

Company Registration No. 2991809

SANDCOURT LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997

11132NM-1997

Registered Office
23 Bullescroft Road
Edgeware
Middlesex
HA8 8RN



SANDCOURT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1997

The directors present their report and financial statements for the year ended 30 June 1997.

Principal Activities and Review of the Business

The principal activity of the company continued to be that of an investment company.

The directors expect the present level of activity to increase in the foreseeable future.

Results and Dividends

The results for the year are set out on page 4.

It is proposed that the retained profit of £ 9,251 is transferred to reserves.

Directors

The following directors have held office since the beginning of the year

M.W. Denton	(Resigned 20 August 1997)
A M Taylor	(Appointed 1 June 1998)
L R Taylor	(Appointed 1 June 1998)
J Butterfield	(Appointed 20 August 1997 and resigned 1 June 1998)
F M Forrai	(Appointed 20 August 1997 and resigned 1 June 1998)
J.D. Parker	(Appointed 20 August 1997)
J.R. Beardsley	(Resigned 13 December 1996)

The Directors had no interest in the issued share capital of the company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Matthew Edwards & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.


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 period. 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;
- 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.

By order of the Board



J.D. Parker

Date 27-7-98

MATTHEW EDWARDS & CO
CHARTERED ACCOUNTANTS

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SANDCOURT LIMITED

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF SANDCOURT LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are 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, except that the scope of our work was limited as explained below. 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 judgements 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. However, the evidence available to us was limited because we were unable to obtain independent confirmation of the bank accounts and related information and have relied solely on bank statements provided to us to confirm bank balances held by the company. In addition, we were unable to verify the value of the investment stated at £1,498,322 as at the balance sheet date. There were no other satisfactory audit procedures that we could adopt to confirm these details.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

SANDCOURT LIMITED

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF SANDCOURT LIMITED**

Qualified Opinion arising from limitation in audit scope

Except for any adjustments or additional disclosures that may have been found to be necessary had we obtained independent confirmation of the bank balances and been able to verify the value of fixed asset investments, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our audit work relating to the above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

In all other respects, we have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

Matthew Edwards & Co
Matthew Edwards & Co.

Chartered Accountants
Registered Auditor

27-7-98

Clinch's House
Lord Street
Douglas
Isle of Man IM99 1RZ

SANDCOURT LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1997**

	Notes	1997 £	1996 £
Administrative expenses		(3,241)	(4,650)
Operating loss	2	(3,241)	(4,650)
Other interest receivable and similar income	3	18,146	6,552
Interest payable and similar charges	4	(1,199)	(453)
Profit on ordinary activities before taxation		13,706	1,449
Tax on profit on ordinary activities	5	(8,782)	-
Profit on ordinary activities after taxation	11	4,924	1,449

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

SANDCOURT LIMITED

**BALANCE SHEET
AS AT 30 JUNE 1997**

	Notes	1997 £	£	1996 £	£
Fixed Assets					
Investments	6		1,498,322		1,498,322
Current Assets					
Debtors	7	6,549		6,552	
Cash at bank and in hand		22,806		6,418	
		<u>29,355</u>		<u>12,970</u>	
Creditors: amounts falling due within one year	8	<u>(11,961)</u>		<u>(3,585)</u>	
Net Current Assets			17,394		9,385
Total Assets Less Current Liabilities			<u>1,515,716</u>		<u>1,507,707</u>
Creditors: amounts falling due after more than one year	9	<u>(1,512,815)</u>		<u>(1,509,730)</u>	
		<u>2,901</u>		<u>(2,023)</u>	
Capital and Reserves					
Called up share capital	10		1,000		1,000
Profit and loss account	11		1,901		(3,023)
Shareholders' Funds - equity interests	12		<u>2,901</u>		<u>(2,023)</u>

The financial statements were approved by the Board on 27-7-98.



J.D. Parker
Director

SANDCOURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1997

1 Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The financial statements have been prepared on the going concern basis. This is considered appropriate as the shareholders will continue to provide financial support to the company for the foreseeable future.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Foreign currency translation

The company's accounting records are maintained in Pounds Sterling.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

1.6 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

2 Operating Loss

1997	1996
£	£

Operating loss is stated after charging:

Auditors' remuneration	538	441
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3 Other Interest Receivable and Similar Income

1997	1996
£	£

Other interest	18,146	6,552
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4 Interest Payable and Similar Charges

1997	1996
£	£

Loss on exchange	1,199	453
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SANDCOURT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997**

5	Taxation	1997	1996
		£	£
	U.K. Current year taxation		
	U.K. Corporation tax at 33% (1996 - 0%)	8,782	-
		<u> </u>	<u> </u>

6 Fixed asset investments

	Shares in subsidiary undertakings	Loans in subsidiary undertakings	Total
	£	£	£
Cost			
At 1 July 1996 & at 30 June 1997	1,165,814	332,508	1,498,322
	<u> </u>	<u> </u>	<u> </u>

In the opinion of the directors, the aggregate value of the company's investment in participating interests is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Satrifel S.L.	Spain	ordinary	99

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Satrifel S.L.	960,878	(599)
	<u> </u>	<u> </u>

The loan represents an advance of PTAS 63,000,000 to the subsidiary. Interest is charged on the loan at a rate of 7.05% per annum.

7	Debtors	1997	1996
		£	£
	Other debtors	6,549	6,552
		<u> </u>	<u> </u>

SANDCOURT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997**

8 Creditors: amounts falling due within one year	1997	1996
	£	£
Corporation tax	8,782	-
Other creditors	2,679	3,085
Accruals and deferred income	500	500
	<u>11,961</u>	<u>3,585</u>
9 Creditors: amounts falling due after more than one year	1997	1996
	£	£
Shareholders Loan	<u>1,512,815</u>	<u>1,509,730</u>
Analysis of Loans		
Not wholly repayable within five years other than by instalments:	<u>1,512,815</u>	<u>1,509,730</u>
	<u>1,512,815</u>	<u>1,509,730</u>

The shareholders loan is interest free, unsecured and has no fixed repayment date.

10 Share Capital

The authorised share capital of the Company comprises 1000 ordinary £1 shares of which 1000 have been issued and are fully paid up (1996 - 1000).

11 Statement of Movements on Profit and Loss Account

	Profit and loss account £
Balance at 1 July 1996	(3,023)
Retained profit for the year	<u>4,924</u>
Balance at 30 June 1997	<u>1,901</u>

SANDCOURT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997**

12 Reconciliation of Movements in Shareholders' Funds	1997	1996
	£	£
Profit for the financial year	4,924	1,449
Opening shareholders' funds	(2,023)	(3,472)
	<hr/>	<hr/>
Closing shareholders' funds	2,901	(2,023)
	<hr/>	<hr/>

13 Contingent liabilities

There were no contingent liabilities as at the balance sheet date.

14 Capital Commitments

There were no major capital commitments as at the balance sheet date.

15 Employees

Number of employees

There were no employees during the year apart from the directors

16 Ultimate Controlling Party and Related Party Transactions

The directors are not aware of the identity of the ultimate controlling party. The directors are also unaware of any transactions during the period under review or any outstanding creditors or debtors at the balance sheet date with any related parties.