



E.L.C.O. LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002



GERALD EDELMAN
CHARTERED ACCOUNTANTS

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E.L.C.O. LIMITED

CONTENTS

	Page
Directors' report	1
Independent auditors' report	2
Profit and loss account	3
Balance sheet	4
Notes to the financial statements	5 - 9

E.L.C.O. LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002

The directors present their report and financial statements for the year ended 31 March 2002.

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 2001:

S G Pinto

D Pinto

Directors' interests

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

	Ordinary shares of £ 1 each	
	31 March 2002	1 April 2001
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

19 September 2002

E.L.C.O. LIMITED

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

We have audited the financial statements of E.L.C.O. LIMITED on pages 3 to 9 for the year ended 31 March 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are 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 directors' 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 directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

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



Gerald Edelman

Chartered Accountants
Registered Auditor

19 September 2002

25 Harley Street
London
W1G 9BR

E.L.C.O. LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 £	2001 £
Administrative expenses		(736)	(1,028)
Other operating income		17,885	(508)
Operating profit/(loss)	2	17,149	(1,536)
Other interest receivable and similar income		20	-
Profit/(loss) on ordinary activities before taxation		17,169	(1,536)
Tax on profit/(loss) on ordinary activities	3	(3,127)	-
Profit/(loss) on ordinary activities after taxation	9	14,042	(1,536)

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 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Investments	4		15		15
Current assets					
Stocks	5	29,250		29,250	
Debtors	6	70,726		66,722	
Cash at bank and in hand		10,240		5,589	
		<u>110,216</u>		<u>101,561</u>	
Creditors: amounts falling due within one year	7	<u>(6,343)</u>		<u>(11,730)</u>	
Net current assets			103,873		89,831
Total assets less current liabilities			<u>103,888</u>		<u>89,846</u>
Capital and reserves					
Called up share capital	8		4		4
Other reserves	9		270		270
Profit and loss account	9		103,614		89,572
Shareholders' funds - equity interests	10		<u>103,888</u>		<u>89,846</u>

The financial statements were approved by the Board on 19 September 2002


D Pinto
Director

E.L.C.O. LIMITED

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

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 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 Stock

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

1.4 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 Operating profit/(loss)

	2002	2001
	£	£
Operating profit/(loss) is stated after charging:		
Auditors' remuneration	588	881
	<u> </u>	<u> </u>

E.L.C.O. LIMITED

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

3	Taxation	2002 £	2001 £
	Domestic current year tax		
	U.K. corporation tax	3,434	-
	Adjustment for prior years	(307)	-
	Current tax charge	<u>3,127</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	<u>17,169</u>	<u>(1,536)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2001 : 0.00%)	3,434	-
	Effects of:		
	Adjustments to previous periods	(307)	-
	Current tax charge	<u>3,127</u>	<u>-</u>

E.L.C.O. LIMITED

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

4 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 April 2001 & at 31 March 2002	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.

5	Stocks	2002 £	2001 £
	Stock of property	29,250	29,250

6	Debtors	2002 £	2001 £
	Other debtors	70,243	66,239
	Prepayments and accrued income	483	483
		70,726	66,722

E.L.C.O. LIMITED

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

7	Creditors: amounts falling due within one year	2002	2001
		£	£
	Corporation tax	3,434	-
	Other creditors	25	9,719
	Accruals and deferred income	2,884	2,011
		<u>6,343</u>	<u>11,730</u>
8	Share capital	2002	2001
		£	£
	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>
9	Statement of movements on reserves	Other reserves	Profit and loss account
		£	£
	Balance at 1 April 2001	270	89,572
	Retained profit for the year	-	14,042
	Balance at 31 March 2002	<u>270</u>	<u>103,614</u>
10	Reconciliation of movements in shareholders' funds	2002	2001
		£	£
	Profit/(Loss) for the financial year	14,042	(1,536)
	Opening shareholders' funds	<u>89,846</u>	<u>91,382</u>
	Closing shareholders' funds	<u>103,888</u>	<u>89,846</u>
11	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 2002**

12 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.