1 April 2003	(609,095)
Deficit for the year	<u>(95,521)</u>
At 31 March 2004	<u>(704,616)</u>

#### 14. ULTIMATE PARENT COMPANY

The largest shareholder of the company is Bhojwani Brothers (Nigeria) Limited holding 83.3% of the issued share capital.

#### 15. RELATED PARTY DISCLOSURES

##### SALES

During the year sales £650,916 (2003: £1,380,629) was made to Bhojwani Brothers (Nigeria) Limited, a company in which the directors of Martin & Brad (UK) Limited are also shareholders and directors. In the opinion of the directors, the amount charged by the company for the goods and services provided to Bhojwani Brothers (Nigeria) Limited is based on prevailing market prices.

##### Creditors

Creditors include £24,865 (2003: £96,280 (debtors) ) due to Bhojwani Brothers (Nigeria) Limited a company in which the directors of Martin & Brad (U.K.) Limited are also directors and shareholders.

#### 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.3.04 £	31.3.03 £
Loss for the financial year	<u>(95,521)</u>	<u>(74,658)</u>
Net reduction of shareholders' funds	(95,521)	(74,658)
Opening shareholders' funds	<u>(9,095)</u>	<u>65,563</u>
Closing shareholders' funds	<u>(104,616)</u>	<u>(9,095)</u>
Equity interests	<u>(104,616)</u>	<u>(9,095)</u>