

# SANDPRIDE LIMITED

ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> JULY 2012



Company Registration Number 2910930

# **SANDPRIDE LIMITED**

## **REPORT OF THE DIRECTOR**

The director presents his report and financial statements for the year ended 31<sup>st</sup> July 2012

### **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 trading in commodity futures and options. The company held deposits in the USA with Peregrine Financial Group Inc, a futures commission merchant headquartered in Cedar Falls, Iowa, where Russell Wasendorf was the owner and former chief executive.

In August 2012 a major fraud came to light in PFG and in a plea agreement, Wasendorf admitted that, from about the early 1990s through about July of 2012, he stole millions of dollars from PFG's customers. Wasendorf admitted he stole the funds, at least in part, by withdrawing money secretly from a customer segregated bank account and then by omitting the withdrawals from and inflating the balances on forged bank statements purportedly issued by the bank. Wasendorf admitted that the forged bank statements overstated the amount of customer funds in the account by more than \$200 million. Wasendorf admitted he prevented regulators from discovering his crimes by submitting false periodic reports and forged bank account verification forms to the National Futures Association and the Commodity Futures Trading Commission.

The majority of the company's deposits held at PFG have been lost. However, the company's creditor lending was tied to the profitability of the underlying trading strategies and hence most of the shortfall will be met by a diminution of matching liabilities.

# SANDPRIDE LIMITED

## 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

## 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 2006. 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

19<sup>th</sup> April 2013

# SANDPRIDE LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31<sup>st</sup> JULY 2012

	Notes	2012	2011
		£	£
TURNOVER	2	1,593	799
COST OF SALES		<u>152</u>	<u>84</u>
OPERATING PROFIT/(LOSS)		1,441	715
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,441	715
TAX ON PROFIT/LOSS ON ORDINARY ACTIVITIES	6	<u>0</u>	<u>0</u>
PROFIT/(LOSS) FOR THE YEAR		<u>1,441</u>	<u>715</u>
RETAINED (LOSS)/ PROFIT FOR THE YEAR		1,441	715

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 31<sup>st</sup> JULY 2012

	Notes	2012	2011
		£	£
FIXED ASSETS	3	0	84
CURRENT ASSETS			
DEBTORS	4	6,738	6,173
CASH		57	11
SECURITIES & DEPOSITS AT MARKET VALUATION		10,520	9,605
		<u>17,315</u>	<u>15,790</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	5	23,000	23,000
NET CURRENT ASSETS		(5,685)	(7,210)
NET ASSETS		<u>(5,685)</u>	<u>(7,126)</u>
CAPITAL & RESERVES			
CALLED UP SHARE CAPITAL	7	100	100
PROFIT & LOSS ACCOUNT	8	(5,785)	(7,226)
SHAREHOLDER'S EQUITY		<u>(5,685)</u>	<u>(7,126)</u>

For the year ended 31<sup>st</sup> July 2012 the company was entitled to exemption from audit under section 477 of the Companies Act 2006

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006

The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts



Mr N A S Merrick - Director

Approved by the director on 19<sup>th</sup> April 2013

# SANDPRIDE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>st</sup> JULY 2012

### 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 £678 (2011 - £1,153), net profit on commodity trading in the United States of America -£915 (2011 - £354)

# SANDPRIDE LIMITED

	2012 £	2011 £
<b>3 FIXED ASSETS</b>		
At Cost	84	105
Loss on disposal	(84)	
Depreciation	0	21
	<hr/> 0	<hr/> 84

<b>4 DEBTORS</b>		
Amounts falling due in one year		
Advances repayable within one year	6,738	6,173
	<hr/> 6,738	<hr/> 6,173

<b>5 CREDITORS – DUE WITHIN ONE YEAR</b>		
Loans	23,000	23,000
Trade Creditors	0	0
Taxation	0	0
	<hr/> 23,000	<hr/> 23,000

# SANDPRIDE LIMITED

	2012	2011
<b>6 TAX ON PROFIT ON ORDINARY ACTIVITIES</b>		
	£	£
Corporation tax on profits for the period	nil	nil
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 £94,958 (2011 £96,400) available for carry forward against future profits		
 <b>7 CALLED UP SHARE CAPITAL</b>		
	£	£
Authorised share capital	1,000	1,000
Allotted, called up and fully paid 100 Ordinary £1 shares	100	100
 <b>8 PROFIT AND LOSS ACCOUNT</b>		
	£	£
Profit and Loss Account at 1 <sup>st</sup> August 2011	(7,226)	(7,941)
Profit/(Loss) for the year	1,441	715
Profit and Loss Account at 31 <sup>st</sup> July 2012	(5,785)	(7,226)



# SANDPRIDE LIMITED

## 9 DIRECTOR'S INTERESTS IN CONTRACTS

During the year Shaun Merrick received fees of £ nil (2011 nil) related to undertakings made to the Company in connection with commodity trading transactions entered into by the Company

## 10 CONTROLLING PARTY

N A S Merrick is the controlling party

## 11 POST BALANCE SHEET EVENTS

The company held deposits in the USA with Peregrine Financial Group Inc , a futures commission merchant headquartered in Cedar Falls, Iowa, where Russell Wasendorf was the owner and former chief executive

In August 2012 a major fraud came to light in PFG and in a plea agreement Russell Wasendorf admitted that, from about the early 1990s through about July of 2012, he stole millions of dollars from PFG's customers. Wasendorf admitted he stole the funds, at least in part, by withdrawing money secretly from a customer segregated bank account and then by omitting the withdrawals from and inflating the balances on forged bank statements purportedly issued by the bank. Wasendorf admitted that the forged bank statements overstated the amount of customer funds in the account by more than \$200 million. Wasendorf admitted he prevented regulators from discovering his crimes by submitting false periodic reports and forged bank account verification forms to the National Futures Association and the Commodity Futures Trading Commission.

A large proportion of the company's deposits held at PFG have been lost. However, the company's creditor lending was tied to the profitability of the underlying trading strategies and hence most of the shortfall will be met by a diminution of matching liabilities.