

REPORT OF THE DIRECTORS

The Directors present their report with the Financial Statements of the Company for the year ended 31 July 2004.

DIRECTORS

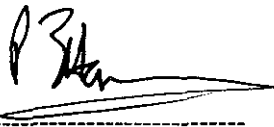
The Directors of the Company during the financial year and their interests in the shares of the Company were as follows:

| | |
|-----------------------|---------------------|
| Mr P J Harris | 1 Ordinary £1 Share |
| Mr C A A P Hutchinson | 1 Ordinary £1 Share |

TRADING ACTIVITIES

During the above financial year, the Company has not traded and there has been no income or expenditure, and therefore no change in the Company's position has arisen. Any expenses have been met by the Directors personally.

BY ORDER OF THE BOARD



CHAIRMAN



ART FOR OFFICES LIMITED**Company No: 3231835****BALANCE SHEET AS AT 31 JULY 2004**

| | £ | <u>2004</u> | £ | <u>2003</u> | £ |
|-----------------------------------|---|-------------|---|-------------|---|
| <u>CURRENT ASSETS</u> | | | | | |
| Other Debtors | | 2 | | 2 | |
| <u>CURRENT LIABILITIES</u> | | - | | - | |
| NET ASSETS | | <u>2</u> | | <u>2</u> | |

Represented By:**Authorised Share Capital**

| | | |
|--------------------------------|-------------|-------------|
| 100 Ordinary Shares of £1 each | 100 | 100 |
| | <u> </u> | <u> </u> |

SHARE CAPITAL ISSUED AND FULLY PAID

| | | |
|------------------------------|-------------|-------------|
| 2 Ordinary Shares of £1 each | 2 | 2 |
| | <u> </u> | <u> </u> |

The Company is entitled to exemption from audit under Section 249AA(1) of the Companies Act 1985 for the year ending 31 July 2004.

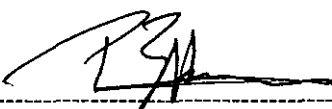
No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its Financial Statements for the financial year.

The Directors acknowledge their responsibilities for:

- (a) ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
- (b) preparing Financial Statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its results for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to Financial Statements, so far as applicable to the Company.

ON BEHALF OF THE BOARD:

Approved by the Board on:



DIRECTOR

4.8.04