

REGISTERED NUMBER: 1872571 (England and Wales)

SIR (UK) LIMITED
ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004



SIR (UK) LIMITED

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FOR THE YEAR ENDED 30 SEPTEMBER 2004**

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SIR (UK) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

DIRECTORS:

U A Patel
K Brooks
B Enlander
S Bolingbroke

SECRETARY:

E Hollinrake

REGISTERED OFFICE:

New Mill House
183 Milton Park
Abingdon
Oxon
OX14 4SE

REGISTERED NUMBER:

1872571 (England and Wales)

AUDITORS:

Deloitte & Touche LLP
Chartered Accountants
Reading

SIR (UK) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2004

The directors present their report with the financial statements of the company for the year ended 30 September 2004.

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 directors are recommending the payment of a dividend this year of £440,000 (2003: £nil).

The profit on ordinary activities after taxation available to shareholders amounted to £506,057 (2003: Loss £44,527).

DIRECTORS

The directors during the year under review were:

U A Patel
K Brooks
B Enlander
S Bolingbroke (Appointed 11 July 2003)

DIRECTORS' INTEREST

The directors holding office at 30 September 2004 did not hold any beneficial interest in the issued share capital of the company at 1 October 2003 or 30 September 2004.

As at 30 September 2004 the directors had the following interests in the shares of RM plc, the ultimate parent company:

Name of director	30 September 2004	*30 September 2003
	Ordinary shares of	Ordinary shares of
	2p each	2p each
	Number	Number
U A Patel	79	-
K Brooks	79	-
B Enlander	79	-
S Bolingbroke	675	592

*or date of appointment if later

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.

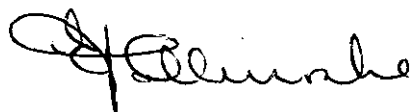
Number of options over ordinary shares
of 2p each in RM plc

	At 1 October 2003	Granted in year	Lapsed in year	At 30 September 2004	Exercise price	Date from which exercisable	Expiry date
<i>S Bolingbroke</i>	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
	28,000	-	28,000	-	£5.45	26/02/04	26/02/11
	26,000	-	26,000	-	£5.225	30/05/04	30/05/11
	36,000	-	-	36,000	£2.50	29/11/04	29/11/11
	25,000	-	-	25,000	£0.735	05/03/05	05/03/12
	51,538	-	-	51,538	£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

AUDITORS

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

ON BEHALF OF THE BOARD:



By order of the Board
E Hollinrake – Company Secretary

Dated: 25 July 2005

SIR (UK) LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed; and
- 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SIR (UK) LIMITED

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 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 17. 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 auditor's 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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view have been properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report 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 United Kingdom 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 circumstances of the company, 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 30 September 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP

CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS

Reading

26 July 2005

SIR (UK) LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

	Notes	Year ended 30 September 2004 £	Six months to 30 September 2003 £
TURNOVER		2,857,218	1,492,399
Cost of sales		<u>(629,801)</u>	<u>(467,091)</u>
GROSS PROFIT		2,227,417	1,025,308
Administrative expenses		<u>(1,533,423)</u>	<u>(1,088,471)</u>
OPERATING PROFIT/(LOSS)	3	693,994	(63,163)
Interest receivable and similar income	5	<u>41,096</u>	<u>10,713</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		735,090	(52,450)
Tax (charge)/credit on profit/(loss) on ordinary activities	6	<u>(229,033)</u>	<u>7,923</u>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD AFTER TAXATION		506,057	(44,527)
Dividends payable	7	<u>(440,000)</u>	<u>-</u>
Retained profit for the financial period		66,057	(44,527)
Retained profit brought forward		<u>853,090</u>	<u>897,617</u>
RETAINED PROFIT CARRIED FORWARD		<u>919,147</u>	<u>853,090</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years. All of the turnover arose in the United Kingdom.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the results for the current and previous periods as shown above and accordingly no statement of total recognised gains and losses has been prepared.

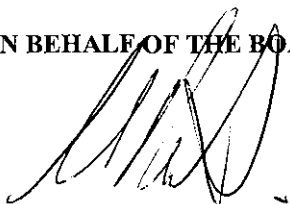
The notes form part of these financial statements

SIR (UK) LIMITED

**BALANCE SHEET
30 SEPTEMBER 2004**

		30 September 2004	30 September 2003
	Notes	£	£
FIXED ASSETS:			
Tangible assets	8	<u>31,814</u>	<u>25,366</u>
CURRENT ASSETS:			
Debtors	9	2,196,887	1,133,004
Cash at bank and in hand		<u>419,385</u>	<u>345,282</u>
		2,616,272	1,478,286
CREDITORS: Amounts falling due within one year	11	<u>(1,718,939)</u>	<u>(640,562)</u>
NET CURRENT ASSETS:		<u>897,333</u>	<u>837,724</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>929,147</u>	<u>863,090</u>
CAPITAL AND RESERVES:			
Called up share capital	12	10,000	10,000
Profit and loss account	13	<u>919,147</u>	<u>853,090</u>
EQUITY SHAREHOLDERS' FUNDS:	14	<u>929,147</u>	<u>863,090</u>

ON BEHALF OF THE BOARD:



U Patel - DIRECTOR

Approved by the Board on 25th July 2005

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

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.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that its ultimate holding company produces a consolidated cash flow statement that is publicly available.

Turnover

Turnover represents net invoiced sales of services and goods, excluding value added tax.

Turnover on major contracts is recognised as invoiced, on the basis that amount invoiced represent a fair measure of contract tasks completed to date.

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

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
Motor vehicles	- 25% on reducing balance

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.

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.

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.

SIR (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

	Year ended 30 September 2004	Six months ended 30 September 2003
2. STAFF COSTS		
Wages and salaries	1,188,228	925,712
Social security costs	100,984	77,609
Other pension costs	20,077	7,966
	<u>1,309,289</u>	<u>1,011,287</u>

The average monthly number of employees during the year was as follows:

	No.	No.
Administration	3	3
Operational and marketing	16	16
	<u>19</u>	<u>19</u>

3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	Year ended 30 September 2004	Six months ended 30 September 2003
	£	£
Depreciation - owned assets	18,822	3,624
Auditors' remuneration	8,000	8,000
Management fees from other group companies	25,000	-
Operating lease charges - other (land & buildings)	60,000	30,000
Exceptional item	-	100,000
	<u>-</u>	<u>100,000</u>

The exceptional items above during the six month period ended 30 September 2003 relates to a one-off payment made to the landlords of the property leased by the company for its occupation in Clapham, London who allowed the insertion of a break clause in the contract for 2010. The landlords are the trustees of the self administered pension scheme trust established for the benefit of certain directors.

4. DIRECTORS REMUNERATION

The remuneration of the directors was as follows:

Emoluments	<u>372,191</u>	<u>120,500</u>
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The number of directors who were members of the pension scheme were as follows:

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

SIR (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

4. DIRECTORS REMUNERATION (CONTINUED)

Pension contributions of £11,925 were made on behalf of the directors during the year ended 30 September 2004 (six months ended 30 September 2003 £nil).

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

	Year ended 30 September 2004	Six months ended 30 September 2003
Emoluments	128,580	49,249
Pension contributions	<u>3,975</u>	<u>-</u>
	<u>132,555</u>	<u>49,249</u>

The directors operate a self administered pension trust. The trust owns the building occupied by the company in Clapham, London and during the year the company paid rent to the pension trust of £60,000 (six months to 30 September 2003 £30,000).

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 30 September 2004	Six months ended 30 September 2003
	£	£
Bank deposit interest	8,744	10,713
Interest on amount owed by parent company	<u>32,352</u>	<u>-</u>
	<u>41,096</u>	<u>10,713</u>

SIR (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004****6. TAXATION****Analysis of the tax charge**

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

	Year ended 30 September 2004	Six months ended 30 September 2003
	£	£
Current tax charge:		
UK corporation tax rate of 30%	323,264	(7,923)
Adjustment in respect of prior periods	82,000	-
	405,264	(7,923)
Deferred tax		
Timing differences, origination and reversal	(91,590)	-
Adjustment in respect of prior year	(84,641)	-
	(176,231)	-
Tax charge/(credit)	<u>229,033</u>	<u>(7,923)</u>

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:

	Year ended 30 September 2004	Six months ended 30 September 2003
	£	£
Profit on ordinary activities before tax	<u>735,090</u>	<u>(52,450)</u>
Tax at 30%	220,527	(15,735)
Effects of:		
Expenses not deductible for tax purposes	10,000	7,812
Capital allowances in excess of depreciation	1,147	-
Movement in short term timing differences	91,590	-
Adjustment in respect of prior periods	82,000	-
Current tax charge/(credit)	<u>405,264</u>	<u>(7,923)</u>

SIR (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004****7. DIVIDENDS PAID AND PROPOSED**

	2004 £	2003 £
Ordinary	<u>440,000</u>	<u>-</u>

The dividend represents a final proposed dividend payable of £44 per ordinary share (2003: Nil).

8. TANGIBLE FIXED ASSETS

	Plant & machinery	Motor vehicles	Totals
	£	£	£
COST:			
At 1 October 2003	47,282	12,040	59,322
Additions	<u>25,270</u>	<u>-</u>	<u>25,270</u>
At 30 September 2004	<u>72,552</u>	<u>12,040</u>	<u>84,592</u>
DEPRECIATION:			
At 1 October 2003	27,842	6,114	33,956
Charge for the year	<u>17,340</u>	<u>1,482</u>	<u>18,822</u>
At 30 September 2004	<u>45,182</u>	<u>7,596</u>	<u>52,778</u>
NET BOOK VALUE:			
At 30 September 2004	<u>27,370</u>	<u>4,444</u>	<u>31,814</u>
At 30 September 2003	<u>19,440</u>	<u>5,926</u>	<u>25,366</u>

9. DEBTORS:

	2004 £	2003 £
Trade debtors	469,418	369,126
Amount owed from parent company	1,503,769	750,000
Deferred tax asset (note 10)	176,231	-
Prepayment and other debtors	<u>47,469</u>	<u>13,878</u>
	<u>2,196,887</u>	<u>1,133,004</u>

All amounts are due within one year.

A 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 2004****10. DEFERRED TAX ASSET**

	2004 £	2003 £
Balance as at 1 October	-	-
Credit to the profit & loss account	<u>176,231</u>	<u>-</u>
Balance as at 30 September	<u>176,231</u>	<u>-</u>

Analysis of deferred tax balance

	2004 £	2003 £
Capital allowances in excess of depreciation	3,348	-
Short term timing differences	<u>172,883</u>	<u>-</u>
	<u>176,231</u>	<u>-</u>

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

	2004 £	2003 £
Trade creditors	103,349	48,428
Corporation tax	421,925	189,311
Social security & other taxes	156,900	121,301
Other creditors	488,547	190,547
Accruals & deferred income	108,218	90,975
Proposed dividend	<u>440,000</u>	<u>-</u>
	<u>1,718,939</u>	<u>640,562</u>

SIR (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004****12. CALLED UP SHARE CAPITAL**

			2004	2003
Authorised:				
Number:	Class:	Nominal value:		
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:		
			£	£
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

13. STATEMENT OF MOVEMENT ON RESERVES

	£ Profit and Loss account
At 1 October 2003	853,090
Retained profit for the year	<u>66,057</u>
At 30 September 2004	<u>919,147</u>

**14. RECONCILIATION OF MOVEMENTS
IN EQUITY SHAREHOLDERS FUNDS**

	2004 £	2003 £
Profit/(Loss) for financial period	506,057	(44,527)
Dividends paid and proposed	<u>(440,000)</u>	<u>-</u>
Net additions to equity shareholders' funds	66,057	(44,527)
Opening equity shareholders' funds	863,090	907,617
Closing equity shareholders funds	<u>929,147</u>	<u>863,090</u>

15. 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 contribution payable by the company to the fund for the year ended 30 September 2004 and amounted to £32,000 (six months ended 30 September 2003: £7,966).

SIR (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

16. OPERATING LEASE COMMITMENTS:

At 30 September 2004 the company had annual commitments for land and building under non-cancelable operating leases as follows:

	2004	2003
Expiry date:		
	£	£
After more than five years	<u>60,000</u>	<u>60,000</u>

17. 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 smallest and largest 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.