

Company Registration No. 3201109

GOLDSILVER ASSOCIATES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002

16631-B-2002



Registered Office
6th Floor, 94 Wigmore Street
London

GOLDSILVER ASSOCIATES LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2002

The director presents his report and financial statements for the year ended 31 December 2002.

Principal activity

The principal activity of the company is that of an investment company.

Review of the business and future developments

The director considers that the results of the company are satisfactory and that the company is expected to continue at its present levels in the future.

Results and dividends

The results for the year are set out on page 4.

No dividends have been declared or paid during this or the comparative period.

Directors

The following directors have held office since 1 January 2002:

L R Taylor	(Resigned 2 July 2002)
K L Yates	(Resigned 2 July 2002)
A M Taylor	

The directors have no interest in the issued share capital of the company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Matthew Edwards & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

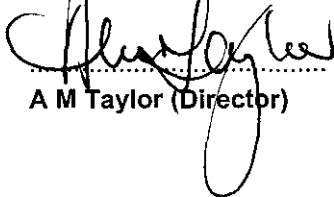
Director's responsibilities

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 the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him 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.

On behalf of the board



A M Taylor (Director)

Date: 18.10.03

MATTHEW EDWARDS & CO
CHARTERED ACCOUNTANTS

Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ
Telephone: +44 (0) 1624 663166 Facsimile: +44 (0) 1624 677108
E-mail: audit@matthew-edwards.com

GOLDSILVER ASSOCIATES LIMITED

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF GOLDSILVER ASSOCIATES LIMITED**

We have audited the financial statements of Goldsilver Associates Limited on pages 4 to 11 for the year ended 31 December 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 auditor's 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 opinions we have formed.

Respective responsibilities of the director and auditors

As described in the statement of director's responsibilities on page 1 the company's director is 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 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.

GOLDSILVER ASSOCIATES LIMITED

**INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF GOLDSILVER ASSOCIATES LIMITED**

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

Matthew Edwards & Co.
Matthew Edwards & Co.
Chartered Accountants
Registered Auditor

18/04/03
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Clinch's House, Lord Street
Douglas
Isle of Man

GOLDSILVER ASSOCIATES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002**

		Year ended 31 December 2002 £	Year ended 31 December 2001 £
	Notes		
Administrative expenses		(6,128)	(2,924)
Operating loss	2	(6,128)	(2,924)
Other interest receivable and similar income	3	131	2,597
Loss on ordinary activities before taxation		(5,997)	(327)
Tax on loss on ordinary activities	4	-	1,518
(Loss)/profit on ordinary activities after taxation	8	(5,997)	1,191
Loss brought forward at 1 January 2002		(1,855)	(3,046)
Loss carried forward at 31 December 2002		(7,852)	(1,855)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

GOLDSILVER ASSOCIATES LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2002**

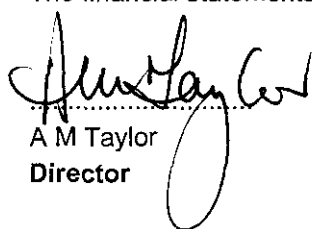
	2002	2001
	£	£
(Loss)/profit for the financial year	(5,997)	1,191
Currency translation differences on foreign currency loans	(78,415)	47,428
Currency translation differences on foreign currency investments	78,415	(47,428)
Total recognised gains and losses relating to the year	<u>(5,997)</u>	<u>1,191</u>

GOLDSILVER ASSOCIATES LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2002**

	Notes	2002 £	£	2001 £	£
Fixed assets					
Investments	5		1,636,172		1,830,199
Current assets					
Cash at bank and in hand		3,028		1,053	
		<u>3,028</u>		<u>1,053</u>	
Creditors: amounts falling due within one year	6	(1,646,052)		(1,832,107)	
Net current liabilities			(1,643,024)		(1,831,054)
Total assets less current liabilities			<u>(6,852)</u>		<u>(855)</u>
Capital and reserves					
Called up share capital	7		1,000		1,000
Profit and loss account	8		(7,852)		(1,855)
Shareholders' funds	9		<u>(6,852)</u>		<u>(855)</u>
Equity interests			(7,352)		(1,355)
Non-equity interests			500		500
			<u>(6,852)</u>		<u>(855)</u>

The financial statements were approved by the Board on18/09/03.....


A M Taylor
Director

GOLDSILVER ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

1 Accounting policies

1.1 Accounting convention

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

The financial statements have been prepared on the going concern basis. This is considered appropriate as the ultimate beneficial shareholders will continue to provide financial support to the company for the foreseeable future.

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 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.3 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.4 Foreign currency translation

The company's accounting records are maintained in Pounds Sterling.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Operating loss	2002	2001
	£	£
Operating loss is stated after charging:		
Accountancy	1,424	1,106
	<hr/>	<hr/>
3 Other interest receivable and similar income	2002	2001
	£	£
Profit on foreign exchange	131	2,597
	<hr/>	<hr/>
	131	2,597
	<hr/>	<hr/>

GOLDSILVER ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2002

4 Taxation	2002	2001
	£	£
Domestic current year tax		
Corporation tax at 30.00% (2001 - 30.00%)	-	-
Adjustment for prior years	-	(1,518)
	<hr/>	<hr/>
Current tax charge	-	(1,518)
	<hr/>	<hr/>
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(5,997)	(327)
	<hr/>	<hr/>
Loss on ordinary activities before taxation multiplied by the standard rate of corporation tax of 30.00% (2001: 30.00%)	(1,799)	(98)
	<hr/>	<hr/>
Effects of:		
Losses not recognised for accounting purposes	1,799	98
Adjustments to previous periods	-	(1,518)
	<hr/>	<hr/>
	1,799	(1,420)
	<hr/>	<hr/>
Current tax charge	-	(1,518)
	<hr/>	<hr/>

On the basis of these financial statements no provision has been made for corporation tax.

GOLDSILVER ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2002**

5 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2002	1,830,199
Additions	277,613
Revaluation	78,415
Repurchased	(550,055)
	<hr/>
At 31 December 2002	1,636,172
	<hr/>
At 31 December 2001	1,830,199
	<hr/>

Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
EST-100 SL	Spain	Ordinary	100
Azul 2002 SL	Spain	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal Activity	Capital and reserves 2002 £	Profit for the year 2002 £
EST-100 SL	Property Company	1,591,526	386,798
Azul 2002 SL	Property Company	277,005	(5,842)
		<hr/>	<hr/>

During the year EST-100 SL repurchased £550,055 of its share capital.

6 Creditors: amounts falling due within one year

	2002 £	2001 £
Other creditors	1,640,523	1,829,165
Accruals and deferred income	5,529	2,942
	<hr/>	<hr/>
	1,646,052	1,832,107
	<hr/>	<hr/>

GOLDSILVER ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2002**

7 Share capital	2002 No.	2001 No.
Authorised		
5,000A Shares of £1.00 each,	5,000	5,000
5,000B Shares of £1.00 each,	5,000	5,000
	<u>10,000</u>	<u>10,000</u>
	2002 £	2001 £
Allotted, called up and fully paid		
500 A Shares of £1.00 each	500	500
500 B Shares of £1.00 each	500	500
	<u>1,000</u>	<u>1,000</u>

The rights of the shares are as follows:-

A SHARES (Non-equity Shares)

- Shall be entitled to a return of capital not exceeding their nominal value in the event of sale, winding-up, merger, take-over or flotation of the company.
- Shall not have any right to participate in dividends capitalisations or other distributions of any nature.
- Shall carry one vote.

B SHARES (Equity Shares)

- Shall be entitled to an equal participation in the repayment of any surplus assets in the event of sale, winding-up, merger, take-over, or flotation of the company.
- Shall have the right to participate in dividends and other distributions.
- Shall have no right to attend and vote at General Meetings of the company.

8 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2002	(1,855)
Retained loss for the period	(5,997)
	<u>(7,852)</u>
Balance at 31 December 2002	<u>(7,852)</u>

GOLDSILVER ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2002**

9 Reconciliation of movements in shareholders' funds	2002	2001
	£	£
(Loss)/Profit for the financial year	(5,997)	1,191
Net addition to/(depletion in) shareholders' funds	(5,997)	1,191
Opening shareholders' funds	(855)	(2,046)
Closing shareholders' funds	(6,852)	(855)

10 Contingent liabilities

There were no know contingent liabilities as at the balance sheet date.

11 Capital commitments

There were no major capital commitments as at the balance sheet date

12 Employees

Number of employees

There were no employees during the year apart from the directors. The directors received no remuneration during the year.

13 Immediate Parent Company

The Directors consider the company to be controlled by Mr P Hakim-Rad.
There were no related party transactions during the year.