

No. 55 2992



E.L.C.O. LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001



GERALD EDELMAN
CHARTERED ACCOUNTANTS

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E.L.C.O. LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001



E.L.C.O. LIMITED

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E.L.C.O. LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2001

The directors present their report and financial statements for the year ended 31 March 2001.

Principal activities and review of the business

The principal activity of the company continued to be that of property dealing and the provision of finance.

Results and dividends

The results for the year are set out on page 3.

Directors

The following directors have held office since 1 April 2000:

S G Pinto
D Pinto

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2001	1 April 2000
S G Pinto	2	2
D Pinto	1	1

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Gerald Edelman be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

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 keeping 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.

On behalf of the board



D Pinto

Director

12 September 2001

E.L.C.O. LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF E.L.C.O. LIMITED

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 directors 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 March 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Gerald Edelman

Chartered Accountants
Registered Auditor

12 September 2001

25 Harley Street
London
W1G 9BR

E.L.C.O. LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2001

	Notes	2001 £	2000 £
Turnover	2	-	120,750
Cost of sales		-	(13,643)
Gross (loss)/profit		-	107,107
Administrative expenses		(1,028)	(366)
Other operating income		(508)	695
Operating (loss)/profit	3	(1,536)	107,436
Other interest receivable and similar income		-	537
(Loss)/profit on ordinary activities before taxation		(1,536)	107,973
Tax on (loss)/profit on ordinary activities	4	-	(21,300)
(Loss)/profit on ordinary activities after taxation	10	(1,536)	86,673

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.

E.L.C.O. LIMITED

BALANCE SHEET AS AT 31 MARCH 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Investments	5		15		15
Current assets					
Stocks	6	29,250		29,250	
Debtors	7	66,722		61,251	
Cash at bank and in hand		5,589		23,909	
		<u>101,561</u>		<u>114,410</u>	
Creditors: amounts falling due within one year	8	<u>(11,730)</u>		<u>(23,042)</u>	
Net current assets			89,831		91,368
Total assets less current liabilities			<u>89,846</u>		<u>91,383</u>
Capital and reserves					
Called up share capital	9		4		4
Other reserves	10		270		270
Profit and loss account	10		89,572		91,109
Shareholders' funds - equity interests	11		<u>89,846</u>		<u>91,383</u>

The financial statements were approved by the Board on 12 September 2001


D Pinto
Director

E.L.C.O. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Investments

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

1.4 Stock

Stock is valued at the lower of cost and net realisable value.

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 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.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating (loss)/profit

2001	2000
£	£

Operating (loss)/profit is stated after charging:

Auditors' remuneration

881	294
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4 Taxation

2001	2000
£	£

U.K. current year taxation

U.K. corporation tax at 0% (2000 - 20%)

-	21,300
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E.L.C.O. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2001

5 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 April 2000 & at 31 March 2001	15

Holdings of more than 20%

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

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Devonshire Close (Management) Limited	England	Ordinary	62

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

	Capital and reserves	Profit for the year
Devonshire Close (Management) Limited	24	-

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertaking is not less than the amount included in the balance sheet. Devonshire close (Management) Limited did not trade during the year , nor did it receive any income nor realise any gains.

6	Stocks	2001 £	2000 £
	Stock of property	29,250	29,250
7	Debtors	2001 £	2000 £
	Other debtors	66,239	60,768
	Prepayments and accrued income	483	483
		66,722	61,251

E.L.C.O. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2001

8	Creditors: amounts falling due within one year	2001 £	2000 £
	Corporation tax	-	21,300
	Other creditors	9,719	25
	Accruals and deferred income	2,011	1,717
		<u>11,730</u>	<u>23,042</u>

9	Share capital	2001 £	2000 £
	Authorised		
	100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>
	Allotted, called up and fully paid		
	4 Ordinary shares of £ 1 each	<u>4</u>	<u>4</u>

10 Statement of movements on reserves

	Other reserves £	Profit and loss account £
Balance at 1 April 2000	270	91,108
Retained loss for the year	-	(1,536)
Balance at 31 March 2001	<u>270</u>	<u>89,572</u>

11	Reconciliation of movements in shareholders' funds	2001 £	2000 £
	(Loss)/Profit for the financial year	(1,536)	86,673
	Opening shareholders' funds	<u>91,383</u>	<u>4,710</u>
	Closing shareholders' funds	<u>89,846</u>	<u>91,383</u>

12 Employees

Number of employees

There were no employees during the year apart from the directors.

E.L.C.O. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 MARCH 2001***

13 Related party transactions

Included in other debtors is an amount of £60,000 due from Oceanic Acquisitions and Mergers Limited, a company in which one of the directors has a material interest. There are no specific terms with regard to interest or repayment in respect of this balance.