

DIRECTORS' REPORT

The Directors hereby submit the Report and Accounts of the Company for the period from 24 April 2001 to 31 December 2001.

The Directors of the Company during the financial period have no interest in the shares of the Company. The Directors' interest in the ordinary shares of the ultimate holding company (Arlacross Limited) were:-

	<u>31.12.01</u>	<u>24.04.01</u>
A F Parker (appointed 4 May 2001)	89	-
R Tang (appointed 4 May 2001)	11	-

During the financial period, the Company has not traded. Any pre-trading expenses have been met by the ultimate holding company.

Signed on behalf of the Board

(Name) R TANG
SECRETARY/DIRECTOR

BALANCE SHEET AT 31 DECEMBER 2001

CURRENT ASSETS	£
Cash in hand	2
CURRENT LIABILITIES	
Due to parent company	14,035
ASSETS LESS CURRENT LIABILITIES	£-14,033

Represented by

AUTHORISED SHARE CAPITAL OF £1,000

SHARE CAPITAL ISSUED AND FULLY PAID	£
Ordinary shares of £1 each	2
Profit and Loss Account	-14,035
Shareholders Fund	£-14,033

The Company was dormant throughout the reporting period.

Signed
(Name) R TANG
Director

Date 22 October 2002

