

REGISTERED NUMBER: 1872571 (England and Wales)

SIR (UK) LIMITED
REPORT AND FINANCIAL STATEMENTS
30 SEPTEMBER 2006

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SIR (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

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SIR (UK) LIMITED

**REPORT AND FINANCIAL STATEMENTS 2006
COMPANY INFORMATION**

DIRECTORS:	U A Patel	(deceased 01/02/06)
	K Brooks	
	B Enlander	
	S Bolingbroke	(appointed 03/02/06)
	C Watson	
	A Robson	

SECRETARY:	E Hollinrake
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REGISTERED OFFICE	New Mill House 183 Milton Park Abingdon Oxon OX14 4SE
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REGISTERED NUMBER:	1872571 (England and Wales)
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BANKERS:	Barclays Bank Plc PO Box 15161 50 Pall Mall London SW1Y 5AX
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AUDITORS:	Deloitte & Touche LLP Chartered Accountants Reading
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SIR (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2006

The directors present their report with the financial statements of the company for the year ended 30 September 2006. The directors have taken advantage of the exemption under s246(4)(a) of the Companies Act and have not presented an enhanced business review with the directors' report.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of computer software technicians, consultants and advisors.

REVIEW OF BUSINESS AND FUTURE PROSPECTS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The directors are pleased with the growth achieved by the company and are hopeful of maintaining that performance.

There have been no significant events since the date of the balance sheet.

DIVIDENDS

The profit on ordinary activities after taxation available to shareholders amounted to £417,280 (2005 £773,634)

During the year an interim dividend of £540,000 was paid (2005 £670,000)

The directors do not recommend payment of a final dividend (2005 £nil)

DIRECTORS

The directors during the year under review and at the date of signing were

U A Patel (deceased 01/02/06)
K Brooks
B Enlander
S Bolingbroke (appointed 03/02/06)
C Watson
A Robson

DIRECTORS' INTEREST

The directors holding office at 30 September 2006 did not hold any beneficial interest in the issued share capital of the company at 1 October 2005 or 30 September 2006, or at any time during the year

As at 30 September 2006 the directors had the following interests in the shares of RM plc, the ultimate parent company

Name of director	*30 September 2006	**30 September 2005
	Ordinary shares of	Ordinary shares of
	2p each	2p each
	Number	Number
K Brooks	210	79
B Enlander	210	79
S Bolingbroke	737	675
C Watson	32,203	1,513
A Robson	15,332	27,723

* or date of resignation if earlier

** or date of appointment if later

At 30 September 2005 Mr U Patel owned 149 shares in RM plc. Following his death these passed onto his estate

SIR (UK) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

According to the register of directors' interests of RM plc maintained under the Companies Act, the directors and their immediate families have the following options to subscribe for shares in RM plc, the ultimate company

Number of options over ordinary shares of 2p each in RM plc								
	At 1 October 2005	Granted In year	Exercised In year	Lapsed In year	At 30 September 2006	Exercise price	Date from which exercisable	Expiry date
S Bolingbroke	33,340	-	-	-	33,340	£1 635	03/12/00	03/12/07
	4,500	-	-	-	4,500	£4 415	04/12/01	04/12/08
	12,000	-	-	-	12,000	£5 000	21/05/02	21/05/09
	3,750	-	-	-	3,750	£7 615	06/12/02	06/12/09
	7,002	-	-	-	7,002	£5 60	24/05/03	24/05/10
	16,750	-	16,750	-	-	£0 735	05/03/05	05/03/12
	50,507	-	50,507	-	-	£0 715	21/06/05	21/06/12
	41,950	-	41,950	-	-	£0 785	04/12/05	04/12/12
	15,000	-	-	-	15,000	£1 445	01/12/06	01/12/13
	10,000	-	-	-	10,000	£1 536	01/12/07	01/12/14
	-	10,000	-	-	10,000	£1 583	30/11/08	30/11/15
C Watson	4,170	-	-	-	4,170	£1 475	17/02/00	17/02/07
	4,167	-	-	-	4,167	£2 933	20/05/01	20/05/08
	4,500	-	-	-	4,500	£4 415	04/12/01	04/12/08
	12,000	-	-	-	12,000	£5 000	21/05/02	21/05/09
	3,750	-	-	-	3,750	£7 615	06/12/02	06/12/09
	7,002	-	-	-	7,002	£5 600	24/05/03	24/05/10
	49,353	-	49,353	-	-	£0 785	04/12/05	04/12/12
	15,000	-	-	-	15,000	£1 445	01/12/06	01/12/13
A Robson	17,500	-	-	-	17,500	£4 415	04/12/01	04/12/08
	12,000	-	-	-	12,000	£5 000	21/05/02	21/05/09
	3,750	-	-	-	3,750	£7 615	06/12/02	06/12/09
	7,002	-	-	-	7,002	£5 600	24/05/03	24/05/10
	49,353	-	49,353	-	-	£0 785	04/12/05	04/12/12
	15,000	-	-	-	15,000	£1 445	01/12/06	01/12/13
	10,000	-	-	-	10,000	£1 536	10/12/07	10/12/14

SIR (UK) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

AUDITORS

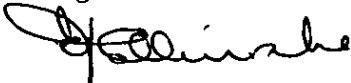
Each of the persons who is a director at the date of approval of this report confirms that

- ☐ so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- ☐ the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985

The auditors, Deloitte & Touche LLP will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

Approved by the Board of Directors
and signed on behalf of the Board



E Hollinrake – Company Secretary

31 October 2006

SIR (UK) LIMITED

**STATEMENT OF DIRECTORS RESPONSIBILITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIR (UK) LIMITED

We have audited the financial statements of Sir (UK) Limited for the year ended 30 September 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if in our opinion 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 other transactions is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section 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 International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2006 and of its loss for the year then ended,
- ☐ the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- ☐ the information given in the directors' report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Reading

31 October 2006

SIR (UK) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

	Notes	2006 £	2005 £
TURNOVER		3,671,431	3,430,843
Cost of sales		(1,117,786)	(747,531)
GROSS PROFIT		2,553,645	2,683,312
Administrative expenses		(2,000,750)	(1,629,739)
OPERATING PROFIT	3	552,895	1,053,573
Interest receivable and similar income	5	76,531	64,582
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		629,426	1,118,155
Tax on profit on ordinary activities	6	(212,146)	(344,521)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		417,280	773,634
Dividends paid and proposed	7	(540,000)	(670,000)
Retained (loss)/profit for the financial period	15	(122,720)	103,634
Retained profit brought forward		1,022,781	919,147
RETAINED PROFIT CARRIED FORWARD		900,061	1,022,781

All amounts derive from continuing operations

There have been no recognised gains and losses attributable to the shareholders other than the loss for the current financial year and profits for the preceding financial year. Accordingly, no statement of total recognised gains and losses is presented.

SIR (UK) LIMITED

**BALANCE SHEET
30 SEPTEMBER 2006**

	Notes	2006 £	2005 £
FIXED ASSETS			
Tangible assets	8	<u>69,932</u>	<u>50,549</u>
CURRENT ASSETS			
Work in progress	9	149,000	-
Debtors	10	2,877,136	1,340,557
Investments	12	-	500,000
Cash at bank and in hand		<u>7,006</u>	<u>381,752</u>
		3,033,142	2,222,309
CREDITORS: Amounts falling due within one year	13	<u>(2,193,013)</u>	<u>(1,240,077)</u>
NET CURRENT ASSETS		<u>840,129</u>	<u>982,232</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>910,061</u>	<u>1,032,781</u>
CAPITAL AND RESERVES			
Called up share capital	14	10,000	10,000
Profit and loss account	15	<u>900,061</u>	<u>1,022,781</u>
EQUITY SHAREHOLDERS' FUNDS	16	<u>910,061</u>	<u>1,032,781</u>

These financial statements were approved by the Board of Directors on 31 October 2006.

Signed on behalf of the Board of Directors



S Bollingbroke
Director

SIR (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2006

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. These have been applied consistently throughout the current and preceding financial years.

Cash flow statement

The company has taken advantage of the exemptions from preparing a cashflow statement conferred by Financial Reporting Standard 1 on the grounds that it is a wholly owned subsidiary of RM plc, which prepares a consolidated cash flow statement that is publicly available

Turnover

Turnover on contracts is recognised based on the fair value of goods and services provided to date net of value added tax. A proportion of revenue on term software licence agreements spanning the period end is deferred, to recognise the revenue evenly over the term of each individual licence

Tangible fixed assets

Tangible fixed assets are stated at historical cost less depreciation and any provision for impairment. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery	- 33% on cost
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Investments

Current asset investments are short term cash deposits.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used

Long-term contracts

Profit on long-term contracts is recognised when the outcome of the contract can be assessed with reasonable certainty. Thereafter profit is recognised based upon the expected outcome of the contract and the turnover recognised at the balance sheet date as a proportion of total contract turnover

If the outcome of a long-term contract cannot be assessed with reasonable certainty no profit is recognised

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in work in progress.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

SIR (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

Pension costs

The amount charged to the profit and loss account in respect of the company's defined contribution pension scheme costs is the contributions payable in the period. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

	2006	2005
2 STAFF COSTS (INCLUDING DIRECTORS)		
Wages and salaries	1,276,318	1,137,246
Social security costs	116,703	115,338
Other pension costs	31,101	30,025
	<u>1,424,122</u>	<u>1,282,609</u>

The average monthly number of employees (including directors) during the year was as follows

	No.	No.
Administration	2	3
Selling and marketing	3	-
Operational	20	19
	<u>25</u>	<u>22</u>

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2006	2005
	£	£
Depreciation - owned assets	30,758	21,579
Auditors' remuneration	7,000	7,300
Gain on disposal of fixed asset	(3,000)	(219)
Management fees from other group companies	169,439	24,154
Operating lease charges - other	59,125	60,000

4 DIRECTORS' REMUNERATION

The remuneration of the directors was as follows:

	2006	2005
	£	£
Emoluments	<u>238,431</u>	<u>272,333</u>

The number of directors who are members of the pension scheme is as follows

	No.	No.
Defined contributions	<u>2</u>	<u>3</u>

SIR (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

4 DIRECTORS REMUNERATION (CONTINUED)

Pension contributions of £8,766 were made on behalf of the directors during the year ended 30 September 2006 (2005 £11,925)

The above amount for remuneration includes the following in respect of the highest paid director

	2006 £	2005 £
Emoluments	111,734	98,500
Pension contributions	<u>3,825</u>	<u>3,975</u>
	<u>115,559</u>	<u>102,475</u>

The directors operate a self-administered pension trust. Until 20 July 2006, the trust owned the building occupied by the company in Clapham, London when it was sold to Clapham Land Ltd. Sir (UK) Limited paid the whole annual rent of £59,125 for the period 1 October 2005 to 30 September 2006 to the Directors' pension fund (2005 £60,000). The Directors pension fund then entered into a settlement with Clapham Land Ltd.

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2006 £	2005 £
Bank interest	9,448	16,568
Interest on amounts owed by group companies	<u>67,083</u>	<u>48,014</u>
	<u>76,531</u>	<u>64,582</u>

SIR (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

6 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2006 £	2005 £
Current tax charge		
UK corporation tax	217,505	349,045
Adjustment in respect of prior periods	<u>10,217</u>	<u>(40,000)</u>
	227,722	309,045
Deferred tax		
Timing differences, origination and reversal	(15,576)	(4,108)
Adjustment in respect of prior year	<u>-</u>	<u>39,584</u>
	(15,576)	35,476
	<u>212,146</u>	<u>344,521</u>
Tax charge		

Factors affecting the tax charge for the year

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2006 £	2005 £
Profit on ordinary activities before tax	<u>629,426</u>	<u>1,118,155</u>
Tax at 30%	188,828	335,447
Effects of:		
Expenses not deductible for tax purposes	9,597	9,490
Depreciation in excess of capital allowances	780	(29)
Movement in short term timing differences	18,300	4,137
Adjustment in respect of prior periods	<u>10,217</u>	<u>(40,000)</u>
Current tax charge	<u>227,722</u>	<u>309,045</u>

SIR (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

7 DIVIDENDS PAID AND PROPOSED

	2006 £	2005 £
Interim paid of £54 per share	<u>540,000</u>	<u>670,000</u>

8 TANGIBLE FIXED ASSETS

	<u>Plant & machinery</u> £
COST:	
At 1 October 2005	116,847
Additions	50,141
Disposal	<u>(3,000)</u>
At 30 September 2006	<u>163,988</u>
DEPRECIATION:	
At 1 October 2005	66,298
Charge for the year	30,758
Disposal	<u>(3,000)</u>
At 30 September 2006	<u>94,056</u>
NET BOOK VALUE:	
At 30 September 2006	<u>69,932</u>
At 30 September 2005	<u>50,549</u>

9 WORK IN PROGRESS

	2006 £	2005 £
Work in progress	<u>149,000</u>	<u>-</u>

10 DEBTORS:

	2006 £	2005 £
Trade debtors	65,368	450,640
Amount owed from group companies	2,593,192	694,179
Deferred tax asset (Note 11)	156,331	140,755
Prepayments and other debtors	<u>62,245</u>	<u>54,983</u>
	<u>2,877,136</u>	<u>1,340,557</u>

All amounts are due within one year

The deferred tax asset arises from fixed assets and short-term timing differences which are expected to reverse in the future

SIR (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

11 DEFERRED TAX ASSET

	2006	2005
	£	£
Balance as at 1 October	140,755	176,231
Credit / (debit) to the profit & loss account	15,576	(35,476)
Balance as at 30 September	<u>156,331</u>	<u>140,755</u>

Analysis of deferred tax balance

	2006	2005
	£	£
Capital allowances in excess of depreciation	4,363	3,487
Short term timing differences	151,968	137,268
	<u>156,331</u>	<u>140,755</u>

12 CURRENT ASSET INVESTMENTS

	2006	2005
	£	£
Investments – short term cash deposits	<u>-</u>	<u>500,000</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Trade creditors	81,376	28,094
Amounts owed to group companies	213,625	-
Corporation tax	188,844	299,789
Social security & other taxes	258,503	165,052
Other creditors	593,083	572,214
Accruals & deferred income	857,582	174,928
	<u>2,193,013</u>	<u>1,240,077</u>

SIR (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

14 CALLED UP SHARE CAPITAL

			2006	2005
Authorised. Number	Class	Nominal value £1	£ <u>100,000</u>	£ <u>100,000</u>
100,000	Ordinary			
Allotted, issued and fully paid. Number	Class	Nominal value £1	£ <u>10,000</u>	£ <u>10,000</u>
10,000	Ordinary			

15 STATEMENT OF MOVEMENT ON RESERVES

	£ Profit and Loss account
At 1 October 2005	1,022,781
Retained loss for the year	<u>(122,720)</u>
At 30 September 2006	<u>900,061</u>

16 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	2006 £	2005 £
Profit for financial year	417,280	773,634
Dividends paid and proposed	<u>(540,000)</u>	<u>(670,000)</u>
Net (reduction)/additions to equity shareholder's funds	(122,720)	103,634
Opening equity shareholder's funds	<u>1,032,781</u>	<u>929,147</u>
Closing equity shareholder's funds	<u>910,061</u>	<u>1,032,781</u>

17 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund for the year ended 30 September 2006 and amounted to £31,101 (2005 £30,025)

SIR (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

18 OPERATING LEASE COMMITMENTS

At 30 September 2006 the company had annual commitments for land and buildings under non-cancelable operating leases as follows

	2006 £		2005 £	
	Land and buildings	Other	Land and buildings	Other
2-5 years	-	12,322	-	12,322
After more than 5 years	60,000	-	60,000	-
Total	<u>60,000</u>	<u>12,322</u>	<u>60,000</u>	<u>12,322</u>

19 ULTIMATE PARENT COMPANY

The directors regard RM plc, a company incorporated in the United Kingdom, as the ultimate parent company and the ultimate controlling party

RM plc is the parent company of the only group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from New Mill House, 183 Milton Park, Abingdon, Oxon, OX14 4SE

The company has taken advantage of the exemption allowed in Financial Reporting Standard No 8 Related Party Disclosures from disclosing details of transactions with members of the RM plc Group