

**MURPHY SHIPPING AND COMMERCIAL SERVICES
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2001

Company Registration Number 2090667



MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2001

CONTENTS	PAGE
The directors' report	1
Independent auditors' report to the shareholders	3
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 AUGUST 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 August 2001.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was freight forwarding in the United Kingdom.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 August 2001	At 1 September 2000
A Agbabiaka	2	2
B Agbabiaka	20	20
O Agbabiaka	2	2
M Burt	<u>25</u>	<u>25</u>

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 7 to 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

DONATIONS

During the year the company made the following contributions:

	2001 £	2000 £
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AUDITORS

A resolution to re-appoint Feltons as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2001

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
12 Sheet Street
Windsor
Berkshire
SL4 1BG

Signed on behalf of the directors



M. Burt
Director

Approved by the directors on 11-9-2002

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 AUGUST 2001

We have audited the financial statements on pages 5 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on pages 7 to 8.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 1.

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. Our responsibilities do not extend to any other information.

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.

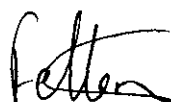
MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS (CONTINUED)

YEAR ENDED 31 AUGUST 2001

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 2001 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



12 Sheet Street
Windsor
Berkshire
SL4 1BG
~~30.9.2002~~

FELTONS
Chartered Accountants
& Registered Auditors

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 AUGUST 2001

	Note	2001 £	2000 £
TURNOVER	2	3,384,671	2,340,765
Cost of sales		2,497,593	1,576,681
GROSS PROFIT		887,078	764,084
Administrative expenses		892,984	924,151
Other operating income	3	(35,786)	(59,402)
OPERATING PROFIT/(LOSS)	4	29,880	(100,665)
Interest receivable		3,329	3,016
Interest payable		(11,709)	(11,403)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		21,500	(109,052)
Tax on profit/(loss) on ordinary activities	5	12,254	(3,088)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		9,246	(105,964)
Balance brought forward		136,396	242,360
Balance carried forward		145,642	136,396

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

BALANCE SHEET

YEAR ENDED 31 AUGUST 2001

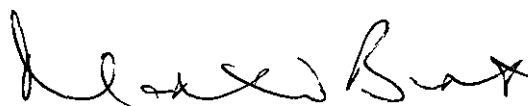
	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	6	56,297	111,971
Investments	7	2	2
		<u>56,299</u>	<u>111,973</u>
CURRENT ASSETS			
Debtors	8	752,615	593,377
Cash at bank and in hand		346,577	122,914
		<u>1,099,192</u>	<u>716,291</u>
CREDITORS: Amounts falling due within one year	9	<u>999,051</u>	<u>638,953</u>
NET CURRENT ASSETS		<u>100,141</u>	<u>77,338</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>156,440</u>	<u>189,311</u>
CREDITORS: Amounts falling due after more than one year	10	<u>10,698</u>	<u>52,815</u>
		<u>145,742</u>	<u>136,496</u>
CAPITAL AND RESERVES			
Called-up equity share capital	13	100	100
Profit and Loss Account		145,642	136,396
SHAREHOLDERS' FUNDS		<u>145,742</u>	<u>136,496</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the 11-9-2002 and are signed on their behalf by:

M BURT

Director



MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 AUGUST 2001****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention,, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	20% on cost straight line
Fixtures & Fittings	15% on cost straight line
Motor Vehicles	25% on cost straight line

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates 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 into account in arriving at the operating profit.

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2001

1. ACCOUNTING POLICIES *(continued)*

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed assets investments are treated as part of the results from ordinary activities.

Contribution to pension funds

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

2. TURNOVER

Overseas turnover amounted to 83.41% (2000 - 89.16%) of the total turnover for the year.

3. OTHER OPERATING INCOME

	2001	2000
	£	£
Rent receivable	35,786	32,000
Management charges receivable	—	27,402
	<u>35,786</u>	<u>59,402</u>

4. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2001	2000
	£	£
Directors' emoluments	47,623	43,458
Staff pension contributions	2,711	—
Depreciation	82,233	46,606
Auditors' fees	<u>4,250</u>	<u>—</u>

5. TAX ON PROFIT OR (LOSS) ON ORDINARY ACTIVITIES

Taxation

	2001	2000
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 20% (2000 - 20%)	10,736	(3,088)
Corporation tax	<u>1,518</u>	<u>—</u>
Total current tax	<u>12,254</u>	<u>(3,088)</u>

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2001

5. TAX ON PROFIT OR (LOSS) ON ORDINARY ACTIVITIES *(continued)*

Tax on profit/(loss) on ordinary activities	<u>12,254</u>	<u>(3,088)</u>
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6. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
At 1 September 2000	299,294	51,284	40,608	391,186
Additions	<u>18,075</u>	<u>8,484</u>	<u>—</u>	<u>26,559</u>
At 31 August 2001	<u>317,369</u>	<u>59,768</u>	<u>40,608</u>	<u>417,745</u>
DEPRECIATION				
At 1 September 2000	214,241	34,160	30,814	279,215
Charge for the year	<u>63,474</u>	<u>8,965</u>	<u>9,794</u>	<u>82,233</u>
At 31 August 2001	<u>277,715</u>	<u>43,125</u>	<u>40,608</u>	<u>361,448</u>
NET BOOK VALUE				
At 31 August 2001	<u>39,654</u>	<u>16,643</u>	<u>—</u>	<u>56,297</u>
At 31 August 2000	<u>85,053</u>	<u>17,124</u>	<u>9,794</u>	<u>111,971</u>

7. INVESTMENTS

	Shares in Subsidiary £
COST:	
At 1 September 2000 and 31 August 2001	<u>2</u>
NET BOOK VALUE:	
At 31 August 2001	<u>2</u>
At 31 August 2000	<u>2</u>

The investment is a 100% holding in Dangerous Goods Management (U.K.) Limited, a company that is no longer trading and is incorporated in England. The aggregate amount of the company's capital and reserves was £34,535(2000 : £(34,533)) and its loss for the year was £nil(2000 : £2,553). The company was dormant throughout the period.

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2001

8. DEBTORS

	2001	2000
	£	£
Trade debtors	706,726	512,200
Amounts owed by group undertakings and undertakings in which the company has a participating interest	6,365	36,250
VAT recoverable	831	—
Other debtors	38,693	44,927
	<u>752,615</u>	<u>593,377</u>

9. CREDITORS: Amounts falling due within one year

	2001	2000
	£	£
Bank loans and overdrafts	—	24,300
Trade creditors	724,885	508,653
Corporation tax	10,736	—
Other taxation and social security	11,580	8,414
Hire purchase agreements	31,773	31,772
Other creditors	220,077	65,814
	<u>999,051</u>	<u>638,953</u>

10. CREDITORS: Amounts falling due after more than one year

	2001	2000
	£	£
Amounts owed to group undertakings	10,698	—
Hire purchase agreements	—	52,815
	<u>10,698</u>	<u>52,815</u>

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 AUGUST 2001****11. RELATED PARTY TRANSACTIONS**

In the directors' opinion the company is controlled by Tolani Agbabiaka.

During the year the company purchased goods in the normal course of business from Murphy Shipping & Commercial Services Limited, a company incorporated in Nigeria, for £762,419 (2000:£27,427). The company also supplied services at a price of £43,187 (2000: £301,636). The price charged was the normal market price in the case of each individual purchase and sale. At the 31st August 2001 the amount due to Murphy Shipping & Commercial Services (Nigeria) Ltd was £401,084.

During the year the company purchased goods in the normal course of business from Murphy Express Logistics Limited, a company incorporated in England, for £nil (2000:£26,867) The company also supplied services at a price of £223,412 (2000:£198,127). The price charged was the normal market price in the case of each individual purchase and sale. At the 31st August 2001 the amount due from Murphy Express Logistics Limited was £81,053 (2000: £ 57,071).M Burt is a director and shareholder in this company and B Agbabiaka is also a director.

During the year the company purchased goods in the normal course of business from Murphy International World Carriers (Overseas)Limited, a company incorporated in Guernsey, for £nil (2000:£46,025)

The company also supplied services at a price of £4,800 (2000 £140,143). The price charged was the normal market price in the case of each individual purchase and sale. At the 31st August 2001 the amount owed to Murphy International World Carriers (Overseas) Ltd, Guernsey was £11,533.B Agbabiaka is a director and shareholder in this company.

During the year the company purchased goods in the normal course of business from Murphy International World Carriers (Overseas)Limited, a company incorporated in Azerbaijan, for £70,164 (2000:£45,319)

The company also supplied services at a price of £99,541 (2000:£80,475). The price charged was the normal market price in the case of each individual purchase and sale. At the 31st August 2001 the amount due from Murphy International World Carriers (Overseas) Ltd,Azerbaijan was £25,421 (2000: £39,542).B Agbabiaka is a director and shareholder in this company.

During the year the company purchased goods in the normal course of business from Murphy Shipping & Commercial Services inc, a company incorporated in the USA, for £24,084 (2000:£11,995) The company also supplied services at a price of £28,331 (2000:£31,263). The price charged was the normal market price in the case of each individual purchase and sale. At the 31st August 2001 the amount owed to Murphy International World Shipping & Commercial Sevices Inc was £12,755 (2000: £4,256).M Burt and B Agbabiaka are both directors and shareholders in this company.

During the year the company purchased goods in the normal course of business from Murphy Georgia Limited, a company incorporated in Georgia, for £1,860 (2000:£534) The company also supplied services at a price of £43,489 (2000:£25,579). The price charged was the normal market price in the case of each individual purchase and sale. At the 31st August 2001 the amount due from Murphy International Georgia Ltd, was £8,625 (2000: £5,196).M Burt is a director and shareholder in this company.

During the year the company purchased goods in the normal course of business from Murphy

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2001

12. RELATED PARTY TRANSACTIONS *(continued)*

Shipping Limited, a company incorporated in Turkmenistan, for £nil (2000:£19315) The company also supplied services at a price of £15,891 (2000:£19,315). The price charged was the normal market price in the case of each individual purchase and sale. At the 31st August 2001 the amount due from Murphy Shipping Ltd, Turkmenistan, was £nil.

During the year the company purchased goods in the normal course of business from Taurus Packing Services Limited, a company incorporated in England, for £44,554 (2000:£35,157) The company also supplied services at a price of £77,987 (2000:£62,220). The price charged was the normal market price in the case of each individual purchase and sale. At the 31st August 2001 the amount due from Tarus Packing Services Ltd, was ££12,632

During the year the company supplied services in the normal course of business to Murphy Universal Supply Chain Limited, a company incorporated in England, for £423. The price charged was at the normal market price in the case of each individual purchase and sale. At the 31st August 2001 the amount due from Murphy Universal Supply Chain Ltd, was £nil

During the year the company was owed £6,250 (2000:£nil) in the normal course of business from Murphy Shipping Limited, a company incorporated in Bishkek.

13. SHARE CAPITAL

Authorised share capital:

	2001	2000
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2001	2000
	£	£
Ordinary share capital	<u>100</u>	<u>100</u>