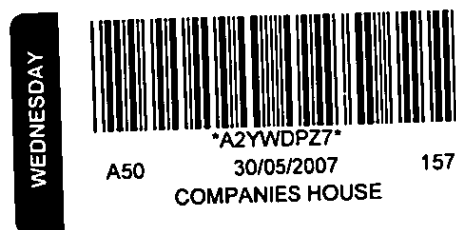


SANDPRIDE LIMITED

ACCOUNTS FOR THE YEAR ENDED 31st JULY 2006



Company Registration Number 2910930

SANDPRIDE LIMITED

REPORT OF THE DIRECTOR

The director presents his report and financial statements for the year ended 31st July 2006

DIRECTOR

The director who held office during the year was Mr N A S Merrick

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is that of property investment, acquisition and development and trading in commodity futures and options

The director considered the results for the year to be disappointing, in part caused by the continuing fall in the sterling value of the dollar investments, but the financial position at the year-end remains satisfactory

DIRECTOR'S INTEREST

The director who held office at the end of the year had the following interest in the share capital of the company at the beginning and end of the year

	Ordinary £1 Shares
Mr N A S Merrick	100

DIVIDEND

The director did not recommend a payment of a final dividend

SANDPRIDE LIMITED

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 the company's affairs and of its profit and loss for that year. In preparing those financial statements, the director is 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 a 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.



Mr N A S Merrick
Director

21st May 2007

SANDPRIDE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st JULY 2006

	Notes	2006	2005
		£	£
TURNOVER	2	168	3,204
COST OF SALES		(1,770)	(7,318)
OPERATING (LOSS)/PROFIT		(1,602)	(4,114)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,602)	(4,114)
TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	5	0	3,600
LOSS FOR THE YEAR		(1,602)	(7,714)
RETAINED (LOSS)/ PROFIT FOR THE YEAR		(1,602)	(7,714)

All the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

SANDPRIDE LIMITED

BALANCE SHEET

AS AT 31st JULY 2006

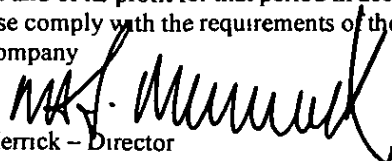
	Notes	2006	2005
		£	£
FIXED ASSETS	3	330	440
CURRENT ASSETS			
DEBTORS	4	4,769	0
CASH		850	46
SECURITIES & DEPOSITS AT MARKET VALUATION		18,560	30,969
		<u>24,179</u>	<u>31,015</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	5	23,400	28,744
NET CURRENT ASSETS		<u>779</u>	<u>2,271</u>
NET ASSETS		<u>1,109</u>	<u>2,711</u>
CAPITAL & RESERVES			
CALLED UP SHARE CAPITAL	7	100	100
PROFIT & LOSS ACCOUNT	8	1,009	2,611
SHAREHOLDER'S EQUITY		<u>1,109</u>	<u>2,711</u>

For the year ended 31st July 2006 the company was entitled to total exemption from audit under the provisions of section 249A(1) of the Companies Act 1985, no notice under section 249B(2) in relation to the financial period have been deposited at the company's registered office

The director acknowledges his responsibilities for

- Ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985,
- Preparing financial statements which give a true and fair view of the affairs of the company as at the year end and of its profit for that period in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Act, relating to financial statements, so far as applicable to the company

Mr N A S Merrick – Director



Approved by the director on 21st May 2007

SANDPRIDE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st JULY 2006

1 ACCOUNTING POLICIES

a Basis of preparation

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

b Deferred Taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded, as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

c Turnover

Turnover represents the invoiced value of services sold and the net surplus or deficit arising from the trading in commodities futures contracts.

d Foreign Currency

Monetary assets and liabilities denominated in foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currency are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

2 TURNOVER

Turnover arising from sales in the United Kingdom £3,051 (2005 - £6,140), net deficit on commodity trading in the United States of America £2,883 (2005 - net deficit of £2,936)

SANDPRIDE LIMITED

	2006 £	2005 £
3 FIXED ASSETS		
At Cost	586	586
Depreciation	(256)	(146)
	<hr/> 330	<hr/> 440

4 DEBTORS		
Amounts falling due in one year		
Advances repayable within one year	4,769	0
	<hr/> 4,769	<hr/> 0

5 CREDITORS – DUE WITHIN ONE YEAR		
Loans	23,000	28,344
Trade Creditors	400	400
Taxation	0	0
	<hr/> 23,400	<hr/> 28,744

SANDPRIDE LIMITED

	2006	2005
6 TAX ON PROFIT ON ORDINARY ACTIVITIES		
	£	£
Corporation tax on profits for the period	nil	3,600

There is no material difference between the tax losses/profits arising in the year and the losses/profits on ordinary activities before taxation

The company has estimated losses of £89,000 (2005 £87,000) available for carry forward against future profits

There is a potential deferred tax asset of approximately £6,000 (2005 £6,000), which has not been recognised in the financial statements due to the timescale as to its recoverability

7 CALLED UP SHARE CAPITAL		
	£	£
Authorised share capital	1,000	1,000
Allotted, called up and fully paid 100 Ordinary £1 shares	100	100

8 PROFIT AND LOSS ACCOUNT		
	£	£
Profit and Loss Account at 1 st August 2005	2,611	10,325
(Loss)/Profit for the year	(1,602)	(7,714)
Profit and Loss Account at 31 st July 2006	1,009	2,611

SANDPRIDE LIMITED

9 DIRECTOR'S INTERESTS IN CONTRACTS

During the year Shaun Merrick received fees of £nil (2005 - £6,363) related to advances made to the Company in connection with property development projects entered into by the Company

10 CONTROLLING PARTY

N A S Merrick is the controlling party