Bravado Merchandising Services Limited

REPORT AND ACCOUNTS

30 September 2003



Company No. 1551763

Bravado Merchandising Services Limited

Report and Accounts
For the year ended 30 September 2003

COMPANY INFORMATION

Directors	H H Davies M T Cass B M Drinkwater C E Stone
Secretary	S E A Standing
Business Address	12 Deer Park Road South Wimbledon London SW19 3FB
Registered Office	Sanctuary House 45-53 Sinclair Road London W14 0NS
Auditors	Baker Tilly Chartered Accountants 2 Bloomsbury Street London WC1B 3ST

Bravado Merchandising Services Limited

Directors' Report
For the year ended 30 September 2003

The directors present their report and financial statements for the year ended 30 September 2003.

Statement of directors' responsibilities
A statement of the directors' responsibilities in relation to the accounts is set out on page 2.

Principal activities and business review
The company was inactive during the period. Any expenses were met by Bravado International Group Limited, a fellow group company.

Directors and their interests
The directors who held office during the year and their beneficial interests in the company's share capital were as follows:

	Ordinary shares of £1 each	
	30 September 2003	30 September 2002
BM Drinkwater	-	-
HH Davies	-	-
MT Cass	-	-
CE Stone	-	-

The shareholdings of the directors in the ultimate parent company The Sanctuary Group plc were as follow:

	Ordinary shares at 12.5p each	
	30 September 2003	30 September 2002
BM Drinkwater	1,690,609	1,690,609
HH Davies	830,516	830,516
MT Cass	60,000	-
CE Stone	113,382	113,382

Auditors
A resolution to reappoint Baker Tilly as auditors to the company will be put to the members at the annual general meeting.

By order of the Board

Colin Stone

C E Stone
Director
19 January 2004

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs at the end of the period and of the profit or loss 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRAVADO MERCHANDISING SERVICES LTD

We have audited the financial statements on pages 4 to 6.

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 opinion we have formed.

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 on page 2.

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 and other members of the group is not disclosed.

We read other information contained 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 with 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 affairs of the company at 30 September 2003 and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

19 January 2004

Bravado Merchandising Services Limited

Balance Sheet
For the year ended 30 September 2003

	Notes	2003 £	2002 £
Fixed assets			
Investments	2	85	85
Current assets			
Debtors (due after one year)	3	585,114	585,114
Creditors: due within one year			
Trade and other creditors	4	(30,500)	(30,500)
Net current assets		554,614	554,614
Net assets		554,699	554,699
Capital and reserves			
Called up share capital	5	3	3
Profit and loss account		554,696	554,696
Equity shareholders' funds	6	554,699	554,699

The accounts were approved by the Board on
19 January 2004 and signed on its behalf by:

Colin Stone

C E Stone
Director

1. ACCOUNTING POLICIES

1.1 Accounting convention

The accounts are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and it's results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2. FIXED ASSET INVESTMENTS

	2003 £	2002 £
Subsidiary undertakings	85	85

The company's subsidiaries at 30 September 2003 were:

	Holding of Ordinary Shares %	Country of Incorporation	Nature of Business
B.M.S. (Mail Order) Limited	100.00	England and Wales	Inactive

3. DEBTORS

	2003 £	2002 £
Due after one year		
Amounts owed by group undertakings	585,114	585,114

4. CREDITORS

	2003 £	2002 £
Due within one year		
Corporation tax	30,500	30,500

5. CALLED UP SHARE CAPITAL

	2003 £	2002 £
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
3 Ordinary shares of £1 each	3	3

6. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit for the period	-	-
Opening shareholders' funds	554,699	554,699
Closing shareholders' funds	554,699	554,699

7. CONTINGENT LIABILITIES

The company has provided cross guarantees in respect of bank loans and overdrafts of certain group and associated undertakings. The amount outstanding at 30 September 2003 was £59,452,000 (2002: £41,857,000).

8. ULTIMATE HOLDING COMPANY AND CONTROLLING PARTY

In the directors' opinion ultimate parent company at 30 September 2003 was The Sanctuary Group plc, a company registered in England and Wales. Copies of the group financial statements are available from Companies House, Crown Way, Cardiff CF4 3UZ.