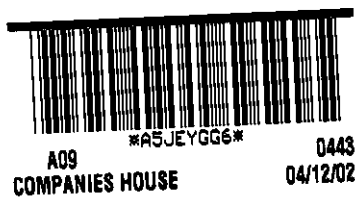


SAC International Plc

Directors' Report and Financial Statements

Year ended 30 June 2002

Registered number: 1059009



# SAC International plc

## Directors' report

The directors present their report and financial statements for the year ended 30 June 2002.

### Business activity

The principal activity of the Company is the holding of investments in other group companies.

### Results and dividends

The Company did not trade during the year, and the directors do not recommend the payment of a dividend. The Company's expenses were met by its parent company during the year.

### Directors and directors' interests

The directors who served during the year were:

R J Westhead  
M F Wightman  
A R Goodburn

No director held any beneficial interest in the shares of the Company during the year.

R J Westhead and A R Goodburn are directors of Ricardo plc and their interests in the share capital of that company are disclosed in the financial statements of that company.

The interest of M F Wightman in the share capital of the ultimate holding company, Ricardo plc, is as follows:

	Ordinary shares of 25p each	
	30 June 2002	30 June 2001
M F Wightman	23,038	17,450

Options over 25p ordinary shares				
	30 June 2001 Number of shares	Exercised	Granted	30 June 2002 Number of shares
M F Wightman	27,412	(3,186)	-	24,226

The options granted are exercisable at 114p, 114.8p and 281.6p up to March 2006.

M F Wightman also had a contingent interest in 3,165 shares at 30 June 2002 (2001: 4,086) representing the maximum number of shares to which he would become entitled under the Ricardo plc Long Term Incentive Plan, if all the relevant criteria were met.

No director had any interest in any contract entered into by the Company.

# **SAC International plc**

## **Statement of 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 year. 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;

state whether applicable accounting standards have been followed;

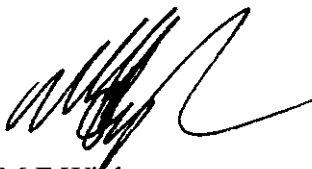
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

## **Auditors**

PricewaterhouseCoopers have indicated their willingness to continue in office and following the Company's resolution to dispense with annual general meetings, they are deemed to be re-appointed for each further succeeding financial year until further notice.

On behalf of the Board



M F Wightman  
Secretary

19 November 2002

# **SAC International plc**

## **Independent auditors' report to the members of SAC International plc.**

We have audited the financial statements on pages 4 to 8.

### **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 on page 2.

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.

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 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.

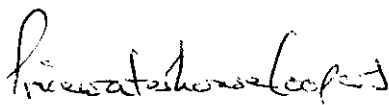
### **Basis of audit opinion**

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 30 June 2002 and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Southampton

19 November 2002

# SAC International plc

## Balance sheet as at 30 June 2002

	Notes	2002	2001
		£'000	£'000
<b>Fixed assets</b>			
Investments	4	299	299
<b>Current assets</b>			
Debtors	5	6,646	6,646
<b>Creditors – Amounts falling</b>			
<b>due within one year</b>	6	(1,262)	(1,262)
<b>Net current assets</b>		<b>5,384</b>	<b>5,384</b>
<b>Net assets</b>		<b>5,683</b>	<b>5,683</b>
<b>Capital and reserves</b>			
Called up share capital	7	2,036	2,036
Share premium account	8	3,497	3,497
Capital redemption reserve	8	44	44
Profit and loss account	8	106	106
<b>Equity shareholders' funds</b>		<b>5,683</b>	<b>5,683</b>

The financial statements on pages 4 to 8 were approved by the Board of Directors on 19 November 2002 and signed on its behalf by:



A R Goodburn  
Director

# **SAC International plc**

## **Notes to the financial statements for the year ended 30 June 2002**

### **1 Accounting policies**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### **a) Investments**

The investments in subsidiary companies are shown at cost, less any impairment in value.

#### **b) Group accounting**

The financial statements contain information on SAC International plc as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Ricardo plc, a Company registered in England and Wales.

### **2 Profit and loss account**

The Company is dormant and, consequently, has not traded during the years ended 30 June 2001 and 30 June 2002. Therefore, no profit and loss account has been prepared.

### **3 Directors' emoluments**

None of the directors received any emoluments in respect of his services to the Company (2001 - Nil).

# SAC International plc

## 4 Investments

Fixed asset investments	£'000
<b>Shares in group undertakings</b>	
At 1 July 2001 and 30 June 2002	2,071
<b>Provision for diminution in value</b>	
At 1 July 2001 and 30 June 2002	1,772
<b>Net book amount</b>	
At 30 June 2002	299
At 30 June 2001	299

At 30 June 2002, the Company owned, directly, the following subsidiaries:

Name of company	Ownership	Country of incorporation	Principal activity
Fenton Technology Design Limited	100%	England and Wales	Dormant
Flutsam Limited	100%	England and Wales	Dormant
Harvey Design Co Limited	100%	England and Wales	Dormant
Ricardo Pension Scheme (Trustees) Limited	100%	England and Wales	Dormant
Ricardo Technology Ltd	100%	England and Wales	Dormant
Sabre Designs Ltd & Sabre Controls (Willenhall) Ltd	100%	England and Wales	Dormant
SAC Technology Ltd	100%	England and Wales	Dormant
B&R Taylor (Holdings) Ltd	100%	England and Wales	Dormant

The Company has taken advantage of the merger relief available under Section 131 of the Companies Act 1985.

# SAC International plc

## 5 Debtors

	2002 £'000	2001 £'000
Amount owed by parent undertaking	6,645	6,645
Amounts owed by fellow subsidiary undertakings	1	1
	6,646	6,646

All of these amounts are due within one year of the balance sheet date.

## 6 Creditors - Amounts falling due within one year

	2002 £'000	2001 £'000
Amounts owed to subsidiary undertakings	1,262	1,262

## 7 Called up share capital

	2002 £'000	2001 £'000
<b>Authorised</b>		
28,000,000 ordinary shares of 10p each	2,800	2,800
<b>Allotted, called up and fully paid</b>		
20,360,000 ordinary shares of 10p each	2,036	2,036

## 8 Reserves

	Share Premium account £'000	Capital redemption reserve £'000	Profit & Loss Account £'000
At 1 July 2001 and 30 June 2002	3,497	44	106

## 9 Contingent liabilities

The Company has given an unlimited guarantee in respect of the bank overdrafts of other group companies, which amounted to £662,357 at 30 June 2002 (2001 - £5,639,702).



## **SAC International plc**

### **10 Cash flow statement and related party disclosures**

The Company is a wholly owned subsidiary of Ricardo plc and is included in the consolidated financial statements of Ricardo plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No. 1 (Revised 1996). The Company is also exempt under the terms of Financial Reporting Standard No. 8 from disclosing related party transactions with entities that are part of Ricardo plc, or investees of Ricardo plc qualifying as related parties.

### **11 Holding company**

Ricardo plc, which is registered in England, is the ultimate holding company as at 30 June 2002. Copies of the consolidated accounts of Ricardo plc, which is the largest and smallest group for which group accounts are prepared and of which SAC International plc is a member, are available from the Company Secretary, Ricardo plc, Bridge Works, Shoreham-by-Sea, West Sussex, BN43 5FG.