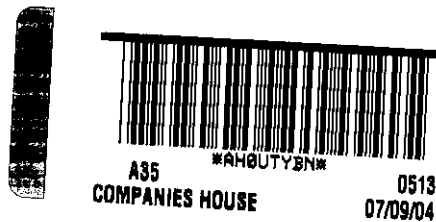


Company Registration No. 3875740

NEW TRENDS INITIATIVE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2003



30491-A-2003

Registered Office
86 Jermyn Street, St. James
London
SW1Y 6AW

NEW TRENDS INITIATIVE LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 NOVEMBER 2003

The director presents his report and financial statements for the year ended 30 November 2003.

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 December 2002:

A M Taylor	(Appointed 14 January 2003 and resigned 11 February 2004)
G. Brusa	(Resigned 14 January 2003)
Mollyland Inc.	(Appointed 11 February 2004)
K L Yates	(Appointed 25 July 2003 and resigned 1 August 2003)

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

Auditors

Matthew Edwards & Co. were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed 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;
- 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.

By order of the board


.....
Mollyland Inc. (Director)

Date: 1/9/2004

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

NEW TRENDS INITIATIVE LIMITED

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF NEW TRENDS INITIATIVE LIMITED**

We have audited the financial statements of New Trends Initiative Limited on pages 4 to 10 for the year ended 30 November 2003. 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.

MATTHEW EDWARDS & CO
CHARTERED ACCOUNTANTS

Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ
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NEW TRENDS INITIATIVE LIMITED

**INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF NEW TRENDS INITIATIVE 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 30 November 2003 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

1.9.2004

Clinch's House, Lord Street
Douglas
Isle of Man
IM99 1RZ

NEW TRENDS INITIATIVE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 NOVEMBER 2003**

	Notes	Year ended 30 November 2003 €	Year ended 30 November 2002 as restated €
Turnover	2	-	2,450
Administrative expenses		(8,574)	(5,870)
Operating loss	3	(8,574)	(3,420)
Other interest receivable and similar income	4	9,802	3,347
Interest payable and similar charges	5	(10,505)	(9,690)
Loss on ordinary activities before taxation		(9,277)	(9,763)
Tax on loss on ordinary activities	6	219	-
Loss on ordinary activities after taxation	10	(9,058)	(9,763)
Profit brought forward at 1 December 2002		18,918	28,681
Profit carried forward at 30 November 2003		9,860	18,918

All of the company's activities are derived from continuing operations.

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

NEW TRENDS INITIATIVE LIMITED

**BALANCE SHEET
AS AT 30 NOVEMBER 2003**

		2003		2002 as restated	
	Notes	€	€	€	€
Fixed assets					
Investments	7		869,120		328,955
Creditors: amounts falling due within one year	8	(857,678)		(308,455)	
Net current liabilities			(857,678)		(308,455)
Total assets less current liabilities			11,442		20,500
Capital and reserves					
Called up share capital	9		1,582		1,582
Profit and loss account	10		9,860		18,918
Shareholders' funds - equity interests	11		11,442		20,500

The financial statements were approved by the Board on 1/9/2004


Mollyland Inc.
Director

NEW TRENDS INITIATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2003

1 Accounting policies

1.1 Accounting convention

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

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

Monetary assets and liabilities denominated in foreign currencies are translated into euros at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to 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 undertakings comprise a small-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.

1.6 Comparatives

The currency the financial statements have been prepared in has been adjusted from sterling to euros. There has been no material effect on the profit and loss or balance sheet from this adjustment.

2 Turnover

Turnover represents income derived from the company's principal activity.

3	Operating profit/(loss)	2003 €	2002 €
	Operating profit/(loss) is stated after charging:		
	Accountancy	-	799
	Auditors' remuneration	1,005	-
		<u>1,005</u>	<u>-</u>
4	Other interest receivable and similar income	2003 €	2002 €
	Profit on foreign exchange	9,802	3,347
		<u>9,802</u>	<u>3,347</u>

NEW TRENDS INITIATIVE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2003**

5	Interest payable and similar charges	2003	2002
		€	€
	On bank loans and overdrafts	10,285	9,659
	On overdue tax	220	31
		<u>10,505</u>	<u>9,690</u>
6	Taxation	2003	2002
		€	€
	Domestic current year tax		
	Corporation tax at 30.00 % (2002 - 30.00 %)	-	-
	Adjustment for prior years	(219)	-
	Current tax charge	<u>(219)</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	<u>(9,277)</u>	<u>(9,763)</u>
	Loss on ordinary activities before taxation multiplied by the standard rate of corporation tax of 30.00 % (2002 : 30.00 %)	<u>(2,783)</u>	<u>(2,929)</u>
	Effects of:		
	Losses not recognised for accounting purposes	2,783	2,929
	Adjustments to previous periods	(219)	-
		<u>2,564</u>	<u>2,929</u>
	Current tax charge	<u>(219)</u>	<u>-</u>

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

NEW TRENDS INITIATIVE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2003**

7 Fixed asset investments

	Shares in group undertakings €	Loans to group undertakings €	Total €
Cost			
At 1 December 2002	20,452	308,503	328,955
Additions	35,046	660,234	695,280
Repaid	-	(155,115)	(155,115)
At 30 November 2003	55,498	813,622	869,120
At 30 November 2002	20,452	308,503	328,955

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			
Mattone Srl	Italy	Ordinary	99
Eiffel Srl	Italy	Ordinary	99
Elle. Di. Immobiliare Srl	Italy	Ordinary	99
Immobiliare Ponte Lucano Srl	Italy	Ordinary	99

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 €	Profit/(loss) for the year €
Mattone Srl	Real Estate	13,471	1,798
Eiffel Srl	Real Estate	7,250	(3,657)
Elle. Di. Immobiliare Srl	Real Estate	21,006	(3,994)
Immobiliare Ponte Lucano Srl	Real Estate	32,482	415

8 Creditors: amounts falling due within one year

	2003 €	2002 €
Bank loans and overdrafts	14,965	152,463
Trade creditors	-	124,531
Corporation tax	4,016	4,361
Other creditors	829,794	20,452
Accruals and deferred income	8,903	6,648
	857,678	308,455

NEW TRENDS INITIATIVE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2003**

9 Share capital	2003 No.	2002 No.
Authorised		
1,000 Ordinary £1 shares	1,000	1,000
	2003 €	2002 €
Allotted, called up and fully paid		
1,000 Ordinary £1 shares	1,582	1,582

10 Statement of movements on profit and loss account

**Profit and
loss
account
€**

Balance at 1 December 2002	18,918
Retained loss for the period	(9,058)
Balance at 30 November 2003	9,860

11 Reconciliation of movements in shareholders' funds

**2003
€** **2002
€**

Loss for the financial year	(9,058)	(9,763)
Opening shareholders' funds	20,500	30,263
Closing shareholders' funds	11,442	20,500

12 Contingent liabilities

There were no known contingent liabilities at the balance sheet date.

13 Capital commitments

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

14 Employees

Number of employees

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

NEW TRENDS INITIATIVE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2003**

15 Ultimate Controlling Party and Related Party Transactions

The director is aware of the identity of the ultimate controlling party. However, they are under a duty of confidentiality that prevents them from disclosing certain information otherwise required by Financial Reporting Standard 8. Therefore they have taken the exemption offered by the Standard in respect of confidentiality.