

COMPANY REGISTRATION NUMBER 2090667

**MURPHY SHIPPING AND COMMERCIAL SERVICES
LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2004**



FELTONS
Chartered Accountants & Registered Auditors
12 Sheet Street
Windsor
Berkshire
SL4 1BG

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2004

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2 to 3
Independent auditors' report to the shareholders	4 to 5
Profit and loss account	6
Balance sheet	7
Accounting policies	8 to 9
Notes to the financial statements	10 to 16

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	A Agbabiaka B Agbabiaka M Agbabiaka O Osinaike P Reiff
Company secretary	D Akula
Registered office	12 Sheet Street Windsor Berkshire SL4 1BG
Auditors	Feltons Chartered Accountants & Registered Auditors 12 Sheet Street Windsor Berkshire SL4 1BG
Bankers	National Westminster Bank Plc 12 High Street Windsor Berkshire SL4 1LQ

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 AUGUST 2004

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 August 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

During the year turnover has increased as additional work was generated by the large contracts.

FUTURE DEVELOPMENTS

Next year the directors expect turnover to rise as the work from the major contracts continues.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN THE 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 2004	At 1 September 2003 or later date of appointment
A Agbabiaka	2	2
B Agbabiaka	20	20
M Agbabiaka	-	-
O Osinaike	2	2
P Reiff	-	-

M Agbabiaka was appointed as a director on 6 January 2004.

P Reiff was appointed as a director on 17 March 2004 and resigned on 1 March 2005.

M Burt retired as a director on 20 February 2004.

The company qualifies as a small company this year.

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 8 to 9, 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.

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2004

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.

Registered office:

12 Sheet Street

Windsor

Berkshire

SL4 1BG

Signed on behalf of the directors



A A. BABIALAKA

Director

Approved by the directors on 19/05/05

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED
YEAR ENDED 31 AUGUST 2004

We have audited the financial statements of Murphy Shipping and Commercial Services Limited for the year ended 31 August 2004 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Accounting Policies and the related notes. These financial statements have been prepared under the historical cost convention and on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 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 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 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.

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 OF
MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED** *(continued)*

YEAR ENDED 31 AUGUST 2004

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

Felton

FELTONS
Chartered Accountants
& Registered Auditors

12 Sheet Street
Windsor
Berkshire
SL4 1BG

.....2/6/5.....

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 AUGUST 2004

	Note	2004 £	2003 £
TURNOVER	1	6,601,703	4,687,869
Cost of sales		(4,986,984)	(3,731,822)
GROSS PROFIT		1,614,719	956,047
Administrative expenses		(1,583,473)	(979,192)
Other operating income	2	35,786	35,786
OPERATING PROFIT	3	67,032	12,641
Income from fixed asset investments	5	6,800	10,200
Interest receivable and similar income	6	15,209	8,984
Interest payable and similar charges	7	(2,527)	(5,877)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		86,514	25,948
Tax on profit on ordinary activities	8	(3,783)	(56,858)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		82,731	(30,910)

All of the activities of the company are classed as continuing.

Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £82,731 attributable to the shareholders for the year ended 31 August 2004 (2003 - loss of £30,910).

The accounting policies and notes on pages 8 to 16 form part of these financial statements.

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

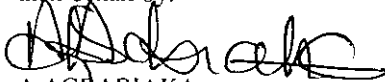
BALANCE SHEET

31 AUGUST 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible assets	9	50,073	58,147
Investments	10	1	1
		<u>50,074</u>	<u>58,148</u>
CURRENT ASSETS			
Debtors	11	2,482,602	860,076
Cash at bank and in hand		360,075	752,997
		<u>2,842,677</u>	<u>1,613,073</u>
CREDITORS: Amounts falling due within one year	12	2,469,190	1,327,777
NET CURRENT ASSETS		<u>373,487</u>	<u>285,296</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>423,561</u>	<u>343,444</u>
CREDITORS: Amounts falling due after more than one year	13	7,484	8,951
		<u>416,077</u>	<u>334,493</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	16	—	1,147
		<u>416,077</u>	<u>333,346</u>
CAPITAL AND RESERVES			
Called-up equity share capital	19	100	100
Profit and loss account	20	415,977	333,246
SHAREHOLDERS' FUNDS	20	<u>416,077</u>	<u>333,346</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 19/08/05 and are signed on their behalf by:


A AGBABIKA
Director

The accounting policies and notes on pages 8 to 16 form part of these financial statements.

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

ACCOUNTING POLICIES

YEAR ENDED 31 AUGUST 2004

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year and amounts invoiced after the year, relating to work undertaken in the current year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

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	33.33% 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.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

ACCOUNTING POLICIES *(continued)*

YEAR ENDED 31 AUGUST 2004

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Where exchange differences result from the translation of foreign currency borrowings raised to acquire foreign assets they are taken to reserves and offset against the differences arising from the translation of those assets. All other exchange differences are dealt with through the profit and loss account.

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.

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

1. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.
An analysis of turnover is given below:

	2004	2003
	£	£
United Kingdom	426,704	765,998
Overseas sales	6,174,999	3,921,871
	<u>6,601,703</u>	<u>4,687,869</u>

2. OTHER OPERATING INCOME

	2004	2003
	£	£
Rent receivable	<u>35,786</u>	<u>35,786</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2004	2003
	£	£
Staff pension contributions	4,583	4,897
Depreciation of owned fixed assets	23,097	24,123
Depreciation of assets held under hire purchase and finance lease agreements	13,105	9,551
Loss on disposal of fixed assets	—	4,600
Auditors' fees	16,000	10,680
Operating lease costs:		
Land and buildings	107,405	86,094
Plant and equipment	3,048	1,781
Net profit on foreign currency translation	(12,662)	(7,499)
Exceptional items (Write off of provision for cost of sale)	<u>—</u>	<u>(16,141)</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2004	2003
	£	£
Aggregate emoluments	<u>86,851</u>	<u>106,802</u>

The number of directors who accrued benefits under company pension scheme was as follows:

	2004	2003
	No	No
Money purchase scheme	<u>—</u>	<u>1</u>

5. INCOME FROM FIXED ASSET INVESTMENTS

	2004	2003
	£	£
Income from other fixed asset investments	<u>6,800</u>	<u>10,200</u>

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2004	2003
	£	£
Bank interest receivable	14,909	8,984
Other similar income receivable	300	-
	<u>15,209</u>	<u>8,984</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
Finance charges	2,527	4,290
Other interest and similar charges	-	1,587
	<u>2,527</u>	<u>5,877</u>

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2004	2003
	£	£
Current tax:		
<i>In respect of the year:</i>		
UK Corporation tax based on the results for the year at 19% (2003 - 19%)	14,427	8,397
Over/under provision in prior year	(9,497)	47,314
Total current tax	<u>4,930</u>	<u>55,711</u>
Deferred tax:		
Origination and reversal of timing differences		
Other	(1,147)	1,147
Tax on profit on ordinary activities	<u>3,783</u>	<u>56,858</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2003 - 19%).

	2004	2003
	£	£
Profit on ordinary activities before taxation	<u>86,514</u>	<u>25,948</u>
Profit/(loss) on ordinary activities by rate of tax	16,438	4,930
Expenses/(Income) not deductible/(taxable) for tax purposes	(3,099)	3,073
Adjustments to tax charge in respect of previous periods	(16,364)	14,299
Overprovision of current tax	9,161	29,262
Depreciation in excess of capital allowances	1,088	2,856
Other short term timing differences	(2,294)	1,290
Other sundry tax differences	-	1
Total current tax (note 8(a))	<u>4,930</u>	<u>55,711</u>

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

9. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
At 1 September 2003	251,690	78,125	—	329,815
Additions	7,851	6,063	14,214	28,128
At 31 August 2004	259,541	84,188	14,214	357,943
DEPRECIATION				
At 1 September 2003	210,660	61,008	—	271,668
Charge for the year	14,817	16,647	4,738	36,202
At 31 August 2004	225,477	77,655	4,738	307,870
NET BOOK VALUE				
At 31 August 2004	34,064	6,533	9,476	50,073
At 31 August 2003	41,030	17,117	—	58,147

Hire purchase and finance lease agreements

Included within the net book value of £50,073 is £26,737 (2003 - £22,628) relating to assets held under hire purchase agreements, and £6,000 (2003 - £9,000) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £10,105 (2003 - £6,551), and £3,000 (2003 - £3,000) in respect of assets held under finance lease agreements.

10. INVESTMENTS

	Shares in Group Undertakings £
COST	
At 1 September 2003 and 31 August 2004	1
NET BOOK VALUE	
At 31 August 2004	1
At 31 August 2003	1

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 and Wales. The company was dormant throughout the period.

11. DEBTORS

	2004 £	2003 £
Trade debtors	2,387,566	794,164
VAT recoverable	47,892	17,154
Other debtors	47,144	48,758
	2,482,602	860,076

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

12. CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Bank loans and overdrafts	117,120	104,610
Trade creditors	2,135,089	921,811
Taxation and social security	87,363	19,652
Hire purchase and finance lease agreements	8,122	12,157
Other creditors	121,496	269,547
	<u>2,469,190</u>	<u>1,327,777</u>

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

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

	2004	2003
	£	£
Hire purchase and finance lease agreements	<u>7,484</u>	<u>8,951</u>

14. COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS

Future commitments under hire purchase and finance lease agreements are as follows:

	2004	2003
	£	£
Amounts payable within 1 year	8,122	12,157
Amounts payable between 1 and 2 years	3,243	5,938
Amounts payable between 3 and 5 years	4,241	3,013
	<u>15,606</u>	<u>21,108</u>

15. PENSIONS

The company nominates a stakeholder defined contribution scheme for the employees of the company. The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

The staff pension contributions paid by the company to the fund amounted to £4,583 (2003: £4,897). The director's pension contributions paid by the company to the fund amounted to £6,289 (2003: 17,280).

16. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2004	2003
	£	£
Provision brought forward	1,147	-
Profit and loss account movement arising during the year	<u>(1,147)</u>	<u>1,147</u>
Provision carried forward	<u>-</u>	<u>1,147</u>

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

16. DEFERRED TAXATION *(continued)*

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2004	2003
	£	£
Other timing differences	—	1,147
	<u>—</u>	<u>1,147</u>

17. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2004 the company had annual commitments under non-cancellable operating leases as set out below.

	2004		2003	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 2 to 5 years	<u>44,900</u>	<u>1,270</u>	<u>88,800</u>	<u>3,048</u>

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

18. RELATED PARTY TRANSACTIONS

The directors are of the opinion that there was no ultimate and immediate controlling party as at 31 August 2004.

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 £1,997,593 (2003: £938,086). The company also supplied services at a price of £33,261 (2003: £25,090). The price charged was the normal market price in the case of each individual purchase and sale. At 31 August 2004 the amount owed to Murphy Shipping & Commercial Services (Nigeria) Limited was £933,022 (2003: £478,585). O Osinaike, A Agbabiaka, B Agbabiaka and M Agbabiaka hold shares in this company and are directors of this company.

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 (2003: £2,337). The company supplied services at a price of £119,449 (2003: £482,101). At 31 August 2004 the amount due from Murphy Express Logistics Limited was £55,469 (2003: £107,540). M Burt is a Director and Shareholder, S Burt, wife of M Burt, is also a shareholder in this company. B Agbabiaka is a director.

At 31 August 2004 the amount due to Murphy International World Carriers (Overseas) Limited, a company incorporated in Guernsey, was £nil (2003: £11,932). B Agbabiaka is a director and shareholder of 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 £54,043 (2003: £109,823). The company also supplied services at a price of £290,930 (2003: £243,974). At 31 August 2004 the amount due from Murphy International World Carriers (Overseas) Limited, Azerbaijan, was £296,701 (2003: £210,219). 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 United States of America, for £21,570 (2003: £371,920). The company also supplied services at a price of £71,236 (2003: £29,038). At 31 August 2004 the amount due from Murphy Shipping & Commercial Services Inc was £5,739 (2003: £4,618). 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 £nil (2003: £4,873). The company also supplied services at a price of £1,230 (2003: £79,805). At 31 August 2004 the amount due from Murphy Georgia Limited was £nil (2003: £4,008). M Burt is a director and shareholder in this company. S Burt, wife of M Burt, is also a shareholder.

During the year the company purchased goods in the normal course of business from Taurus Packing Services Limited, a company incorporated in England, for £51,927 (2003: £47,090). The company also supplied services at a price of £3,247 (2003: £57,776). At 31 August 2004 the amount due from Taurus Packing Services Limited was £32,068 (2003: £25,506). M Burt and B Agbabiaka are both directors and shareholder in this company.

During the year the company purchased goods in the normal course of business from Murphy Universal Supply Chain Limited, a company incorporated in England, for £nil (2003: £nil). The company also supplied services at a price of £4,338 (2003: £1,882). At 31 August 2004 the amount due from Murphy Universal Supply Chain Limited was £383 (2003: £nil). B Agbabiaka is a Shareholder of Murphy International World Carriers (Overseas) Limited, Guernsey, which owns 50% of the share capital of this company. M Burt and S Burt, wife of M Burt, are directors of Murphy Universal Supply Chain Limited.

During the year the company purchased goods in the normal course of business from Marti Uluslararası Tasimacilik Tic Limited Sti, a company incorporated in Turkey, for £1,347 (2003: £254,963). The company also supplied services at a price of £1,077 (2003:

MURPHY SHIPPING AND COMMERCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2004

18. RELATED PARTY TRANSACTIONS *(continued)*

£1,098). At 31 August 2004 the amount due to Marti Uluslararası Tasimacilik Tic Limited Sti was £1,077 (2003: £5,083). S Burt, wife of M Burt, is a director of this company.

19. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

20. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital	Profit and loss account	Total share-holders' funds
	£	£	£
Balance brought forward	100	364,156	364,256
Loss for the year	—	(30,910)	(30,910)
Balance brought forward	100	333,246	333,346
Retained profit for the year	—	82,731	82,731
Balance carried forward	<u>100</u>	<u>415,977</u>	<u>416,077</u>

21. CONTINGENCIES

Murphy Shipping and Commercial Services Limited is involved in litigation with M Burt and S Burt. M Burt, who resigned as a director during the year, is a director of a competitor of Murphy Shipping and Commercial Services Limited. S Burt is the wife of M Burt and a shareholder of the competitor.

Murphy Shipping and Commercial Services Limited has a debt outstanding from UPS Freight Services of £11,195 as at 31 August 2004. This debt has been paid by UPS Freight Services to the competitor and is being claimed in the litigation against M Burt and S Burt.

Murphy Shipping and Commercial Services Limited also has an intercompany loan of £6,250 due from Murphy Shipping Bishkek Limited. This loan was arranged by M Burt and is included in the litigation against M Burt and S Burt.

The information usually required by Financial Reporting Standard Number 12 is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the litigation.