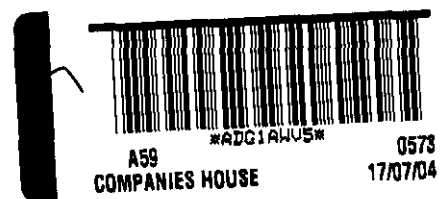


COMPANY NUMBER:
3927746

A KIND OF MAGIC LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 AUGUST 2003

RICHARD MANN & CO.
CHARTERED ACCOUNTANTS
294A LYMINGTON ROAD
HIGHCLIFFE
CHRISTCHURCH
DORSET
BH23 5ET



A KIND OF MAGIC LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 28 AUGUST 2003

The directors present their report and the financial statements for the year ended 28 August 2003.

Principal Activities

The company was incorporated with the intention of acquiring and operating motor vessels for charter. At the Balance sheet date the company has yet to acquire its first vessel and has therefore not traded.

Directors' Interests

The directors of the company during the year and their interests in the share capital of the company as recorded in the register of directors' interests were as follows:

| | 2003 | 2002 |
|------------------------------------|---------------|------|
| | No. of shares | |
| A Wilkinson | 51 | 51 |
| D J Aylmore (resigned 24/2/03) | - | 49 |
| Mrs M J Martin (appointed 27/2/04) | 49 | - |

Responsibilities Of The Directors

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the 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 on01-06-04..... in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (Effective June 2002).

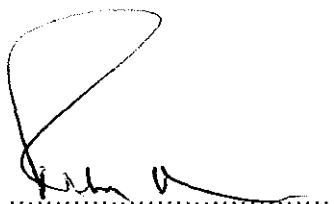
On Behalf Of The Board



A Wilkinson

ACCOUNTANTS' REPORT
TO THE DIRECTORS OF A KIND OF MAGIC LIMITED

You are responsible for the preparation of the financial statements for the year ended 28 August 2003 set out on pages 3 to 4 and you consider that the company is exempt from an audit and a report under section 249A(2) of the Companies Act 1985. 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.



.....G.....

Dated12-7-04.....

Richard Mann & Co.
Chartered Accountants
294a Lymington Road
Highcliffe
Christchurch
Dorset
BH23 5ET

A KIND OF MAGIC LIMITED
BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28 AUGUST 2003

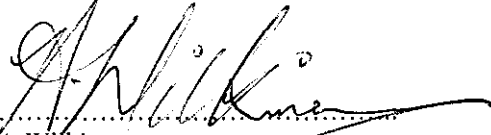
The company has not traded during the year receiving no income and incurring no expenditure therefore making neither profit nor loss.

BALANCE SHEET AT 28 AUGUST 2003

| | Note | 2003 | 2002 |
|--|------|------|------|
| | | £ | £ |
| Current Assets | | | |
| Debtors | | 100 | 100 |
| Net Current Assets | | 100 | 100 |
| Total Assets Less Current Liabilities | | 100 | 100 |
| Net Assets | | £100 | £100 |
| Capital And Reserves | | | |
| Called Up Share Capital | 2 | 100 | 100 |
| Shareholders' Funds | | £100 | £100 |

- a) For the year ended 28 August 2003 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
- b) Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.
- c) The directors acknowledge their responsibility for:
- i) ensuring the company keeps accounting records which comply with section 221, and
 - ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of Companies Act relating to accounts, so far as applicable to the company.

Approved by the directors on 01-06-04


A Wilkinson

The annexed notes form part of these financial statements.

A KIND OF MAGIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 AUGUST 2003

1. Accounting Policies

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

2. Share Capital

| | 2003 | 2002 |
|--|-------------------|-------------------|
| | £ | £ |
| Authorised | | |
| Ordinary Shares of £1 each | 1,000 | 1,000 |
| | <u> </u> | <u> </u> |
| | £ | £ |
| Allotted, Called Up And Partly Paid | | |
| Ordinary Shares of £1 each | 100 | 100 |
| | <u> </u> | <u> </u> |

3. Debtors

| | 2003 | 2002 |
|-----------------------------|-------------------|-------------------|
| | £ | £ |
| Due Within One Year: | | |
| Other Debtors | 100 | 100 |
| | <u> </u> | <u> </u> |