

SAC International Plc

Directors' Report and Financial Statements

Year ended 30 June 2003

Registered number: 1059009



SAC International plc

Directors' report

The directors present their report and financial statements for the year ended 30 June 2003.

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 propose 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:-

	30 June 2003 Number of shares	30 June 2002 Number of shares
Ordinary shares of 25p each	24,903	23,038
Options over shares of 25p each	24,347	24,226

The options granted are exercisable at 114p, 114.8p and 223.4p up to August 2006.

M F Wightman also had a contingent interest in 2,121 shares at 30 June 2003 (2002: 3,265) 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.

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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

SAC International plc has dispensed with the obligation to appoint auditors annually under Section 386 of the Companies Act 1985.

Following a change in the legal status of the auditors to a Limited Liability Partnership (LLP), on 1 January 2003, PricewaterhouseCoopers resigned as auditors on 18 February 2003 and the directors appointed PricewaterhouseCoopers LLP in their place.

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed. In view of the dispensation of the obligation to appoint auditors annually, no resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board



M F Wightman
Secretary

19 February 2004

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. 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 into 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 regarding Directors' remuneration and transactions is not disclosed.

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 judgments 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 2003 and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Southampton

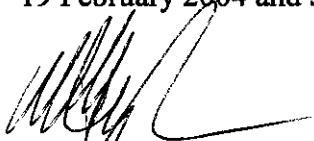
24 February 2004

SAC International plc

Balance sheet as at 30 June 2003

	Notes	2003	2002
		£'000	£'000
Fixed assets			
Investments	4	299	299
Current assets			
Debtors	5	6,646	6,646
Creditors – Amounts falling due within one year	6	(1,262)	(1,262)
Net current assets		5,384	5,384
Net assets		5,683	5,683
Capital and reserves			
Called up share capital	7	2,036	2,036
Share premium account	8	3,497	3,497
Revaluation reserve	8	-	-
Capital redemption reserve	8	44	44
Profit and loss account	8	106	106
Equity shareholders' funds		5,683	5,683

The financial statements on pages 4 to 8 were approved by the Board of Directors on 19 February 2004 and signed on its behalf by:



MF Wightman
Director

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Notes to the financial statements for the year ended 30 June 2003

1 Accounting policies

The financial statements have been prepared 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 2002 and 30 June 2003. Therefore, no profit and loss account has been prepared.

Auditors' remuneration has been borne by the Company's ultimate parent company.

3 Directors emoluments

None of the directors received any emoluments in respect of their services to the Company (2002 - Nil).

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4 Investments

Fixed asset investments	£'000
Shares in group undertakings	
At 1 July 2002	2,071
At 30 June 2003	2,071
Provision for diminution in value	
At 1 July 2002	1,772
At 30 June 2003	1,772
Net book amount	
At 30 June 2003	299

At 30 June 2003, 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.

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5 Debtors

	2003	2002
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 unsecured and are repayable on demand.

6 Creditors - Amounts falling due within one year

	2003 £'000	2002 £'000
Amounts owed to subsidiary undertakings	1,262	1,262

Amounts owed to subsidiary undertakings are unsecured and repayable on demand.

7 Called up share capital

	2003 £'000	2002 £'000
Authorised		
28,000,000 ordinary shares of 10p each	2,800	2,800
Allotted, called up and fully paid		
20,360,000 ordinary shares of 10p each	2,036	2,036

8 Reserves

	Share Premium account £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Profit & Loss Account £'000
At 1 July 2002	3,497	-	44	106
At 30 June 2003	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 Nil at 30 June 2003 (2002 - £662,357).

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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 2003. 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.