REGISTERED NUMBER: 3713535 (England and Wales)

REPORT OF THE DIRECTOR AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

FOR

LIO DEVELOPMENTS LIMITED

Jordans Accounting Services
21 St Thomas Street
Bristol
BS1 6JS

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A20 0780
COMPANIES HOUSE 24/07/03

LIO DEVELOPMENTS LIMITED

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for the Year Ended 31 December 2002

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LIO DEVELOPMENTS LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 2002

DIRECTOR:	Eridan Management Limited
SECRETARY:	Jordan Company Secretaries Limited
REGISTERED OFFICE:	20-22 Bedford Row London WC1R 4JS
REGISTERED NUMBER:	3713535 (England and Wales)
ACCOUNTANTS:	Jordans Accounting Services 21 St Thomas Street Bristol BS1 6JS
BANKERS:	Barclays Bank Plc PO Box 391 Bowater House 68 Kinightsbridge London SW1X 7NT

LJO DEVELOPMENTS LIMITED

REPORT OF THE DIRECTOR
for the Year Ended 31 December 2002

The director presents its report with the financial statements of the company for the year ended 31 December 2002.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of trading of equipment in the sporting industry.

DIVIDENDS
No dividends will be distributed for the year ended 31 December 2002.

DIRECTOR
Eridan Management Limited was the sole director during the year under review.

The director holding office at 31 December 2002 did not hold any beneficial interest in the issued share capital of the company at 1 January 2002 or 31 December 2002.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

.....
Eridan Management Limited - DIRECTOR

Dated: 22/7/2003

LIO DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2002

	Notes	2002 £	2001 £
TURNOVER		-	-
Administrative expenses		(1,485)	(10,887)
OPERATING LOSS	2	(1,485)	(10,887)
Interest receivable and similar income		5	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,480)	(10,887)
Tax on loss on ordinary activities	3	-	-
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(1,480)	(10,887)
DEFICIT FOR THE YEAR		£(1,480)	£(10,887)

The notes form part of these financial statements

LIO DEVELOPMENTS LIMITED

BALANCE SHEET
31 December 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Investments	4	106,614	106,614
CURRENT ASSETS			
Debtors	5	2	2
Cash at bank		5,530	5,808
		5,532	5,810
CREDITORS			
Amounts falling due within one year	6	(78,649)	(78,649)
NET CURRENT LIABILITIES		(73,117)	(72,839)
TOTAL ASSETS LESS CURRENT LIABILITIES		33,497	33,775
CREDITORS			
Amounts falling due after more than one year	7	(45,862)	(44,660)
		£(12,365)	£(10,885)
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Profit and loss account	9	(12,367)	(10,887)
SHAREHOLDERS' FUNDS		£(12,365)	£(10,885)

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2002.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2002 in accordance with Section 249B(2) of the Companies Act 1985.

The director acknowledges its responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:

Eridan Management Limited - DIRECTOR

Approved by the Board on 22/7/2003

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. OPERATING LOSS

The operating loss is stated after charging:

	2002 £	2001 £
Foreign exchange differences	124	-
Directors' emoluments and other benefits etc	-	-

3. TAXATION

Analysis of the tax charge
No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2002 nor for the year ended 31 December 2001.

4. FIXED ASSET INVESTMENTS

	2002 £	2001 £
Shares in subsidiary	104,271	104,271
Loans to subsidiary	2,343	2,343
	106,614	106,614

Additional information is as follows:

	Investment in subsidiary £
COST:	
At 1 January 2002 and 31 December 2002	104,271
NET BOOK VALUE:	
At 31 December 2002	104,271
At 31 December 2001	104,271

	Loan to subsidiary £
At 1 January 2002 and 31 December 2002	2,343

4. **FIXED ASSET INVESTMENTS - continued**

The investment relates to the holding of 100% of the issued share capital in LD-Ukraine, a company registered in Ukraine.

Registered address: 6 Chervonykh Avenue, City of Kyiv, 04073, Ukraine.

Registered number: 31093996

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2002	2001
	£	£
Other debtors	2	2

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2002	2001
	£	£
Loan - shareholders	78,649	78,649

The loan is unsecured, interest free and repayable upon demand.

7. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2002	2001
	£	£
Loan - Tahia Limited	3,648	3,552
Loan - Bedale Limited	42,214	41,108
	45,862	44,660

Both loans are unsecured and interest is charged on an annual basis of 3%.

8. **CALLED UP SHARE CAPITAL**

Authorised:

Number:	Class:	Nominal value:	2002 £	2001 £
1,000,000	Ordinary	£1	1,000,000	1,000,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2002 £	2001 £
2	Ordinary	£1	2	2

9. **RESERVES**

	Profit and loss account £
At 1 January 2002	(10,887)
Loss for the year	(1,480)
At 31 December 2002	(12,367)

LIO DEVELOPMENTS LIMITED

REPORT OF THE ACCOUNTANTS TO THE DIRECTOR OF
LIO DEVELOPMENTS LIMITED

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 December 2002 set out on pages three to seven and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Jordans Accounting Services
21 St Thomas Street
Bristol
BS1 6JS

Dated: 22 July 2003

LIO DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2002

	2002		2001	
	£	£	£	£
Income		-		-
Other income				
Bank interest received		5		-
		5		-
Expenditure				
Consultancy fees	-		10,613	
Foreign exchange losses	124		-	
		124		10,613
		(119)		(10,613)
Finance costs				
Bank charges	159		190	
Loan interest	1,202		84	
		1,361		274
NET LOSS		£(1,480)		£(10,887)