

3829343

**MAGNOGLIDE LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD
20 AUGUST 1999 TO 31 DECEMBER 2000**



MAGNOGLIDE LIMITED
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Period ended 31 December 2000

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Director

D Mills

Secretary and Registered Office

Mayfair Corporate Services Limited
80 Brook Street
London
W1K 5DD

Bankers

Barclays Bank plc
212 Regent Street
London
W1A 4BP

REGISTERED IN ENGLAND, NUMBER 3829343

MAGNOGLIDE LIMITED
Director's Report
Period ended 31 December 2000

The Directors present their report together with the financial statements for the period ended 31 December 2000.

PRINCIPAL ACTIVITY

The company was incorporated on 20 August 1999.

The principal activity of the company during the year was that of investing in European companies.

RESULTS

The loss for the financial period before taxation was £24,546.

DIRECTORS AND THEIR BENEFICIAL INTEREST

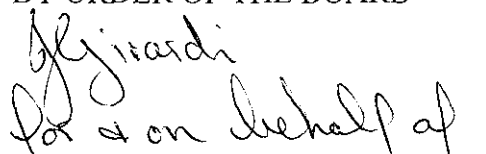
The Director during the period under review and any beneficial interest in the share capital of the company was as follows;

	Ordinary £1 shares <u>2000</u>
D Mills (appointed 1 September 1999)	-

BASIS OF PREPARATION

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000).

BY ORDER OF THE BOARD


for & on behalf of
Mayfair Corporate Services Limited
SECRETARY 2 APRIL 2002

MAGNOGLIDE LIMITED
Profit and Loss Account
Period ended 31 December 2000

	Note	20.08.99 to <u>31.12.00</u> £
TURNOVER	1	-
Administration expenses		<u>(24,546)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(24,546)
TAXATION ON ORDINARY ACTIVITIES	3	<u>-</u>
LOSS RETAINED FOR THE YEAR		(24,546)
RESERVES CARRIED FORWARD		<u>£(24,546)</u>

All of the company's operations are classed as continuing.

The company had no recognised gains and losses other than the result for the period.

The accompanying notes are an integral part of these financial statements.

MAGNOGLIDE LIMITED**Balance Sheet****31 December 2000**

	Note	<u>2000</u> £
FIXED ASSETS		
Investment	4	277,068
CURRENT ASSETS		
Bank balance		<u>1,057</u> 1,057
CREDITORS – due within one year	5	<u>1,000</u>
NET CURRENT ASSETS		<u>57</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£277,125</u>
CAPITAL AND RESERVES		
Shareholder's loan	6	300,671
Share capital (all equity)	7	1,000
Profit and loss account		<u>(24,546)</u> <u>£277,125</u>

The company is entitled to the exemption from audit under S249A(1) of the Companies Act 1989 for the period ended 31 December 2000. No notice has been deposited under S249B(2) in relation to this financial year.

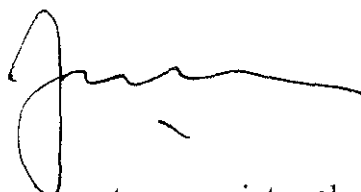
The director acknowledges his responsibility for:

- i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1989.
- ii) preparing financial statements which give a true and fair view of the state of the affairs of the company as at the year end and of its result for the year in accordance with section 226 of the Companies Act 1989 and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Approved on behalf of the Board on 2 APRIL 2002.

D Mills
DIRECTOR



The accompanying notes are an integral part of these financial statements.

MAGNOGLIDE LIMITED
Notes to the Financial Statements
31 December 2000

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention adopting the following accounting policies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

TURNOVER

Turnover represents amounts receivable for services invoiced and excludes value added tax.

DEFERRED TAXATION

Deferred taxation is not provided unless it is estimated with reasonable certainty to become payable in the foreseeable future.

CAPITAL INSTRUMENTS

FRS4, Capital Instruments has been adopted in the preparation of these financial statements. Capital instruments are accounted for and classified as equity or non-equity share capital, or debt, according to their form.

CASHFLOW STATEMENT

The requirement to prepare a cashflow statement under Financial Reporting Standard 1 (FRS1) has been dispensed with due to the company's small company status.

1 TURNOVER

Turnover is wholly derived from the company's principal activity.

2 OPERATING (LOSS)

Is stated after charging;
Loss on exchange
Directors' remuneration

2000
£
18,525

MAGNOGLIDE LIMITED**Notes to the Financial Statements continued****31 December 2000**

3 TAXATION ON ORDINARY ACTIVITIES

There is no provision for corporation tax due to the loss for the period.

4 INVESTMENT

	<u>2000</u>
	£
Acquisition in year, and at 31 December 2000	<u>£277,068</u>

This represents a 3.24% investment in the issued ordinary share capital of Gandalf SPA, a company incorporated in Italy, and listed on the Italian stock exchange.

5 CREDITORS: Due within one year

Trade creditors	<u>1,000</u>
	<u>£1,000</u>

6 SHAREHOLDER'S LOAN

This loan is interest free and will not be repaid in preference to other creditors.

7 CALLED UP SHARE CAPITAL

Authorised 1,000 Ordinary £1 shares	<u>£1,000</u>
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Allotted, issued and fully paid 1,000 Ordinary £1 shares (all equity)	<u>£1,000</u>
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During the period 1,000 ordinary shares of £1 each were issued at par.

8 COMPANY CONTROL

Throughout the period the company was under the control of Hanover Corporate Nominees Limited.