

Report of the Director and
Financial Statements for the Year Ended 31 May 1997
for
Senator Corporation Ltd



Senator Corporation Ltd

Index to the Financial Statements
for the Year Ended 31 May 1997

	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 1997

DIRECTOR: G Antinori

SECRETARY: F Amalfitano

REGISTERED OFFICE: 12 Vicarage Gardens
London
W8 4AH

REGISTERED NUMBER: 2718351 (England and Wales)

AUDITORS: 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 1997

The director presents his report with the financial statements of the company for the year ended 31 May 1997.

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 1997 did not hold any beneficial interest in the issued share capital of the company at 1 June 1996 or 31 May 1997.

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.

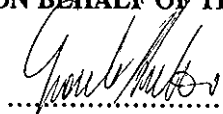
The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets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

AUDITORS

The auditors, Roberts & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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:


.....
G Antinori - DIRECTOR

Dated: 9th February 1998

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.

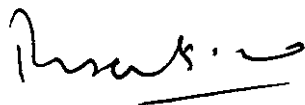
Basis of opinion

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 31st May 1997 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: 9 June 1998

Senator Corporation Ltd

Profit and Loss Account
for the Year Ended 31 May 1997

		1997	1996
	Notes	£	£
TURNOVER	2	49,982	34,858
Cost of sales		8,004	4,404
GROSS PROFIT		41,978	30,454
Administrative expenses		6,880	6,150
OPERATING PROFIT	3	35,098	24,304
Interest payable and similar charges		17,199	12,911
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		17,899	11,393
Tax on profit on ordinary activities	4	4,703	3,092
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		13,196	8,301
Retained profit/(deficit) brought forward		6,678	(1,623)
RETAINED PROFIT CARRIED FORWARD		£19,874	£6,678

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 profits for the current and previous years.

Senator Corporation Ltd

Balance Sheet

31 May 1997

		1997		1996	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		347,751		347,751
Investments	6		484,069		558,625
			<u>831,820</u>		<u>906,376</u>
CURRENT ASSETS:					
Debtors	7	7,752		3,447	
Cash at bank		<u>7,336</u>		<u>7,517</u>	
		15,088		10,964	
CREDITORS: Amounts falling due within one year	8	<u>662,977</u>		<u>727,988</u>	
NET CURRENT LIABILITIES:			<u>(647,889)</u>		<u>(717,024)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			183,931		189,352
CREDITORS: Amounts falling due after more than one year	9		<u>163,957</u>		<u>182,574</u>
			<u>£19,974</u>		<u>£6,778</u>
CAPITAL AND RESERVES:					
Called up share capital	12		100		100
Profit and loss account			<u>19,874</u>		<u>6,678</u>
Shareholders' funds	14		<u>£19,974</u>		<u>£6,778</u>

These financial statements have 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:



 G. Antinori - DIRECTOR

Approved by the Board on 9th February 1998

Senator Corporation Ltd

Notes to the Financial Statements **for the Year Ended 31 May 1997**

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 before taxation are attributable to the principal activities of the company.

3. OPERATING PROFIT

The operating profit is stated after charging:

	1997	1996
	£	£
Auditors' remuneration	588	823
	<u> </u>	<u> </u>
Director's emoluments and other benefits etc	2,500	2,500
	<u> </u>	<u> </u>

4. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	1997	1996
	£	£
UK Corporation Tax	4,703	3,092
	<u> </u>	<u> </u>

UK Corporation Tax has been charged at 23.50% (1996 - 24.80%).

Senator Corporation Ltd

Notes to the Financial Statements
for the Year Ended 31 May 1997

5. TANGIBLE FIXED ASSETS

	Land and buildings
	£
COST:	
At 1 June 1996	
and 31 May 1997	347,751
NET BOOK VALUE:	
At 31 May 1997	347,751
At 31 May 1996	347,751

6. FIXED ASSET INVESTMENTS

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

Vibrosolai Italia SRL

Country of incorporation: Italy

Nature of business: Building materials supplier

Class of shares:	%
Ordinary	holding 9.80

Apagest SRL

Country of incorporation: Italy

Nature of business: Investment holding company

Class of shares:	%
Ordinary	holding 24.00

Investments (neither listed nor unlisted) were as follows:

	1997	1996
	£	£
Shares	72,549	83,723
Loans	411,520	474,902
	484,069	558,625

The company has commenced litigation to secure the recovery of these investments and no provision has been made for any loss which might arise.

Senator Corporation Ltd

Notes to the Financial Statements
for the Year Ended 31 May 1997

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

	1997	1996
	£	£
Trade debtors	7,285	3,440
Other debtors	467	7
	<u>7,752</u>	<u>3,447</u>

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

	1997	1996
	£	£
Loans		
(see note 10)	22,359	21,910
Due to holding company	598,449	673,005
Other creditors	35,968	28,105
Taxation	4,703	3,092
Accrued expenses	1,498	1,876
	<u>662,977</u>	<u>727,988</u>

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

	1997	1996
	£	£
Bank loans		
(see note 10)	1,347	-
Loans		
(see note 10)	162,610	182,574
	<u>163,957</u>	<u>182,574</u>

Senator Corporation Ltd

Notes to the Financial Statements
for the Year Ended 31 May 1997

10. LOANS AND OVERDRAFTS

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

	1997 £	1996 £
Amounts falling due within one year or on demand:		
Loans	<u>22,359</u>	<u>21,910</u>
Amounts falling due between one and two years:		
Loans	<u>22,359</u>	<u>21,910</u>
Amounts falling due between two and five years:		
Bank loans	1,347	-
Loans	<u>65,729</u>	<u>65,729</u>
	<u>67,076</u>	<u>65,729</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Loans	<u>74,522</u>	<u>94,935</u>

11. SECURED DEBTS

The following secured debts are included within creditors:

	1997 £	1996 £
Loans	<u>184,969</u>	<u>204,484</u>

12. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	1997 £	1996 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	1997 £	1996 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

Senator Corporation Ltd

Notes to the Financial Statements
for the Year Ended 31 May 1997

13. ULTIMATE PARENT COMPANY

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

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997	1996
	£	£
Profit for the financial year	13,196	8,301
Other recognised gains and losses relating to the year		
Loss (1996 profit) on translation of equity and loan investments	(74,556)	44,194
Profit (1996 loss) on translation of holding company loan	74,556	(44,194)
New shares		
NET ADDITION TO SHAREHOLDERS' FUNDS	13,196	8,301
Opening shareholders' funds	6,778	(1,523)
CLOSING SHAREHOLDERS' FUNDS	19,974	6,778
Equity interests	19,974	6,778