SADLEIR *technical consultancy* Ltd.

Company № 3319021

Directors' Report & Accounts - 2004

1. The Company was incorporated on 17 February 1997, and commenced trading on 1 March 1997. The Company's Accounting Reference Date is 31 December.

   The Company operates as a close company, as defined by HM Revenue & Customs. Of the £1000 authorised share capital, £100 is issued and held between the Company's two directors, in the form of £1 ordinary paid-up shares.

   The Company has no permanent employees or office holders, other than its two directors.

2. The principal business of the Company, throughout the period covered by this report, remained the *provision of professional consultancy services to the civil engineering and related industries, both in the* UK and overseas.

3. Despite continuing efforts in marketing, workload remained at very low levels throughout the year, with a consequently severe impact on fee income. The major Saudi project, which had been in prospect at the beginning of 2004, was eventually sub-contracted wholesale by the Client, with the consequent loss of the consultancy commission. At the date of drafting of this report, new work had been secured and undertaken on a West African project, with good prospects for continuation, albeit unlikely to generate major fee input before early 2006. Active prospecting for other new commissions continues.

   None of the limited work undertaken during the year was considered as subject to Income Tax liability under IR35 rules, and any such liability calculated on gross fees (deemed payment) would anyway be covered by the directors' salary vote.

   On a gross turnover of £3,223, and after deduction of capital charges, the Company sustained a trading loss of £11,047.

4. Professional Indemnity insurance premium shows a further increase on 2003 rates, reflecting a continuing industry-wide trend. This substantial overhead, independent of the limited fee income, was a major factor in the trading loss sustained for the year.

5. there were no fixed asset acquisitions or disposals during the year, inventory changes being confined to transfer of some short-life assets into the asset pool, at age 4 years. Total capital charges amount to £50.27, based on depreciation by 25% of opening book value.

6. The accounts for the period ended 31 December 2004 are appended hereto.

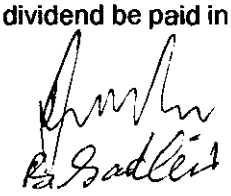
   Having regard to the fact that turnover was less than £1,000,000, and under the provisions of the Audit Exemption Regulations (Companies Act 1985, §§249A-E), the Directors have elected to dispense with an independent audit for the 2004 Accounts.

   Appropriation is set out in the attached accounts. No non-deductible expenses were charged during the year. The chargeable out-turn corresponds therefore to the trading loss of £11,047, on which basis the Directors consider that no provision for Corporation Tax is necessary in respect of 2004 trading.

   The amount of directors' PAYE-taxable remuneration has been determined with due regard to any potential liability to additional taxation under IR35 rules. As at 31 December 2004 no further provision was considered necessary in respect of IR35 for the Tax Year ending 5 April 2005.

   Having regard to the year's financial performance, and consequent depletion of the reserve, the Directors have determined that no shareholders' dividend be paid in respect of the Company's 2004 financial year.

Andrew P.R. Sadleir *(Secretary)* }
} Directors
Barbara Sadleir }



27 October 2005



SADLEIR *technical consultancy* Ltd.

Company № 3319021

PROFIT & LOSS ACCOUNT: 1 January-31 December 2004

	£	£	notes
TURNOVER			*a*
sales - fees	3,223.41		
- expenses	0.00		
		3,223.41	*b*
COSTS			
directors' remuneration	5,425.00		
employer's National Insurance	49.28		*c*
directors' expenses	134.84		
premises - heating & lighting	96.96		
other office costs	1,746.67		*d*
professional indemnity insurance	5,109.67		
other overheads/administration costs	729.64		*e*
bank, *etc* charges	686.87		*f, g*
LESS interest receivable	(3.00)		
motor car - fuel	338.44		*h*
- maintenance	440.87		*i*
- tax, insurance, *etc*	(373.79)		*i, j*
increase/(decrease) in accruals	(211.77)		*p*
decrease/(increase) in work-in-progress	50.00		*k*
		(14,219.68)	
CAPITAL CHARGES			
fixed assets (not motor vehicles)			*l*
depreciation	50.27		
balancing charges	(0.00)		
		(50.27)	
PROFIT/(LOSS) BEFORE TAX		(11,046.54)	

APPROPRIATION: 2004

Profit/(Loss) before tax B/F	(11,046.54)	
Provide for Corporation Tax	(0.00)	
Net Profit/(Loss)	(11,046.54)	
Brought forward from 2003	168.19	
Disposals from *LESS* additions to fixed assets (2004)	0.00	*l*
Transfer (to)/from general reserve	5,600.00	
Proposed total distribution	(0.00)	
Balance carried forward to 2005	(5,278.35)	

BALANCE SHEET: 31 December 2004

	£	£	notes
ASSETS			
Fixed Assets (book value after depreciation)			
office equipment, including computers	150.82		
total fixed assets		150.82	*l*
Current Assets			
cash and bank accounts	nil		
trade debtors	40.00		*b*
directors' current accounts	1,895.63		*m*
work in progress	50.00		*k*
total current assets		1,985.63	
TOTAL ASSETS		2,136.45	
ISSUED CAPITAL			
100 ordinary shares of £1 each, fully paid		100.00	
REVENUE RESERVES			
Accumulated cost of fixed assets	3,568.29		
General Reserve	nil		
Profit & Loss A/c	(5,278.35)		
		-1,710.06	
TOTAL SHAREHOLDERS' INTERESTS		-1,610.06	
Corporation Tax (year to 31/12/2004)	Error! Reference source not found.		
		0.00	
CAPITAL EMPLOYED		-1,610.06	
CURRENT LIABILITIES			
(amounts falling due within 45 days)			
Value Added Tax	30.09		*n*
PAYE and NICs	5.40		*o*
current account overdraft	3,379.70		
trade creditors (incl. credit card balances)	191.89		
accruals	139.43		*p*
directors' current accounts	nil		*m*
(amounts falling due within 1 year)			
proposed final dividend (none)	0.00		
total current liabilities		3,746.51	
TOTAL LIABILITIES		2,136.45	

The Directors hereby confirm, with reference to the Companies Act 1985 ("the Act"), and relevant amendments:

- that they have elected to dispense with an audit of these accounts, under the provisions of §249A(1) of the Act;
- that no notice has been deposited under §249B(2) of the Act;

and acknowledge their responsibility:

- for ensuring the maintenance of the Company's accounting records in compliance with §221 of the Act;
- for so preparing these accounts as to give a true and fair view of the Company and of its profit for the period stated, in accordance with the requirements of §226 of the Act, and that they otherwise comply with the applicable requirements of the Act relating to accounts.

a All figures are quoted exclusive of Value Added Tax, to the extent that VAT is payable to/recoverable from HM Revenue & Customs.

b As invoiced to 31/12/04. Fee invoices denominated in foreign currency are valued on the basis of exchange rates obtained on conversion of corresponding subsequent receipts.

c NIC Class 1 liabilities for Tax Year 2003-04 only. Year 2004-05 liabilities did not arise until after 31/12/04. There was no Class 1A charge.

d Includes £1,271.56 telecommunications, £218.20 internet services, and £71.80 computer software and consumables.

e Includes £401.97 professional subscriptions.

f Includes setup charges for overdraft facility and associated debenture.

g Includes foreign exchange charges of £16.00 arising in UK, plus £3.21 (equivalent) deducted by originating bank in respect of international transfers received.

h *Pro rata* apportionment of actual fuel cost related to business mileage only; VAT element reclaimed.

i Paid in respect of Director's own private vehicle. As paid or reimbursed to 31/12/04, but subject to review in respect of payments for Tax Year ending 5 April 2005.

j RAC annual subscription (£122.00) and insurance premium (£251.79) for 2003-04 made good by director/employee.

k Rounded down to nearest £50: estimated £90 of work eventually invoiced in April 2005. (WIP at 31/12/03 was £100.)

l Fixed Assets consist primarily of computer equipment and software, newer short-life items (individual valuations being maintained on an asset database) were mainly written down at enhanced rates in earlier years, and therefore appear now at nil book value. Printer and UPS were transferred to pool in 2004.

The fixed asset valuation summary for 2004 is as follows (excludes motor vehicles):

	short-life	pooled	all assets
book value B/F	64.29	136.80	201.09
additions	nil	nil	nil
disposals	nil	nil	nil
depreciation	nil	(50.27)	(50.27)
balancing charges	nil	N/A	nil
short-life assets >4 years old	(64.29)	64.29	=
book value C/F	nil	150.82	150.82

m *ie* Andrew Sadleir 1,895.63
Barbara Sadleir nil
1,895.63

n Due 7 February 2005.

o Normally due 19 January 2005.

p Accruals at 31/12/04 include unbilled telecommunications charges for December 04, and bank charges for December 04.