

**TEMPLE COIL HOLDINGS LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1999**



**TEMPLE COIL HOLDINGS LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 1999**

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**TEMPLE COIL HOLDINGS LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 1999**

**DIRECTORS:** Mr. L E Fox  
Miss J F Redmayne

**SECRETARY:** Wilton Secretaries Limited

**REGISTERED OFFICE:** 26 Grosvenor Street  
Mayfair  
London  
W1X 9FE

**REGISTERED NUMBER:** 3458812 (England and Wales)

**AUDITORS:** Wilton Audit  
Chartered Accountants  
& Registered Auditors  
26 Grosvenor Street  
Mayfair  
London  
W1X 9FE

**TEMPLE COIL HOLDINGS LIMITED**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 1999**

The directors present their report with the financial statements of the company for the year ended 31 December 1999.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of an investment and holding company.

**DIRECTORS**

The directors during the year under review were:

Mr. L E Fox	- appointed 28.7.99
Miss J F Redmayne	- appointed 28.7.99
Mr. M A Fowler	- resigned 28.7.99
JD Nominees Limited	- resigned 28.7.99

The directors holding office at 31 December 1999 did not hold any beneficial interest in the issued share capital of the company at date of appointment or 31 December 1999.

**STATEMENT OF 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.

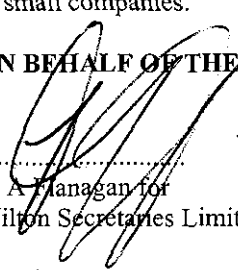
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

The auditors, Wilton Audit, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**ON BEHALF OF THE BOARD:**

  
.....  
M A Flanagan for  
Wilton Secretaries Limited - SECRETARY

Dated: 18.10.01

**TEMPLE COIL HOLDINGS LIMITED**

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF  
TEMPLE COIL HOLDINGS LIMITED**

We have audited the financial statements on pages four to eight which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page six.

**Respective responsibilities of directors and auditors**

As described on page two 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. 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.

**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 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Wilton Audit*  
Wilton Audit  
Chartered Accountants  
& Registered Auditors  
26 Grosvenor Street  
Mayfair  
London  
W1X 9FE

Dated: 19/01/01

**TEMPLE COIL HOLDINGS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 1999**

		Year Ended 31.12.99	Period 31.10.97 to 31.12.98
	Notes	ITL	ITL
<b>TURNOVER</b>		-	-
Administrative expenses		<u>910,625</u>	<u>5,331,563</u>
<b>OPERATING LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	(910,625)	(5,331,563)
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		(910,625)	(5,331,563)
Deficit brought forward		<u>(5,331,563)</u>	<u>-</u>
<b>DEFICIT CARRIED FORWARD</b>		<u>ITL(6,242,188)</u>	<u>ITL(5,331,563)</u>

The notes form part of these financial statements

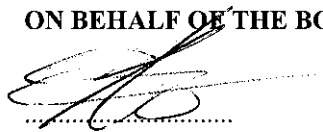
**TEMPLE COIL HOLDINGS LIMITED**

**BALANCE SHEET  
31 DECEMBER 1999**

		<u>1999</u>		<u>1998</u>	
	Notes	ITL	ITL	ITL	ITL
<b>FIXED ASSETS:</b>					
Investments	4		205,590,000		205,590,000
<b>CURRENT ASSETS:</b>					
Cash in hand		302,500		302,500	
<b>CREDITORS: Amounts falling due within one year</b>	5	<u>211,832,188</u>		<u>210,921,563</u>	
<b>NET CURRENT LIABILITIES:</b>			<u>(211,529,688)</u>		<u>(210,619,063)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u>ITL(5,939,688)</u>		<u>ITL(5,029,063)</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	6		302,500		302,500
Profit and loss account			<u>(6,242,188)</u>		<u>(5,331,563)</u>
Shareholders' funds			<u>ITL(5,939,688)</u>		<u>ITL(5,029,063)</u>

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

**ON BEHALF OF THE BOARD:**



Mr. L E Fox - DIRECTOR

Approved by the Board on 18/01/00

**TEMPLE COIL HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000). The accounts are denominated in Italian Lira.

**Deferred taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

**2. OPERATING LOSS**

The operating loss is stated after charging:

	Year Ended 31.12.99 ITL	Period 31.10.97 to 31.12.98 ITL
Auditors' remuneration	<u>910,625</u>	<u>5,331,563</u>
Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

**3. TAXATION**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 1999 nor for the period ended 31 December 1998.

**4. FIXED ASSET INVESTMENTS**

	ITL
<b>COST:</b>	
At 1 January 1999	
and 31 December 1999	<u>205,590,000</u>
<b>NET BOOK VALUE:</b>	
At 31 December 1999	<u>205,590,000</u>
At 31 December 1998	<u>205,590,000</u>
	1999
	ITL
Unlisted investments	<u>205,590,000</u>
	1998
	ITL
	<u>205,590,000</u>



**TEMPLE COIL HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999**

**4. FIXED ASSET INVESTMENTS - continued**

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

**Costruzioni Generali Adriatiche SRL**

Country of incorporation: Italy

Nature of business: Property company

	%
Class of shares:	holding
Ordinary	95.00

**Edil.I.T. SRL**

Country of incorporation: Italy

Nature of business: Property company

	%
Class of shares:	holding
Ordinary	85.00

**Immobilaire Durantini SRL**

Country of incorporation: Italy

Nature of business: Property company

	%
Class of shares:	holding
Ordinary	57.50

**Mini House SRL**

Country of incorporation: Italy

Nature of business: Property company

	%
Class of shares:	holding
Ordinary	95.00

**Olivo SRL**

Country of incorporation: Italy

Nature of business: Property company

	%
Class of shares:	holding
Ordinary	95.09

**5. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	1999	1998
	ITL	ITL
Other creditors	5,331,563	-
Related party creditors	205,590,000	205,590,000
Accrued expenses	910,625	5,331,563
	211,832,188	210,921,563

**TEMPLE COIL HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999**

**6. CALLED UP SHARE CAPITAL**

Authorised:

Number:	Class:	Nominal value:	1999 ITL	1998 ITL
100,000	Ordinary	ITL1	<u>100</u>	<u>100</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	1999 ITL	1998 ITL
100	Ordinary	ITL1	<u>302,500</u>	<u>302,500</u>

**7. ULTIMATE PARENT COMPANY**

In the opinion of the Directors the ultimate parent undertaking is Comeflex SA a company incorporated in Costa Rica.