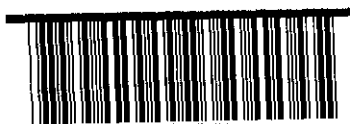


Company Registration No. 2757941 (England and Wales)

**ERTISA GREAT BRITAIN LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2003**



A10 \*AQYYMTJU\* 0349  
COMPANIES HOUSE 19/03/04

# **ERTISA GREAT BRITAIN LIMITED**

## **COMPANY INFORMATION**

---

### **Directors**

A Lopez-Diaz  
J L Preckler Arias  
F Molina-Felix  
F Andrade Marquez  
F J Diaz Soares  
F Iturrieta Gil

### **Secretary**

I Pinilla Rodriguez

### **Company number**

2757941

### **Registered office**

2 Sekforde Court  
217-219 St John Street  
London  
EC1V 4LY

### **Auditors**

Saffery Champness  
Lion House  
Red Lion Street  
London  
WC1R 4GB

### **Bankers**

Banco Santander Central Hispano, SA  
Santander House  
100 Ludgate Hill  
London  
EC4M 7NJ

---

# ERTISA GREAT BRITAIN LIMITED

## CONTENTS

---

	Page
Directors' report	1 - 2
Auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 13

---

# **ERTISA GREAT BRITAIN LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003**

---

The directors present their report and financial statements for the year ended 31 December 2003.

### **Principal activities and review of the business**

The principal activity of the company continued to be that of the distribution and sale of chemical and other products.

This period of trading has again been satisfactory considering the economic conditions and the directors are hopeful of future prospects.

### **Results and dividends**

The results for the year are set out on page 5.

### **Directors**

The following directors have held office since 1 January 2003:

A Lopez-Diaz  
J L Preckler Arias  
F Molina-Felix  
F Andrade Marquez  
F J Diaz Soares  
F Iturrieta Gil (Appointed 30 October 2003)

### **Directors' interests**

	Ordinary shares of £ 1 each	
	31 December 2003	1 January 2003
A Lopez-Diaz	-	-
J L Preckler Arias	-	-
F Molina-Felix	-	-
F Andrade Marquez	-	-
F J Diaz Soares	-	-
F Iturrieta Gil	-	-

### **Auditors**

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

# ERTISA GREAT BRITAIN LIMITED

## DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2003

---

### 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

On behalf of the board

  
.....  
F Molina-Felix

Director

..... 17 March 2004

## **ERTISA GREAT BRITAIN LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ERTISA GREAT BRITAIN LIMITED**

---

We have audited the financial statements of Ertisa Great Britain Limited on pages 5 to 13 for the year ended 31 December 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

#### **Respective responsibilities of the directors and auditors**

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**ERTISA GREAT BRITAIN LIMITED**

**INDEPENDENT AUDITORS' REPORT (continued)  
TO THE SHAREHOLDERS OF ERTISA GREAT BRITAIN LIMITED**

---

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Saffery Champness**

Chartered Accountants  
Registered Auditors



17 March 2004  
.....

Lion House  
Red Lion Street  
London  
WC1R 4GB

**ERTISA GREAT BRITAIN LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2003**

	Notes	2003 £	2002 £
<b>Turnover</b>	<b>2</b>	13,941,621	12,202,881
Cost of sales		(13,117,997)	(11,262,682)
<b>Gross profit</b>		823,624	940,199
Administrative expenses		(387,938)	(323,174)
<b>Operating profit</b>	<b>3</b>	435,686	617,025
Other interest receivable and similar income		31,846	25,293
Interest payable and similar charges	<b>4</b>	(28)	(2,508)
<b>Profit on ordinary activities before taxation</b>		467,504	639,810
Tax on profit on ordinary activities	<b>5</b>	(150,723)	(187,940)
<b>Profit on ordinary activities after taxation</b>	<b>12</b>	316,781	451,870

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.

The notes on pages 7 to 13 form part of these financial statements.



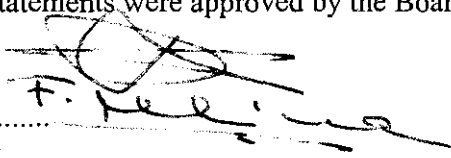
# ERTISA GREAT BRITAIN LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2003

	Notes	2003 £	£	2002 £	£
<b>Fixed assets</b>					
Tangible assets	6		340,197		352,005
<b>Current assets</b>					
Stocks	7	613,842		1,036,421	
Debtors	8	1,444,505		1,824,021	
Cash at bank and in hand		2,063,579		1,366,845	
		<u>4,121,926</u>		<u>4,227,287</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(2,876,955)</u>		<u>(3,310,905)</u>	
<b>Net current assets</b>			<u>1,244,971</u>		<u>916,382</u>
<b>Total assets less current liabilities</b>			<u>1,585,168</u>		<u>1,268,387</u>
<b>Capital and reserves</b>					
Called up share capital	11		50,000		50,000
Profit and loss account	12		1,535,168		1,218,387
<b>Shareholders' funds - equity interests</b>	13		<u>1,585,168</u>		<u>1,268,387</u>

The notes on pages 7 to 13 form part of these financial statements.

The financial statements were approved by the Board on .....17 March 2004

  
F Molina-Felix  
Director

# **ERTISA GREAT BRITAIN LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003**

---

### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **1.2 Compliance with accounting standards**

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

#### **1.3 Turnover**

Turnover represents amounts receivable from the provision of goods during the year net of VAT.

#### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold property	2% of cost
Furniture and fittings	10 - 33% of cost
Motor vehicles	25% of cost

#### **1.5 Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### **1.6 Stock**

Stock is valued at the lower of cost and net realisable value.

#### **1.7 Pensions**

The company contributes to individual defined contribution money purchase schemes. These contributions are charged annually against income when paid.

#### **1.8 Deferred taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### **1.9 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction when the exchange rate for those transactions has not been secured. All differences are taken to profit and loss account.

**ERTISA GREAT BRITAIN LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2003****2 Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

<b>3 Operating profit</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation of tangible assets	15,413	16,935
Auditors' remuneration	5,500	4,800
Remuneration of auditors for non-audit work	9,450	8,630
	<u>          </u>	<u>          </u>

<b>4 Interest payable</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	-	1,972
Hire purchase interest	28	536
	<u>          </u>	<u>          </u>
	<u>28</u>	<u>2,508</u>

**ERTISA GREAT BRITAIN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2003**

<b>5 Taxation</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
<b>Domestic current year tax</b>		
U.K. corporation tax	149,361	189,023
Adjustment for prior years	1,362	(1,083)
	<u>150,723</u>	<u>187,940</u>
<b>Current tax charge</b>		
	<u>150,723</u>	<u>187,940</u>
 <b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	467,504	639,810
	<u>467,504</u>	<u>639,810</u>
 Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2002 : 30.00 %)	140,251	191,943
	<u>140,251</u>	<u>191,943</u>
Effects of:		
Non deductible expenses	6,129	3,603
Depreciation add back	4,624	5,081
Capital allowances	(2,571)	(3,118)
Adjustments to previous periods	1,362	(1,083)
Other tax adjustments	928	(8,486)
	<u>10,472</u>	<u>(4,003)</u>
 <b>Current tax charge</b>	<u>150,723</u>	<u>187,940</u>

**ERTISA GREAT BRITAIN LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2003**
**6 Tangible fixed assets**

	Freehold property £	Furniture and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2003	370,429	38,686	19,902	429,017
Additions	-	3,613	-	3,613
Disposals	-	(10,014)	-	(10,014)
At 31 December 2003	370,429	32,285	19,902	422,616
<b>Depreciation</b>				
At 1 January 2003	32,437	30,889	13,686	77,012
On disposals	-	(10,006)	-	(10,006)
Charge for the year	7,409	3,028	4,976	15,413
At 31 December 2003	39,846	23,911	18,662	82,419
<b>Net book value</b>				
At 31 December 2003	330,583	8,374	1,240	340,197
At 31 December 2002	337,992	7,797	6,216	352,005

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
<b>Net book values</b>	
At 31 December 2003	1,240
At 31 December 2002	6,216
<b>Depreciation charge for the year</b>	
31 December 2003	4,976
31 December 2002	4,975

<b>7 Stocks</b>	<b>2003 £</b>	<b>2002 £</b>
Raw materials and consumables	613,842	1,036,421

# ERTISA GREAT BRITAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2003

8 Debtors	2003 £	2002 £
Trade debtors	1,426,808	1,799,821
Other debtors	17,697	24,200
	<u>1,444,505</u>	<u>1,824,021</u>

9 Creditors: amounts falling due within one year	2003 £	2002 £
Net obligations under hire purchase contracts	-	1,499
Trade creditors	70,617	117,263
Amounts owed to parent and fellow subsidiary undertakings	2,367,120	2,700,301
Corporation tax	76,974	123,001
Other taxes and social security costs	347,165	354,269
Other creditors	3,299	-
Accruals and deferred income	11,780	14,572
	<u>2,876,955</u>	<u>3,310,905</u>

### Net obligations under finance leases and hire purchase contracts

Repayable within one year	-	1,499
Finance charges and interest allocated to future accounting periods	-	-
	<u>-</u>	<u>1,499</u>

## 10 Pension costs

### Defined contribution

	2003 £	2002 £
Contributions payable by the company for the year	<u>7,847</u>	<u>7,465</u>

**ERTISA GREAT BRITAIN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2003**

<b>11 Share capital</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
50,000 Ordinary shares of £ 1 each	<u>50,000</u>	<u>50,000</u>
<b>Allotted, called up and fully paid</b>		
50,000 Ordinary shares of £ 1 each	<u>50,000</u>	<u>50,000</u>
<b>12 Statement of movements on profit and loss account</b>		<b>Profit and loss account £</b>
Balance at 1 January 2003		1,218,387
Retained profit for the year		<u>316,781</u>
Balance at 31 December 2003		<u>1,535,168</u>
<b>13 Reconciliation of movements in shareholders' funds</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	316,781	451,870
Opening shareholders' funds	<u>1,268,387</u>	<u>816,517</u>
Closing shareholders' funds	<u>1,585,168</u>	<u>1,268,387</u>

# ERTISA GREAT BRITAIN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2003

### 14 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2003 Number	2002 Number
Selling	2	2
Administrative	2	2
	<u>4</u>	<u>4</u>

#### Employment costs

	£	£
Wages and salaries	196,515	160,599
Social security costs	22,031	17,047
Other pension costs	7,847	7,465
	<u>226,393</u>	<u>185,111</u>

All the directors discharged their duties wholly or mainly outside the United Kingdom and received no remuneration from the company.

### 15 Control

The immediate parent company is Ertisa SA, a company registered in Spain, and the ultimate parent company is Compania Espanola de Petroleos SA, a company registered in Spain.

The ultimate parent prepares group financial statements and copies can be obtained from Campo de las Naciones, Avda del Partenon, 12, 28042 Madrid, Spain.

### 16 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.