

GRAMFAB LIMITED

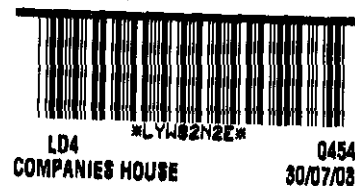
Company No: 2351560

FINANCIAL STATEMENTS

for the year ended

31 MARCH 2003

**COHEN ARNOLD & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON NW11 0PU**



GRAMFAB LIMITED

DIRECTOR

Alyson Fell

SECRETARY

Burlington Registrars Limited

REGISTERED OFFICE

New Burlington House
1075 Finchley Road
LONDON NW11 0PU

AUDITORS

Cohen Arnold & Co
New Burlington House
1075 Finchley Road
LONDON NW11 0PU

GRAMFAB LIMITED

INDEX TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

Page

1 - 2	Director's Report
3	Auditors' Report
4	Profit and Loss Account
5	Balance Sheet
6 - 7	Notes to the Financial Statements

GRAMFAB LIMITED

DIRECTOR'S REPORT

The Director has pleasure in presenting the Annual Report together with the audited Financial Statements of the Company for the year ended 31 March 2003.

BUSINESS REVIEW

The Company did not trade during the year under review.

DIRECTOR AND HER INTEREST IN SHARE CAPITAL

The Director who served during the year was :-

Alyson Fell

No Director has any interest in the Share Capital of the Company.
The Articles of Association do not require Director to retire by rotation.
No Director has a Service Contract with the Company.

DIRECTOR'S RESPONSIBILITIES

Company law requires the Director 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 its profit or loss for that period. In preparing the Financial Statements, the Director is required to:

- i) Select suitable accounting policies and apply them consistently.
- ii) Make judgements and estimates that are reasonable and prudent.
- iii) Follow applicable accounting standards, subject to any material departures disclosed and explained in the Financial Statements.
- iv) Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Director is responsible for maintaining 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. He is 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.

GRAMFAB LIMITED

DIRECTOR'S REPORT

DONATIONS

During the year the Company made neither charitable donation nor political contribution.

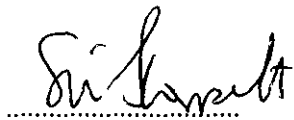
CLOSE COMPANY

The Company is a close company as defined by the Income and Corporation Taxes Act 1988.

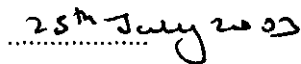
AUDITORS

The auditors, Cohen, Arnold & Co, are willing to continue in office and a resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the board to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board



Burlington Registrars Limited - Secretary



REPORT OF THE AUDITORS, COHEN ARNOLD & CO,
TO THE MEMBERS OF
GRAMFAB LIMITED

We have audited the Financial Statements on pages 4 to 7 which have been prepared under the historical cost convention and the Accounting Policies set out in Note 1.

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 THE DIRECTOR AND AUDITORS

As described in the Director's Report, the Director of the company is responsible for the preparation of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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 Director's 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 Director's remuneration and transactions with the company is not disclosed.

We read the Director's 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 OPINION

We have conducted our audit in accordance with the 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 by the Director 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.

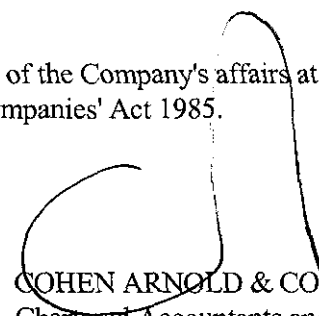
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence and to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity 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 at 31 March 2003, and have been properly prepared in accordance with the Companies' Act 1985.

London

Date: 25th July 2003


COHEN ARNOLD & CO
Chartered Accountants and
Registered Auditor

GRAMFAB LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2003

Notes	<u>2003</u> £	<u>2002</u> £
Income from Investments	-	-
	<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	-	-
Taxation on Profit on Ordinary Activities	-	-
	<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	-	-
Dividends	-	-
	<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	-	-
Retained Profit Brought Forward	-	-
	<hr/>	<hr/>
RETAINED PROFIT CARRIED FORWARD	£ -	£ -

None of the Company's activities was acquired or discontinued during the financial year nor in the previous year.

The Company has no recognised gains or losses other than those reflected in the above Profit and Loss Account for the financial year nor for the previous year.

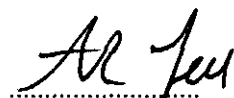
The notes on pages 6 to 7 form part of these Financial Statements.

GRAMFAB LIMITED

BALANCE SHEET AS AT 31 MARCH 2003

		<u>2003</u>	<u>2002</u>
	Notes	£	£
FIXED ASSETS			
Investment in Subsidiary Undertaking	2	1,501,435	1,497,183
CURRENT ASSETS			
Debtors	3	100	100
NET ASSETS		<u>£1,501,535</u>	<u>£1,497,283</u>
CAPITAL AND RESERVES			
Called up Share Capital	4	100	100
Revaluation Reserve	5	1,501,435	1,497,183
		<u>£1,501,535</u>	<u>£1,497,283</u>

The Financial Statements were approved by the board on 22nd July 2003 and signed on its behalf by :



ALYSON FELL -DIRECTOR

The notes on pages 6 to 7 form part of these Financial Statements.

GRAMFAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in the preparation of the Company's Financial Statements.

1.1 BASIS OF ACCOUNTING

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

1.2 CONSOLIDATION

The company forms part of a medium-sized group and has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2. FIXED ASSETS INVESTMENTS

2003
£

Investment in Subsidiary Undertaking

Cost:

At 1 April 2002 and 31 March 2003

£Nil

Revaluation:

At 1 April 2002

1,497,183

Revaluation in the year

4,252

At 31 March 2003

£1,501,435

The Company owns 99.99% of the Issued Ordinary Share Capital of Italyx Limited, an unlisted Company registered in England, whose principal activity is that of wholesalers to the Jewellery Trade.

The Company received the Shares on 19 March 1990 by Deed of Gift.

The revaluation was carried out to reflect the net assets value of Italyx Limited at 31 December 2002.

The value of the investment in the subsidiary based on the net equity method, is as follows:-

	Aggregate Capital and Reserves at <u>31 December 2002</u>	Profit for the Financial Year ended <u>31 December 2002</u>
	£	£
Italyx Limited	£1,501,585	£7,625

GRAMFAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

3. DEBTORS

	<u>2003</u> £	<u>2002</u> £
Other Debtors	100	100
	<hr/>	<hr/>
	£100	£100
	<hr/>	<hr/>

4. SHARE CAPITAL

	<u>2003</u> £	<u>2002</u> £
Authorised: 1,000 Ordinary Shares of £1 each	1,000	1,000
	<hr/>	<hr/>
Called up, Allotted and Fully Paid: 100 Ordinary Shares of £1 each	100	100
	<hr/>	<hr/>

5. REVALUATION RESERVE

	<u>2003</u> £
At 1 April 2002	1,497,183
Revaluation in the year	4,252
	<hr/>
At 31 March 2003	£1,501,435
	<hr/>

6. GROUP FINANCIAL STATEMENTS

The Company is exempt from the requirement to prepare Consolidated Financial Statements by the provisions of Section 248 Companies Act 1985.

The Subsidiary excluded is Italyx Limited.