Company Registration No. 552992 (England and Wales)

E.L.C.O. LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

GERALD EDELMAN

CHARTERED ACCOUNTANTS

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E.L.C.O. LIMITED

CONTENTS

E.L.C.O. LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2003

The directors present their report and financial statements for the year ended 31 March 2003.

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 2002:

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 2003	**1 April 2002**
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
15 September 2003

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 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 2003 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

15 September 2003

25 Harley Street
London
W1G 9BR

E.L.C.O. LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
Administrative expenses		(735)	(736)
Other operating income		10,141	17,885
Operating profit	2	9,406	17,149
Other interest receivable and similar income		-	20
Profit on ordinary activities before taxation		9,406	17,169
Tax on profit on ordinary activities	3	821	(3,127)
Profit on ordinary activities after taxation	9	10,227	14,042

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 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Investments	4		15		15
Current assets					
Stocks	5	29,250		29,250	
Debtors	6	66,373		70,726	
Cash at bank and in hand		19,090		10,240	
		114,713		110,216	
Creditors: amounts falling due within one year	7	(613)		(6,343)	
Net current assets			114,100		103,873
Total assets less current liabilities			114,115		103,888
Capital and reserves					
Called up share capital	8		4		4
Other reserves	9		270		270
Profit and loss account	9		113,841		103,614
Shareholders' funds - equity interests	10		114,115		103,888

The financial statements were approved by the Board on 15 September 2003

D Pinto
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003

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	2003	2002
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	588	588

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

3 Taxation	2003	2002
	£	£
Domestic current year tax		
U.K. corporation tax	-	3,434
Adjustment for prior years	(821)	(307)
Current tax charge	(821)	3,127
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	9,406	17,169
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00% (2002 : 20.00%)	-	3,434
Effects of:		
Adjustments to previous periods	(821)	(307)
	(821)	(307)
Current tax charge	(821)	3,127

4 Fixed asset investments

	Shares in subsidiary undertakings
	£
Cost	
At 1 April 2002 & at 31 March 2003	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	Shares held Class	%
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 subsidary 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

	2003	2002
	£	£
Stock of property	29,250	29,250

6 Debtors

	2003	2002
	£	£
Other debtors	66,373	70,243
Prepayments and accrued income	-	483
	66,373	70,726

E.L.C.O. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2003

7 Creditors: amounts falling due within one year

	2003	2002
	£	£
Corporation tax	-	3,434
Other creditors	25	25
Accruals and deferred income	588	2,884
	613	6,343

8 Share capital

	2003	2002
	£	£
Authorised		
100 Ordinary shares of £ 1 each	100	100
Allotted, called up and fully paid		
4 Ordinary shares of £ 1 each	4	4

9 Statement of movements on reserves

	Other reserves	Profit and loss account
	£	£
Balance at 1 April 2002	270	103,614
Retained profit for the year	-	10,227
Balance at 31 March 2003	270	113,841

10 Reconciliation of movements in shareholders' funds

	2003	2002
	£	£
Profit for the financial year	10,227	14,042
Opening shareholders' funds	103,888	89,846
Closing shareholders' funds	114,115	103,888

11 Employees

Number of employees

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

12 Related party transactions

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

E.L.C.O. LIMITED

SCHEDULE TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2003

		2003		2002
		£		£
Cost of sales				
Opening stock		29,250		29,250
		29,250		29,250
Less :Closing stock		(29,250)		(29,250)
		-		-
Administrative expenses				
Audit fees		588		588
Sundry expenses		147		148
		735		736
Property revenue account				
Rent receivable		14,484		20,997
Ground rent and service charges	4,343		2,895	
Legal and professional	-		217	
		(4,343)		(3,112)
		10,141		17,885