

Accountants and business advisors

BRITISH ORIENTAL DEVELOPMENT ASSOCIATES LIMITED

Company Number: 3404344

ANNUAL REPORT

YEAR ENDED 7 APRIL 2004



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BRITISH ORIENTAL DEVELOPMENT ASSOCIATES LIMITED

COMPANY INFORMATION

Directors	G E Boucher Professor J Yu
Secretary	Willoughby Corporate Secretarial Limited
Company Number	3404344
Registered Office	99 Friar Gate Derby DE1 1EZ
Accountants	PKF Century House St James Court Friar Gate Derby DE1 1BT

BRITISH ORIENTAL DEVELOPMENT ASSOCIATES LIMITED

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BRITISH ORIENTAL DEVELOPMENT ASSOCIATES LIMITED

DIRECTORS' REPORT YEAR ENDED 7 APRIL 2004

The directors submit their report and the financial statements for the year ended 7 April 2004.

Principal activity

The principle activities of the company during the year were those of cultural exchange and the supply of products to the construction industry.

Directors

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year were:

	Ordinary Shares of £1 each	
	2004	2003
G E Boucher	26	26
Professor J Yu	26	26

Basis of preparation

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

By order of the board



G E Boucher
Director

21 March 2005

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON
THE UNAUDITED FINANCIAL STATEMENTS OF
BRITISH ORIENTAL DEVELOPMENT ASSOCIATES LIMITED**

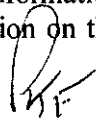
In accordance with the engagement letter dated 2 November 2001, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company for the year ended 7 April 2004 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 7 April 2004 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



PKF

Derby, UK
22 March 2005

BRITISH ORIENTAL DEVELOPMENT ASSOCIATES LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 7 APRIL 2004

	Notes	2004 £	2003 £
TURNOVER	2	129,012	249,721
Cost of sales		<u>(28,768)</u>	<u>(96,579)</u>
GROSS PROFIT		100,244	153,142
Administrative expenses		<u>(173,315)</u>	<u>(185,700)</u>
OPERATING LOSS	3	(73,071)	(32,558)
Interest payable and similar charges		<u>(10,265)</u>	<u>(7,489)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(83,336)</u>	<u>(40,047)</u>

BRITISH ORIENTAL DEVELOPMENT ASSOCIATES LIMITED

BALANCE SHEET

7 APRIL 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Tangible	5	7,258	8,399
CURRENT ASSETS			
Stocks		-	2,000
Debtors	6	6,838	19,851
Cash at bank and in hand		1,373	193
		<u>8,211</u>	<u>22,044</u>
CREDITORS: amounts falling due within one year	7	<u>(184,734)</u>	<u>(192,372)</u>
NET CURRENT LIABILITIES		<u>(176,523)</u>	<u>(170,328)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(169,265)</u>	<u>(161,929)</u>
CREDITORS: amounts falling due after more than one year	8	<u>(328,000)</u>	<u>(252,000)</u>
NET LIABILITIES		<u><u>(497,265)</u></u>	<u><u>(413,929)</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	208	208
Share premium account		823,730	823,730
Profit and loss account	10	<u>(1,321,203)</u>	<u>(1,237,867)</u>
		<u><u>(497,265)</u></u>	<u><u>(413,929)</u></u>


The company is entitled to the exemption from audit conferred by subsection 1 of section 249A of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with subsection (2) of section 249B.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Act relating to *small companies*.

The financial statements were approved by the board on 21 March 2005

Signed on behalf of the board of directors


G E Boucher

Director

BRITISH ORIENTAL DEVELOPMENT ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 7 APRIL 2004

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The balance sheet shows net liabilities of £497,265 including an amount due to the shareholders, J F and Mrs E A Atkinson of £328,000. J F and Mrs Atkinson have confirmed that with due regards to the liquidity situation of British Oriental Development Associates Limited, the actual amounts owing will be paid as and when funds permit. In addition, J F and Mrs Atkinson have agreed to support the company with regards to any liabilities which the company is unable to meet. The accounts have therefore been prepared on a going concern basis.

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

(c) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant, machinery, fixtures, fittings and office equipment	15 % Reducing Balance
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(d) Operating leases

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

(e) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis, and includes all direct costs incurred and attributable production overheads. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

(f) 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 ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

(g) Deferred taxation

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future or a right to pay less taxation in the future. An asset is recognised where there is no uncertainty as to the transfer of future economic benefits. Deferred tax assets and liabilities have not been discounted.

BRITISH ORIENTAL DEVELOPMENT ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 7 APRIL 2004

1 ACCOUNTING POLICIES (continued)

(h) Pensions

The company operates a defined contribution pension scheme and the pension charge in the profit and loss account represents the amounts payable by the company to the fund in respect of the year.

2 TURNOVER

46% of turnover (2003 - 61%) is attributable to geographical markets outside the United Kingdom.

3 OPERATING LOSS

The operating loss is stated after charging:

	2004	2003
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	1,281	1,482

4 DIRECTORS' EMOLUMENTS AND BENEFITS

	2004	2003
	£	£
Aggregate of directors' emoluments and other benefits as defined in paragraph 1 of Sch 6 to the Companies Act 1985	38,153	39,646

The number of directors accruing benefits under pension schemes were:

	No	No
Money purchase schemes	1	1

BRITISH ORIENTAL DEVELOPMENT ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 7 APRIL 2004

5 TANGIBLE FIXED ASSETS

	Plant & machinery fixtures & fittings £
Cost	
At 8 April 2003	19,158
Additions	140
At 7 April 2004	<u>19,298</u>
Depreciation	
At 8 April 2003	10,759
Charge for the year	1,281
At 7 April 2004	<u>12,040</u>
Net book amount	
At 7 April 2004	<u>7,258</u>
At 7 April 2003	<u><u>8,399</u></u>

6 DEBTORS

	2004 £	2003 £
Trade debtors	-	15,884
Other debtors	6,838	3,967
	<u>6,838</u>	<u>19,851</u>

7 CREDITORS:

Amounts falling due within one year

	2004 £	2003 £
Bank overdraft	154,653	135,779
Trade creditors	6,877	5,594
Other taxation and social security	13,777	32,959
Other creditors	9,427	18,040
	<u>184,734</u>	<u>192,372</u>

The bank overdraft is secured on the personal account of J F and Mrs E A Atkinson up to a limit of £95,000 and on personal assets up to a maximum of £40,000.

BRITISH ORIENTAL DEVELOPMENT ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 7 APRIL 2004

8 CREDITORS:

Amounts falling due after more than one year

	2004	2003
	£	£
Other creditors	328,000	252,000
	<u><u> </u></u>	<u><u> </u></u>

9 SHARE CAPITAL

	Authorised	Allotted, called up and	
	£	fully paid	
		No	£
At 8 April 2003			
and 7 April 2004			
Ordinary shares of £1 each	208	208	208
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

10 RESERVES

Profit and loss account	£
At 8 April 2003	(1,237,867)
Loss for the year	(83,336)
At 7 April 2004	(1,321,203)
	<u><u> </u></u>

11 OTHER COMMITMENTS

At 7 April 2004 the company had annual commitments under operating leases as follows:

	2004	2003
	£	£
Expiry date:		
Between two and five years	20,899	19,649
	<u><u> </u></u>	<u><u> </u></u>

12 TRANSACTIONS WITH RELATED PARTIES

Included within other creditors falling due in more than one year is a loan to the company for £328,000 from J F and Mrs E A Atkinson, who control the company.

J F and Mrs E A Atkinson have personally guaranteed the bank's borrowings up to a maximum of £135,000.

BRITISH ORIENTAL DEVELOPMENT ASSOCIATES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 7 APRIL 2004

13 PENSION COSTS

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund.

The pension cost charge represents contributions payable by the company to the scheme and amounted to **£1,820** (2003 - £1,820).

14 CONTROLLING PARTIES

The company is controlled by J F Atkinson and Mrs E A Atkinson.