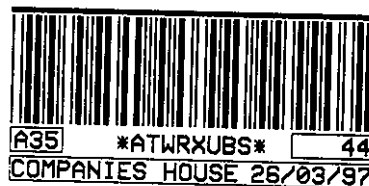


RAC

REGISTERED NUMBER: 2718351 (England and Wales)

Report of the Director and  
Financial Statements for the Year Ended 31 May 1996  
for  
Senator Corporation Ltd



Index to the Financial Statements  
for the Year Ended 31 May 1996

	Page
Company Information	1
Report of the Director	2
Report of the Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6

**Senator Corporation Ltd**

**Company Information**  
**for the Year Ended 31 May 1996**

<b>DIRECTOR:</b>	G Antinori
<b>SECRETARY:</b>	F Amalfitano
<b>REGISTERED OFFICE:</b>	12 Vicarage Gardens London W8 4AH
<b>REGISTERED NUMBER:</b>	2718351 (England and Wales)
<b>AUDITORS:</b>	Roberts & Co Chartered Accountants Registered Auditors 136 Kensington Church Street London W8 4BH

## Senator Corporation Ltd

### Report of the Director for the Year Ended 31 May 1996

The director presents his report with the financial statements of the company for the year ended 31 May 1996.

#### **PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of a holding company and property investment.

#### **DIRECTOR**

G Antinori was the sole director during the year under review.

The director holding office at 31 May 1996 did not hold any beneficial interest in the issued share capital of the company at 1 June 1995 or 31 May 1996.

#### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

Company law requires the director 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 period. In preparing those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

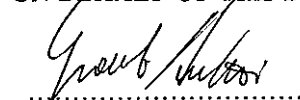
The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **AUDITORS**

The auditors, M J Ventham & Company, resigned during the year and Messrs Roberts & Co will be proposed for re-appointment in accordance with section 385A of the Companies Act 1985.

In preparing this report, the director has taken advantage of special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

#### **ON BEHALF OF THE BOARD:**



G Antinori - DIRECTOR

Dated: 21st June 1997

**Senator Corporation Ltd**

**Report of the Auditors to the Shareholders of**  
**Senator Corporation Ltd**

We have audited the financial statements on pages four to ten which have been prepared under the historical cost convention and the accounting policies set out on page six.

**Respective responsibilities of director and auditors**

As described on page two the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

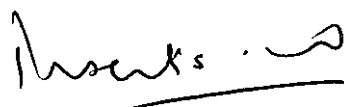
**Basis of opinion**

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 director 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 as at 31 May 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Roberts & Co  
Chartered Accountants  
Registered Auditors  
136 Kensington Church Street  
London  
W8 4BH

Dated:

21 March 1997

**Senator Corporation Ltd**

**Profit and Loss Account**  
**for the Year Ended 31 May 1996**

		1996	1995
	Notes	£	£
<b>TURNOVER</b>	2	34,858	-
Cost of sales		4,404	-
<b>GROSS PROFIT</b>		30,454	-
Administrative expenses		6,150	620
<b>OPERATING PROFIT/(LOSS)</b>	3	24,304	(620)
Interest payable and similar charges		12,911	-
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		11,393	(620)
Tax on profit/(loss) on ordinary activities		3,092	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		8,301	(620)
Deficit brought forward		(1,623)	(1,003)
<b>RETAINED PROFIT/(DEFICIT) CARRIED FORWARD</b>		£6,678	£(1,623)

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current and previous years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

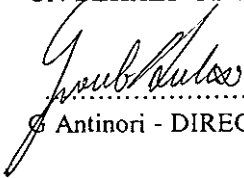
**Senator Corporation Ltd**

**Balance Sheet**  
**31 May 1996**

		1996		1995	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	4		347,751		-
Investments	5		558,625		514,431
			<u>906,376</u>		<u>514,431</u>
<b>CURRENT ASSETS:</b>					
Debtors	6	3,447		5	
Cash at bank		<u>7,517</u>		<u>-</u>	
		10,964		5	
<b>CREDITORS: Amounts falling due within one year</b>	7	<u>727,988</u>		<u>515,959</u>	
<b>NET CURRENT LIABILITIES:</b>			<u>(717,024)</u>		<u>(515,954)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			189,352		(1,523)
<b>CREDITORS: Amounts falling due after more than one year</b>	8		<u>182,574</u>		<u>-</u>
			<u>£6,778</u>		<u>£(1,523)</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	11		100		100
Profit and loss account			<u>6,678</u>		<u>(1,623)</u>
Shareholders' funds	13		<u>£6,778</u>		<u>£(1,523)</u>

In preparing these financial statements, the director has taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. The director has done so on the grounds that, in his opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**

  
G. Antinori - DIRECTOR

Approved by the Board on .....

21st March 1997

**Notes to the Financial Statements**  
**for the Year Ended 31 May 1996**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Financial Reporting Standard Number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

**Turnover**

Turnover represents rental income receivable.

**Tangible fixed assets**

No depreciation is provided on land and buildings as, in the director's opinion, the market value is in excess of cost.

**Deferred taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

**Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated into sterling at the rate 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 the transaction. Exchange differences are taken into account in arriving at the operating result. Where the company has used foreign currency borrowings to finance foreign equity investments and long term loans intended to be as permanent as equity, the carrying costs of the investments has been re-translated at the balance sheet date and any gain or loss arising has been set off against the gain or loss on translation of the borrowings within reserves.

**2. TURNOVER**

The turnover and profit (1995 - loss) before taxation are attributable to the principal activities of the company.

**3. OPERATING PROFIT/(LOSS)**

The operating profit (1995 - operating loss) is stated after charging:

	1996	1995
	£	£
Auditors' remuneration	823	294
	<u>      </u>	<u>      </u>
Director's emoluments	2,500	-
	<u>      </u>	<u>      </u>



**Senator Corporation Ltd**

**Notes to the Financial Statements**  
**for the Year Ended 31 May 1996**

**4. TANGIBLE FIXED ASSETS**

	Land and buildings
	£
<b>COST:</b>	
Additions	347,751
At 31 May 1996	347,751
<b>NET BOOK VALUE:</b>	
At 31 May 1996	347,751

**5. FIXED ASSET INVESTMENTS**

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Country of incorporation: Italy

Nature of business: Building materials supplier

Class of shares                      % holding

Ordinary                              9.80

**Apagest SRL**

Country of incorporation: Italy

Nature of business: Investment holding compan

Class of shares:                              %  
 Ordinary                                      holding  
    24.00

	31.12.95	31.12.94
	£	£
Aggregate capital and reserves	7,039	7,997
(Loss)/Profit for the year	(1,423)	633

Investments (neither listed nor unlisted) were as follows:

	1996	1995
	£	£
Shares	83,723	77,099
Loans	474,902	437,332
	558,625	514,431

Notes to the Financial Statements  
for the Year Ended 31 May 1996

6. DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR

	1996 £	1995 £
Trade debtors	3,440	-
Other debtors	7	5
	<u>3,447</u>	<u>5</u>

7. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR

	1996 £	1995 £
Loans (see note 9)	21,910	-
Due to holding company	673,005	514,335
Other creditors	28,105	684
Taxation	3,092	-
Accrued expenses	1,876	940
	<u>727,988</u>	<u>515,959</u>

8. CREDITORS: AMOUNTS FALLING  
DUE AFTER MORE THAN ONE YEAR

	1996 £	1995 £
Loans (see note 9)	<u>182,574</u>	<u>-</u>

Senator Corporation Ltd

Notes to the Financial Statements  
for the Year Ended 31 May 1996

9. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	1996 £	1995 £
Amounts falling due within one year or on demand:		
Loans	<u>21,910</u>	<u>-</u>
Amounts falling due between one and two years:		
Loans	<u>21,910</u>	<u>-</u>
Amounts falling due between two and five years:		
Loans	<u>65,729</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Loans	<u>94,935</u>	<u>-</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	1996 £	1995 £
Loans	<u>204,484</u>	<u>-</u>

11. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	1996 £	1995 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	1996 £	1995 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

12. ULTIMATE PARENT COMPANY

The ultimate holding company is Senator International S.A., a company incorporated in the British Virgin Islands.

**Notes to the Financial Statements**  
**for the Year Ended 31 May 1996**

**13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1996	1995
	£	£
Profit/(Loss) for the financial year	8,301	(620)
Other recognised gains and losses relating to the year		
Profit (1995 loss) on translation of equity and loan investments	44,194	(42,439)
Loss (1995 profit) on translation of holding company loan	(44,194)	42,439
New shares		
	<hr/>	<hr/>
<b>NET ADDITION/(REDUCTION) TO SHAREHOLDERS' FUNDS</b>	8,301	(620)
Opening shareholders' funds	(1,523)	(903)
	<hr/>	<hr/>
<b>CLOSING SHAREHOLDERS' FUNDS</b>	6,778	(1,523)
	<hr/>	<hr/>
Equity interests	6,778	(1,523)
	<hr/>	<hr/>