Company Registration No. 3963520 (England and Wales)

ALLIED GROUP HOLDINGS LIMITED

DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2005

ALLIED GROUP HOLDINGS LIMITED

COMPANY INFORMATION

Directors	N. Bell B. Bell
Secretary	B. Bell
Company number	3963520
Registered office	Concept House 8 The Townsend Centre Blackburn Road Dunstable Bedfordshire LU5 5BQ
Accountants	Fast Accounting Services Limited Suite 7, The Acorn Centre Station Road Ampthill Bedfordshire MK45 2QP

ALLIED GROUP HOLDINGS LIMITED

CONTENTS

ALLIED GROUP HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2005

The directors present their report and financial statements for the year ended 30 April 2005.

Principal activities and review of the business
The principal activity of the company continued to be that of property rental.

The directors are satisfied with the results for the year and look to the future with confidence.

Results and dividends
The results for the year are set out on page 4.

Directors
The following directors have held office since 1 May 2004:

N. Bell
B. Bell

Directors' interests
The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 April 2005	**1 May 2004**
N. Bell	1	1
B. Bell	-	-

Taxation status
The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

On behalf of the board

21/02/06

ALLIED GROUP HOLDINGS LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF ALLIED GROUP HOLDINGS LIMITED

In accordance with the engagement letter dated 12 November 2004, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of Allied Group Holdings Limited for the year ended 30 April 2005, set out on pages 3 to 8 from the accounting records and information and explanations you have given to us.

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 30 April 2005 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Fast Accounting Services Limited

Fast Accounting Services Limited 3/4/06

Chartered Accountants

Suite 7, The Acorn Centre
Station Road
Ampthill
Bedfordshire
MK45 2QP

ALLIED GROUP HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2005

	Notes	2005 £	2004 £
Turnover	2	18,828	18,828
Administrative expenses		(409)	(377)
Operating profit		18,419	18,451
Other interest receivable and similar income	3	7	-
Interest payable and similar charges	4	(8,673)	(8,147)
Profit on ordinary activities before taxation		9,753	10,304
Tax on profit on ordinary activities	5	(3,108)	(72)
Profit on ordinary activities after taxation	10	6,645	10,232

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.

ALLIED GROUP HOLDINGS LIMITED

BALANCE SHEET
AS AT 30 APRIL 2005

	Notes	2005 £	2005 £	2004 £	2004 £
Fixed assets					
Tangible assets	6		224,126		224,126
Current assets					
Cash at bank and in hand		361		-	
Creditors: amounts falling due within one year	7	(95,828)		(91,954)	
Net current liabilities			(95,467)		(91,954)
Total assets less current liabilities			128,659		132,172
Creditors: amounts falling due after more than one year	8		(96,244)		(106,402)
			32,415		25,770
Capital and reserves					
Called up share capital	9		1		1
Profit and loss account	10		32,414		25,769
Shareholders' funds - equity interests	11		32,415		25,770

In preparing these financial statements:

(a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by *Section 249A(1) of the Companies Act 1985;*

(b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and

(c) The directors acknowledge their responsibilities for:

   (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, 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 this Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board on ....21/3/6....

....

Director

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

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:

Land and buildings Freehold	No depreciation due to high forecast residual value

1.5 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.*

2 Turnover

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

3 Investment income

	2005	2004
	£	£
Bank interest	7	-

4 Interest payable

	2005	2004
	£	£
On bank loans and overdrafts	2	4
On loans repayable after 5 years	8,670	8,143
On overdue tax	1	-
	8,673	8,147

ALLIED GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2005

5	**Taxation**	**2005**	**2004**
		£	**£**
	Domestic current year tax		
	U.K. corporation tax	1,525	72
	Adjustment for prior years	1,583	-
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	9,753	10,304
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2004: 19.00%)	1,853	1,958
	Effects of:		
	Adjustments to previous periods	1,583	-
	Other tax adjustments	(328)	(1,886)
		1,255	(1,886)
	Current tax charge	3,108	72

6	**Tangible fixed assets**	**Land and buildings Freehold**
		£
	Cost	
	At 1 May 2004 & at 30 April 2005	224,126
	Depreciation	
	At 1 May 2004 & at 30 April 2005	-
	Net book value	
	At 30 April 2005	224,126
	At 30 April 2004	224,126

ALLIED GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2005

7	**Creditors: amounts falling due within one year**	**2005**	**2004**
		£	**£**
	Bank loans and overdrafts	18,827	18,862
	Corporation tax	1,525	72
	Other creditors	75,176	72,720
	Accruals and deferred income	300	300
		95,828	91,954

8	**Creditors: amounts falling due after more than one year**	**2005**	**2004**
		£	**£**
	Bank loans	96,244	106,402
	Analysis of loans		
	Wholly repayable within five years	115,071	125,229
		115,071	125,229
	Included in current liabilities	(18,827)	(18,827)
		96,244	106,402
	Loan maturity analysis		
	In more than one year but not more than two years	18,827	18,827
	In more than two years but not more than five years	75,310	75,310
	In more than five years	2,107	12,265

The bank loan is secured by a first legal mortgage over the company's freehold property. In addition, the directors have provided the company's bankers with a personal guarantee up to a maximum value of £160,000 over all the company's borrowings.

9	**Share capital**	**2005**	**2004**
		£	**£**
	Authorised		
	1,000 Ordinary shares of £1 each	1,000	1,000
	Allotted, called up and fully paid		
	1 Ordinary shares of £1 each	1	1

ALLIED GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2005

10 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 May 2004	25,769
Retained profit for the year	6,645
Balance at 30 April 2005	32,414

11 Reconciliation of movements in shareholders' funds	***2005***	***2004***
	£	**£**
Profit for the financial year	6,645	10,232
Opening shareholders' funds	25,770	15,538
Closing shareholders' funds	32,415	25,770

12 Employees

Number of employees

There were no employees during the year apart from the directors.

13 Control

The company is controlled by Mr N. Bell as disclosed in the Directors' Report.

14 Related party transactions

The company has charged rent of £18,828 (2004: £18,828) for the use of the company's property for the year to Allied Associates (Geophysical) Limited, a company under the control of the directors.

As at the balance sheet date, the company owes £75,176 (2004: £72,720) to Allied Associates *(Geophysical) Limited.*