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ALBRON ENTERPRISES LIMITED

REPORT AND ACCOUNTS

31ST OCTOBER 2004

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Secretary: J. SUTTON

COMPANY NO. FCO23099

Registered Office:

Unit 18
Greenwich Centre Bus. Park
53 Norman Road
London SE10 9QF
England



ALBRON ENTERPRISES LIMITED

REPORT OF THE DIRECTORS

The Directors present their report together with the Financial Statements for the year ended 31st October 2004.

PRINCIPAL ACTIVITY

During the above Financial period, the Company continued to be managed from the United Kingdom. The company has an investment in Spain and conducts international trading from the United Kingdom.

REVIEW OF BUSINESS

The results for the year are set out on pages 3 to 5.

The Director do not propose to pay a dividend in order to have the maximum amount available to generate business from the United Kingdom.

DIRECTORS

The Directors who served the Company during the period and their beneficial interests in the issued capital of the Company, as defined by the Companies Act 1985, are as follows:

At beginning & end of year
ORDINARY £ SHARES

Bestdyne Limited
Thomas Shortt (Irish)

NIL
NIL

ALBRON ENTERPRISES LIMITED

REPORT OF THE DIRECTORS

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DIRECTORS RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Company Law requires the Directors 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 Directors are required to:

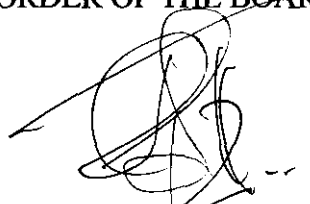
select suitable accounting policies and then apply them consistently;

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 directors are 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. They are 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



J. Sutton
Secretary

Date: 31st January 2005

ALBRON ENTERPRISES LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST OCTOBER 2004

	2004 £	2003 £
COMMISSIONS	0	4,391
INTEREST RECEIVED	<u>4,112</u>	<u>1,872</u>
	4,112	6,263
OFFICE EXPENSES:		
Professional Assistance	190	112
Other Admin. Expenses	870	715
Depreciation	381	369
Interest	0	13
Audit Fee	<u>0</u>	<u>0</u>
	1,441	1,209
TRADING PROFIT	2,671	5,054
DIRECTORS FEES, SALARIES & BENEFITS IN KIND	<u>1,000</u>	<u>800</u>
PROFIT FOR THE YEAR	1,671	4,254
TAX PROVISION	<u>0</u>	<u>0</u>
	1,671	4,254
PROFIT BROUGHT FORWARD	<u>62,148</u>	<u>57,894</u>
PROFIT CARRIED FORWARD	£ <u>63,819</u>	£ <u>62,148</u>

CONTINUED OPERATIONS:

The Company's U.K. activities were acquired during the period. No activities were discontinued during the current and preceding year.

TOTAL RECOGNISED GAINS & LOSSES

The Company has no recognised gains or losses other than the profit for the current nor in the preceding year.



M. Cafferkey
Director

ALBRON ENTERPRISES LIMITED
BALANCE SHEET
AS AT 31ST OCTOBER 2004

	NOTES	2004 £	2003 £
LONG TERM INVESTMENT		4,592,748	4,592,748
FIXED ASSETS (NET)	(4)	0	381
ACCOUNTS RECEIVABLE		54,572	54,572
BANK ACCOUNT		<u>110,439</u> 165,011	<u>108,387</u> 162,959
TAXES		0	0
PAYABLES		<u>0</u> 0	<u>0</u> 0
		165,011	162,959
NET ASSETS		£ <u>4,757,759</u>	£ <u>4,756,088</u>
<u>CAPITAL & RESERVES</u>	(3)		
Share Capital		412,601	412,601
Capital Reserves		4,281,339	4,281,339
Profit & Loss Account		<u>63,819</u>	<u>62,148</u>
		£ <u>4,757,759</u>	£ <u>4,756,088</u>

EXEMPTION STATEMENT


For the year ended 31st October 2004 the company was entitled to exemption under section 249A (1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibility for:

- i) Ensuring the company keeps accounting records which comply with section 221; and
- ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The accounts are prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.


M. Cafferkey
DIRECTOR

ALBRON ENTERPRISES LIMITED
STATEMENT OF SOURCE
AND APPLICATION OF FUNDS
AS AT 31ST OCTOBER 2004

	2004 £	2003 £
PROFIT PER ACCOUNTS	1,671	4,254
NON-MONETARY CHARGE	<u>381</u> 2,052	<u>369</u> 4,623
ACCOUNTS RECEIVABLE	0	8,219
ACCOUNTS PAYABLE	<u>0</u>	(1,500)
MOVEMENT IN WORKING CAPITAL	<u>0</u>	<u>6,719</u>
NET INCREASE (DECREASE)	£ <u>2,052</u>	£ <u>11,342</u>

ALBRON ENTERPRISES LIMITED
ACCOUNTING POLICIES
31ST OCTOBER 2004

CONVENTION

These Financial Statements have been prepared in accordance with the Historical Cost Convention. The principal accounting policies, which the director has adopted are set out below.

The Company is controlled by Grandem Holdings Ltd.

DEFERRED TAX

No provision is made for deferred corporation tax as no material sums are involved.

THE TAX PROVISION IS STATED BY WAY OF NOTE IN THE PROFIT AND LOSS ACCOUNT.

ALBRON ENTERPRISES LIMITED
NOTES TO THE ACCOUNTS
31ST OCTOBER 2004

1. SUBSIDIARY COMPANIES

This represents share capital in a Spanish company.

The directors are satisfied that the current value of this holdings exceeds the current valuations.

2. ACCOUNTS RECEIVABLE

Contain an amount owing for a period of excess of 18 months. The directors confirm that his amount is still due and is expected shortly part of the money was received during the year.

3. CAPITAL

Ordinary Shares of Euro 1.00 each:

	2004	2003
Authorised capital	UK£ 412,601	UK£ 412,601
Issued capital	UK£ 412,601	UK£ 412,601

The capital is currently quoted in Euros.

4. FIXED ASSETS

	<u>2004</u>	<u>2003</u>
Computer and Printer at Cost	1,119	1,119
Depreciation Charged	381	(369)
Accumulated Depreciation	<u>738</u>	<u>(369)</u>
	<u>£ 0</u>	<u>£ 381</u>

5. FOREIGN CURRENCY

The accounts are expressed in U.K. pounds. Transactions during the period have been translated at average rates of exchange.

6. TURNOVER is all earned from the United Kingdom.

7. EMPLOYEES

There are no full time employees although the directors and the management is from the United Kingdom.

8. FINANCIAL COMMITMENTS

There were no financial commitments.

9. SUBSEQUENT EVENTS

There were no material events between the date of these accounts and their completion.