

Nivo Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2002



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13/08/02

Company Registration No. 2235821

Nivo Limited

DIRECTORS AND OFFICERS

DIRECTORS

M Levi
L J Abrahams
N Bradshaw

SECRETARY

M Levi

COMPANY NUMBER

2235821 (England and Wales)

REGISTERED OFFICE

Carlton House
Grammar School Street
Bradford
West Yorkshire
BD1 4NS

AUDITORS

Baker Tilly
Carlton House
Grammar School Street
Bradford
West Yorkshire
BD1 4NS

BANKERS

National Westminster Bank plc
7 Hustlergate
Bradford
BD1 1PP

SOLICITORS

Last Cawthra Feather
128 Sunbridge Road
Bradford
BD1 2AT

Nivo Limited

DIRECTORS' REPORT

The directors present their report and financial statements of Nivo Limited for the year ended 31 March 2002.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of receiving over-riding discounts on behalf of vending machine companies, and to reimburse those companies.

REVIEW OF THE BUSINESS

The directors are satisfied with the results for the year.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £217,286.

The directors have paid an ordinary interim dividend amounting to £200,000, and they recommend payment of a final dividend amounting to £40,000.

DIRECTORS

The following directors have held office since 1 April 2001:

M Levi
L J Abrahams
N Bradshaw

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows:

	<i>Ordinary shares of £ 1 each</i>	
	31.3.02	1.4.01
M Levi	1	1
L J Abrahams	1	1
N Bradshaw	1	1

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants will be put to the members at the annual general meeting.

On behalf of the board

M Levi
Director


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Nivo Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NIVO LIMITED

We have audited the financial statements on pages 5 to 12.

Respective responsibilities of directors and 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.

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 other information in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. Our responsibilities do not extend to any other information.

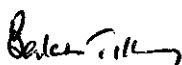
Basis of opinion

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 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 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor
Chartered Accountants
Carlton House
Grammar School Street
Bradford
West Yorkshire
BD1 4NS

8 August 2002

Nivo Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2002

	<i>Notes</i>	2002 £	2001 £
TURNOVER	1	1,954,598	1,633,528
Cost of sales		1,504,477	1,226,937
Gross profit		450,121	406,591
Other operating expenses	2	183,554	78,754
OPERATING PROFIT		266,567	327,837
Investment income	3	12,533	11,087
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	279,100	338,924
Taxation	6	61,814	67,294
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		217,286	271,630
Dividends	7	240,000	160,000
RETAINED (LOSS)/PROFIT FOR THE YEAR	13	(22,714)	111,630

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Nivo Limited

BALANCE SHEET

31 March 2002

	Notes	2002 £	2001 £
CURRENT ASSETS			
Debtors	9	612,434	578,219
Cash at bank and in hand		496,951	264,658
		<u>1,109,385</u>	<u>842,877</u>
CREDITORS: Amounts falling due within one year	10	894,427	604,887
		<u>214,958</u>	<u>237,990</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		214,958	237,990
PROVISIONS FOR LIABILITIES AND CHARGES			
	11	318	-
		<u>215,276</u>	<u>237,990</u>
CAPITAL AND RESERVES			
Called up share capital	12	4	4
Profit and loss account	13	215,272	237,986
		<u>215,276</u>	<u>237,990</u>
EQUITY SHAREHOLDERS' FUNDS	14		
		<u>215,276</u>	<u>237,990</u>

Approved by the board on 1 August 2002

M Levi  Director

L J Abrahams  Director

Nivo Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Fixtures, fittings & equipment	fully written down in year of acquisition
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DEFERRED TAXATION

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

Nivo Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2002

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity wholly undertaken in the United Kingdom.

2. OTHER OPERATING EXPENSES

	2002 £	2001 £
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Administrative expenses	183,554	78,754
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3. INTEREST RECEIVABLE

	2002 £	2001 £
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Bank interest	7,052	8,006
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Other interest	5,481	3,081
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	12,533	11,087
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4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2002 £	2001 £
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Profit on ordinary activities before taxation is stated after charging/(crediting):

Depreciation of tangible assets:

Charge for the year:

owned assets

7,496	-
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Auditors' remuneration

3,450	1,125
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5. EMPLOYEES

The average monthly number of persons (including directors)

2002 No.	2001 No.
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Administration	4	4
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£	£
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Staff costs:

Wages and salaries

66,092	16,600
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DIRECTORS' REMUNERATION

2002 £	2001 £
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Emoluments for qualifying services	49,866	8,600
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Nivo Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2002

6	TAXATION	2002	2001
		£	£
	Domestic current year tax		
	U.K. corporation tax	56,522	67,294
	Adjustment for prior years	5,610	-
		<u>62,132</u>	<u>67,294</u>
	Current tax charge		
	Deferred tax		
	Deferred tax charge/credit current year	(318)	-
		<u>61,814</u>	<u>67,294</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>279,100</u>	<u>338,924</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2001 : 21.46%)	<u>55,820</u>	<u>72,733</u>
	Effects of:		
	Non deductible expenses	384	171
	Depreciation	1,499	-
	Capital allowances	(1,181)	-
	Adjustments to previous periods	5,610	-
	Other tax adjustments	-	(5,610)
		<u>6,312</u>	<u>(5,439)</u>
	Current tax charge	<u>62,132</u>	<u>67,294</u>
7.	DIVIDENDS	2002	2001
		£	£
	Ordinary:		
	Interim paid - £50,000.00 (2001 - £40,000.00)	200,000	160,000
	Final proposed - £10,000.00 (2001 - Nil)	40,000	-
		<u>240,000</u>	<u>160,000</u>

Nivo Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2002

8. TANGIBLE FIXED ASSETS

	<i>Fixtures, fittings & equipment</i> £
Cost	
1 April 2001	-
Additions	7,496
31 March 2002	<u>7,496</u>
Depreciation	
1 April 2001	-
Charge in the year	7,496
31 March 2002	<u>7,496</u>
Net book value	
31 March 2002	<u><u>-</u></u>

9. DEBTORS

	2002 £	2001 £
Trade debtors	532,934	482,739
Amounts owed by related parties	47,500	47,500
Other debtors	32,000	40,000
Prepayments and accrued income	-	7,980
	<u>612,434</u>	<u>578,219</u>

Amounts falling due after more than one year and included in the debtors above are:

	2002 £	2001 £
Other debtors	<u>24,000</u>	<u>32,000</u>

Nivo Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2002

10. CREDITORS: Amounts falling due within one year	2002 £	2001 £
Bank loans and overdrafts	-	77,256
Trade creditors	408,181	305,540
Corporation tax	56,522	67,294
Other taxes and social security costs	228,017	137,797
Accruals and deferred income	161,707	17,000
Proposed dividend	40,000	-
	<u>894,427</u>	<u>604,887</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Deferred taxation</i> £
Transfer to profit and loss account	(318)
Balance at 31 March 2002	<u>(318)</u>

Deferred taxation provided in the financial statements at 20% (2001 -0%) is as follows:

	2002 £	2001 £
Excess of tax allowances over depreciation	<u>(318)</u>	<u>-</u>

12. SHARE CAPITAL

	2002 £	2001 £
Authorised: 50,000 Ordinary shares of £ 1 each	<u>50,000</u>	<u>50,000</u>
Allotted, issued and fully paid: 4 Ordinary shares of £ 1 each	<u>4</u>	<u>4</u>

Nivo Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2002

13. STATEMENT OF MOVEMENT ON RESERVES

	<i>Profit and loss account</i> £
1 April 2001	237,986
Retained loss for the year	(22,714)
31 March 2002	<u>215,272</u>

14. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit for the financial year	217,286	271,630
Dividends	(240,000)	(160,000)
Net (depletion in)/addition to shareholders' funds	(22,714)	111,630
Opening shareholders' funds	237,990	126,360
Closing shareholders' funds	<u>215,276</u>	<u>237,990</u>

15. RELATED PARTY TRANSACTIONS

The following transactions have been undertaken with Leesel and Co Limited, LTT Vending Limited and First Choice Vending Limited, companies in which the directors have a material interest, on normal trading terms.

	2002	2001
	£	£
LEESEL AND CO LIMITED		
Management charge paid	12,000	11,000
LTT VENDING LIMITED		
Trade loan to LTT Vending Limited	40,000	40,000
Interest charged on the loan	2,888	2,686
FIRST CHOICE VENDING LIMITED		
Trade loan due to First Choice Vending Limited	7,500	7,500
Interest charged on the loan	499	395

Amounts due at 31 March 2002 from LTT Vending Limited of £40,000 (2001: £40,000) and from First Choice Vending Limited of £7,500 (2001: £7,500) are included in note 9 to the financial statements.