REGISTERED IN ENGLAND
COMPANY No. 2991021

SANDS ENGINEERING & FABRICATIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002



ED9
COMPANIES HOUSE
0045
29/10/03

SANDS ENGINEERING & FABRICATIONS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002

Contents **Page**

Directors' Report 1

Balance Sheet 2

Notes to the Financial Statements 3

SANDS ENGINEERING & FABRICATIONS LIMITED
DIRECTORS' REPORT

The directors present their report and financial statements of the company for the year ended 31 December 2002.

Principal Activities

The company has not traded during year and has made neither profit nor loss.

Directors and their Interests

Directors who have served during the year and their interests in the ordinary shares of HB Sands Holdings Limited which is the ultimate parent company are as follows:

	Ordinary shares of £1 each	
	At 31.12.2002	At 1.1.2002
A.B. Sands	239,730	239,730
T.N. Sands	239,730	239,730

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

By order of the Board

P.S.A. Nicholls

P.S.A. Nicholls
Secretary

22 October 2003

SANDS ENGINEERING & FABRICATIONS LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2002

	Notes	2002 £	2001 £
Current assets			
Called up share capital not paid		2	2
Net assets		2	2
Capital and Reserves			
Called up share capital	2a.	2	2
Shareholders' funds	2b.	2	2

For the year in question the company was entitled to exemption from audit under the Companies Act 1985, Section 249A(1).

We confirm that no notice has been deposited requesting an audit under Section 249B(2), and that we acknowledge our responsibilities for:

(i) Ensuring that the company keeps accounting records which comply with Section 221, and

(ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on page 2 to 3 were approved by the Board of Directors, on 22 October 2003 and are signed on its behalf by:-

.....
A.B. Sands

.....
T.N. Sands

Directors

1. Accounting Policies

The significant accounting policies used in the preparation of these financial statements are:-

a) Basis of Accounting

The financial statements are prepared under the historical cost convention.

b) Cash flow Statement

A cash flow statement is not included as part of these financial statements in view of the company falling outside the scope of the Financial Reporting Standard No. 1.

c) Profit and Loss Account

There is no profit and loss account as the company has not traded in the current or previous year.

2.

a) Called up Share Capital	2002 £	2001 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, Called Up and Fully Paid		
100 ordinary shares of £1 each	2	2

b) Reconciliation of Movement in Shareholders' Funds	2002 £	2001 £
Opening and closing shareholders funds	2	2

3. Ultimate Holding Company

The company's ultimate holding company is HB Sands Holdings Limited, a company incorporated in England.

4. Contingent liabilities

The company is party to a composite cross guarantee dated 9 December 1998 with H B Sands Holdings Limited, Autoveyor Limited, Sands Commercial Enterprises Limited (formerly Sands Agricultural Services Limited), Sands Agricultural Machinery Limited and Sands Agricultural Finance Limited in respect of National Westminster Plc accounts. At the year end the maximum potential liability for the group was £2,406,577 (2001: £2,330,197).

Accountants' report on the unaudited accounts to the directors of Sands Engineering and Fabrications Limited

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 2002 set out on pages 2 and 3, and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

.....

Larking Gowen
Chartered Accountants
Norwich

28 October 2003