

ELECTRA SECURITIES LIMITED

REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH SEPTEMBER 2003**

**REGISTERED NUMBER
1552598**



ELECTRA SECURITIES LIMITED

Board of Directors

Hugh Anthony Lewis Holland Mumford
Philip John Dyke
Robert John Lewis
Alfred Merton Vinton
Stephen Daryl Ozin (Alternate Director for RJ Lewis)

Secretary and Registered Office

Philip John Dyke
65 Kingsway
London
WC2B 6QT

ELECTRA SECURITIES LIMITED

Report of the Directors

The Directors present their Report and the Financial Statements of the Company for the year ended 30th September 2003.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The Company was the sole limited partner of Electra Select Performance A LP, an investment dealing partnership. The Company made a loss during the year under review and it is expected that the Company will not trade in the foreseeable future.

RESULTS AND DIVIDEND

The loss for the year after taxation amounted to £329,884 (2002: loss £700,039). The Directors do not recommend the payment of a dividend (2002: £nil), leaving a deficit of £329,884 to be transferred to reserves (2002: deficit £700,039).

DIRECTORS

Mr HALH Mumford, Mr PJ Dyke, Mr RJ Lewis and Mr AM Vinton were Directors of the Company throughout the year ended 30th September 2003. Mr SD Ozin was Alternate Director for Mr RJ Lewis throughout the year ended 30th September 2003. No other person was a Director during any part of the year under review.

DIRECTORS' INTERESTS

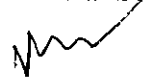
The interests of the Directors and of their families, all of which are beneficial except where noted, in the share capital of the Company's holding company, Electra Investment Trust PLC ("Electra") are set out below. Other than as here disclosed, no Director had any notifiable interests in the securities of any further subsidiary of Electra or in the securities of the Company.

Director	Number of Ordinary Shares in Electra	
	30.9.03	1.10.02
HALH Mumford	30,827	30,827
PJ Dyke	4,926*	4,926
RJ Lewis	2,841	2,841
SD Ozin (alternate)	276	276
AM Vinton	12,145	12,145

* 806 of the 4,926 shares held non-beneficially

ELECTIVE RESOLUTIONS

By a written resolution dated 8th December 1992, elective resolutions were approved whereby the Company is no longer required to hold Annual General Meetings, with the result that PricewaterhouseCoopers will continue as Auditors, and the Directors are no longer required to lay Financial Statements before the Company in general meeting.


By Order of the Board of Directors
PJ Dyke, Secretary
65 Kingsway, London WC2B 6QT

30 June 2004

ELECTRA SECURITIES LIMITED

Directors' Responsibilities for Preparing 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 as at the end of that year and of its profit or loss that year. In preparing those Financial Statements the Directors are required to:

- Select appropriate accounting policies and then apply them consistently on the basis of judgments and estimates that are reasonable and prudent;
- State whether appropriate Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is appropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company to enable them to ensure that the Financial Statements comply with the Companies Act 1985. They are also responsible for taking such steps as are reasonably open to them for safeguarding the assets of the Company and for the prevention and detection of fraud and other irregularities. The Directors confirm that they have complied with these requirements.

After making enquiries, and based on the letter of support from the Company's parent undertaking, Electra Investment Trust PLC, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Financial Statements.

ELECTRA SECURITIES LIMITED

Independent auditors' report to the members of Electra Securities Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 or the Listing Rules regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

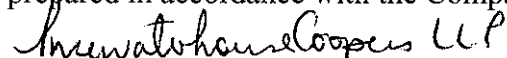
BASIS OF AUDIT OPINION

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 at 30th September 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London
30 June 2004

ELECTRA SECURITIES LIMITED

Profit and Loss Account

		Year ended 30th September 2003 £	Year ended 30th September 2002 £
	Note		
TURNOVER			
Investment dealing		841,269	1,747,160
Cost of sales		(1,167,419)	(2,433,463)
Net trading loss	2	(326,150)	(686,303)
Operating expenses	4	11,444	33,358
Operating Loss		(337,594)	(719,661)
Other income	3	7,710	32,113
Interest payable		-	12,491
Loss on Ordinary Activities before Taxation		(329,884)	(700,039)
Taxation	5	-	-
Loss on Ordinary Activities after Taxation		(329,884)	(700,039)
Retained Losses brought forward		(700,039)	-
Retained Losses carried forward		(1,029,923)	(700,039)

All results and comparatives shown in the profit and loss account above are from continuing operations.

The Company has no recognised gains and losses other than those included in the profit and loss account as shown above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the results shown above and the results on an unmodified historical cost basis, therefore no separate note of historical cost profit or losses has been presented.

ELECTRA SECURITIES LIMITED

Balance Sheet

		30th September 2003 £	30th September 2002 £
	Note		
Current Assets			
Investments	6	-	1,167,419
Cash at bank and in hand		-	5,078
		-	1,172,497
Creditors			
Amounts falling due within one year	7	929,923	1,772,536
Net (Liabilities)		(929,923)	(600,039)
Capital and Reserves			
Called-up share capital	8	100,000	100,000
Profit and loss account		(1,029,923)	(700,039)
Total Equity Shareholders' Funds	9	(929,923)	(600,039)

The Financial Statements on pages 5 to 9 were approved by the Board of Directors on 30 June 2004 and were signed on its behalf by:-



RJ Lewis *Director*

ELECTRA SECURITIES LIMITED

Notes to the Financial Statements

1. ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The more significant accounting policies are listed below:

- (a) The Financial Statements have been prepared under the historical cost convention.
- (b) Investment income is recognised on an accruals basis. Interest receivable and payable and all other expenses are treated on the accruals basis.
- (c) The current asset investment in Electra Select Performance A Limited Partnership is stated at the lower of cost and net realisable value. Net realisable value is determined with reference to the middle market prices of the investments held by Electra Select Performance A Limited Partnership at the year end. Unrealised losses at the year end are taken to the profit and loss account.
- (d) Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Profit and Loss Account.
- (e) The company has adopted Financial Reporting Standard 19 "Deferred Taxation" (FRS 19) during the 2002 financial year. Deferred tax assets and liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation. Previously, the company's accounting policy was only to provide for deferred tax to the extent that liabilities or assets were expected to be payable or receivable in the foreseeable future. In accordance with FRS 19, deferred tax is now provided for on a non-discounted basis in respect of all timing differences that have originated, but not reversed, at the balance sheet date that may give rise to an obligation to pay more or less tax in the future.
- (f) The Company is a wholly owned subsidiary of an EU company which publishes consolidated Financial Statements that include a consolidated cash flow statement and therefore is not required to produce a cash flow statement.

	Year ended 30th September 2003 £	Year ended 30th September 2002 £
2. NET TRADING LOSS		
Investment dealing	841,269	1,747,160
Cost of sales	(1,167,419)	(2,433,463)
	<u>(326,150)</u>	<u>(686,303)</u>
3. OTHER INCOME		
Income from current asset investments	2,828	23,822
Interest receivable	4,882	8,291
	<u>7,710</u>	<u>32,113</u>

ELECTRA SECURITIES LIMITED

Notes to the Financial Statements (Continued)

	Year ended 30th September 2003 £	Year ended 30th September 2002 £
4. OPERATING EXPENSES		
Priority profit share to General Partner	3,742	20,303
Administration expenses	7,702	11,774
Audit fee	-	1,281
	<u>11,444</u>	<u>33,358</u>
The additional audit fee of £2,500 (2002: £2,500) was borne by another group company.		
5. TAXATION		
Analysis of charge in year		
Current tax:		
UK Corporation tax at 30%	-	-
	-	-
Factors affecting tax charge for the year		
Loss before tax	(329,884)	(700,039)
Loss before tax at 30%	(98,965)	(210,012)
Effects of:		
Group relief surrendered to other group companies	(98,965)	210,012
	-	-
	<u>30th September 2003 £</u>	<u>30th September 2002 £</u>
6. CURRENT ASSET INVESTMENTS		
Investment in Electra Select Performance A LP	-	1,167,419
The market value of listed investments at 30th September 2003 was £nil (30th September 2002: £1,143,445). The Company is the sole limited partner of Electra Select Performance A LP. The investment in Electra Select Performance A LP represents the market value of the underlying investments held in Electra Select Performance A LP.		
7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Amounts due to Parent Undertakings:		
- Electra Investment Trust PLC	929,923	1,772,282
Corporation Tax Payable	-	254
	<u>929,923</u>	<u>1,772,536</u>

ELECTRA SECURITIES LIMITED

Notes to the Financial Statements (Continued)

	30th September 2003 £	30th September 2002 £
8. SHARE CAPITAL		
Authorised		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
Allotted, issued, called-up and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000
9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
Loss for the financial year	(329,884)	(700,039)
Opening shareholders' funds	(600,039)	100,000
Closing shareholders' funds	(929,923)	(600,039)

10. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption available under Financial Reporting Standard 8 (Related Party Disclosures) not to disclose transactions between entities, 90% or more of whose voting rights are controlled within the group.

The General Partner of Electra Select Performance A Limited Partnership is Synctop Limited. During the year ended 30th September 2003 £3,742 (2002: £20,303) was paid by Electra Select Performance A Limited Partnership to Synctop Limited. At 30th September 2003 £nil (2002: £8,884) was owed by Electra Select Performance A Limited Partnership to Synctop Limited.

11. ULTIMATE HOLDING COMPANY

The ultimate holding company is Electra Investment Trust PLC, a company incorporated in Great Britain and registered in England and Wales. Copies of these Financial Statements are available from the Secretary of the Company at 65 Kingsway, London W2B 6QT.