

No. 552992



E.L.C.O. Limited
Directors' Report and Financial Statements
for the year ended 31 March 1998

GERALD EDELMAN
CHARTERED ACCOUNTANTS

25 HARLEY STREET · LONDON W1N 2BR
TELEPHONE 0171 299 1400 · FAX 0171 631 0917



E.L.C.O. Limited

Directors' Report for the year ended 31 March 1998

rs present their report and the financial statements for the year
rch 1998.

ctivities and Review of the Business

al activity of the company is that of property dealing and the
f finance.

. Dividends

for the year are set out on page 4.

rs do not recommend payment of a dividend.

sed that the loss of £3,046 is transferred to reserves.

s

cant changes in fixed assets during the year are explained in
the financial statements.

nd their Interests

rs who served during the year and their interests in the company
ed below.

Class of share	Number of shares	
	1998	1997
Ordinary shares	1	1
Ordinary shares	2	2

re with Section 385 of the Companies Act 1985, a resolution
at Gerald Edelman be reappointed as auditors of the company will
re Annual General Meeting.

E.L.C.O. Limited

Directors' Report for the year ended 31 March 1998 (continued)

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.

This report was approved by the Board on 17 September 1998.

D. Pinto
Director

E.L.C.O. Limited

**Auditors' Report
to the shareholders of E.L.C.O. Limited**

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 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 1998 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

25 Harley Street
London W1N 2BR

17 September 1998

E.L.C.O. Limited

Profit and Loss Account
for the year ended 31 March 1998

	Notes	1998 £	1997 £
Turnover		-	186,001
Cost of sales		-	(138,071)
Gross profit		-	47,930
Administrative expenses		(443)	(4,981)
Other operating income		(302)	(1,908)
Operating loss	2	(745)	41,041
Other interest receivable and similar income	3	-	116
Interest payable and similar charges	4	(102)	(1,588)
Loss on ordinary activities before taxation		(847)	39,569
Tax on loss on ordinary activities	5	(2,199)	(6,948)
Loss on ordinary activities after taxation		(3,046)	32,621
Dividends	6	-	(30,000)
Retained loss for the year	12	£ (3,046)	£ 2,621

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 1998

	Notes	1998 £	1997 £
Fixed Assets			
Investments	7	15	15
Current Assets			
Stocks	8	39,000	39,000
Debtors	9	1,591	3,116
Cash at bank and in hand		3,752	453
		<u>44,343</u>	<u>42,569</u>
Creditors: amounts falling due within one year	10	<u>(38,364)</u>	<u>(33,542)</u>
Net Current Assets		<u>5,979</u>	<u>9,027</u>
Total Assets Less Current Liabilities		<u>£ 5,994</u>	<u>£ 9,042</u>
Capital and Reserves			
Called up share capital	11	4	4
Other reserves		270	270
Profit and loss account	12	5,720	8,768
Shareholders' Funds	13	<u>£ 5,994</u>	<u>£ 9,042</u>

The financial statements were approved by the Board on 17 September 1998.

X *Sara Pinto* X

Director

SGP

E.L.C.O. Limited

Notes to the Financial Statements for the year ended 31 March 1998

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

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 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 company owns a subsidiary, details of which are set out in note 7 to the financial statements. These companies do not trade and accordingly no group accounts have been prepared.

2. Operating Loss

Operating loss is stated after charging:

Auditors' remuneration

1998	1997
£	£
294	5,288

3. Other Interest Receivable and Similar Income

Other interest received

1998	1997
£	£
-	116

4. Interest Payable

On overdue tax

1998	1997
£	£
102	1,588
£ 102	£ 1,588

E.L.C.O. Limited

Notes to the Financial Statements
for the year ended 31 March 1998

5.	Taxation	1998	1997
		£	£
	U.K. Current year taxation		
	U.K. Corporation tax at 21% (1997 - 24%)	-	9,878
	Prior years		
	U.K. Corporation tax	2,199	(2,930)
		<u>2,199</u>	<u>(2,930)</u>
		£ 2,199	£ 6,948
		<u>£ 2,199</u>	<u>£ 6,948</u>

6.	Dividends	1998	1997
		£	£
	Ordinary	-	30,000
		<u>-</u>	<u>30,000</u>

E.L.C.O. Limited

Notes to the Financial Statements
for the year ended 31 March 1998

7.	Fixed Asset Investments	1998 £	1997 £
	Subsidiary undertakings	15	15
	Investment in subsidiary undertakings		Shares £
	Cost		
	At 1 April 1997 & at 31 March 1998		15
	Net Book Values		
	At 31 March 1998	£	15
	At 31 March 1997	£	15

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

The company's fixed asset investment and shareholding therein is as follows:

Company	Country of registration or incorporation	Shares held Class	%
Devonshire Close (Management) Limited	England	Ordinary	62.50

Devonshire Close (Management) Limited did not trade during the year, nor did it receive any income nor realise any gains.

8.	Stocks	1998 £	1997 £
	Stock of property	39,000	39,000

E.L.C.O. Limited

Notes to the Financial Statements
for the year ended 31 March 1998

9.	Debtors	1998 £	1997 £
	Corporation tax	-	1,856
	Other debtors	1,108	777
	Prepayments and accrued income	483	483
		<u>£ 1,591</u>	<u>£ 3,116</u>
10.	Creditors: amounts falling due within one year	1998 £	1997 £
	Corporation tax	-	2,378
	Taxes and social security costs	-	9,498
	Other creditors	38,364	21,666
		<u>£ 38,364</u>	<u>£ 33,542</u>
11.	Share Capital	1998 £	1997 £
	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>
12.	Profit And Loss Account	1998 £	1997 £
	Retained profits at 1 April 1997	8,766	6,147
	Retained loss for the year	(3,046)	2,621
	Retained profits at 31 March 1998	<u>£ 5,720</u>	<u>£ 8,768</u>

E.L.C.O. Limited

Notes to the Financial Statements
for the year ended 31 March 1998

13. Reconciliation of Movements in Shareholders' Funds

	1998 £	1997 £
Loss for the financial year	(3,046)	32,621
Dividends	-	(30,000)
	<hr/>	<hr/>
Net depletion in shareholders' funds	(3,046)	2,621
Opening shareholders' funds	9,042	6,421
	<hr/>	<hr/>
Closing shareholders' funds	£ 5,994	£ 9,042
	<hr/>	<hr/>

14. Directors' Emoluments

	1998 £	1997 £
Remuneration	-	6,244
	<hr/>	<hr/>