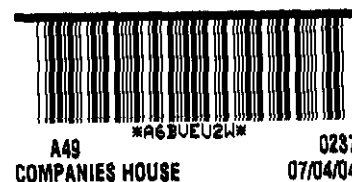


CGMS LIMITED
ABBREVIATED FINANCIAL STATEMENTS

31ST DECEMBER 2003

DALY, HOGGETT & CO.

Chartered Accountants & Registered Auditors
5-11 Mortimer Street
London
W1T 3HS



CGMS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2003

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CGMS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2003.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company during the year were those of planning and environmental consultancy.

The directors are pleased to report continuing growth during the year and currently expect this to continue during 2004.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2003	2002
	£	£
Dividends paid on ordinary shares	<u>34,200</u>	<u>28,500</u>

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At	At
	31 December 2003	1 January 2003
P CHADWICK	-	-
K GOODWIN	-	-
E MORTIMER	-	-
J STOCKDALE	-	-

The beneficial interests of the directors, including family holdings, in the shares of the parent company at the balance sheet date were as follows:

	Ordinary Shares of £1 each
P CHADWICK	26,600
K GOODWIN	21,000
E MORTIMER	28,800
J STOCKDALE	21,600

DIRECTORS' RESPONSIBILITIES

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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 7, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; 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. The directors 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.

CGMS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2003

AUDITORS

A resolution to re-appoint Daly, Hoggett & Co. as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
5 - 11 Mortimer Street
London
W1T 3HS

Signed by order of the directors



KEVIN ROY GOODWIN
Company Secretary

Approved by the directors on 1/4/04

CGMS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 4 to 12, together with the financial statements of the company for the year ended 31st December 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 4 to 12 are properly prepared in accordance with those provisions.

5-11 Mortimer Street
London
W1T 3HS

5/4/04

Daly, Hoggatt & Co.

DALY, HOGGETT & CO.
Chartered Accountants
& Registered Auditors

CGMS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2003

	Note	2003 £	2002 £
GROSS PROFIT		1,204,491	941,494
Administrative expenses		<u>1,153,905</u>	<u>917,379</u>
OPERATING PROFIT	2	50,586	24,115
Interest receivable		<u>11,087</u>	<u>7,726</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		61,673	31,841
Tax on profit on ordinary activities	5	<u>12,985</u>	<u>9,063</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		48,688	22,778
Dividends	6	<u>34,200</u>	<u>28,500</u>
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>14,488</u>	<u>(5,722)</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 7 to 12 form part of these abbreviated accounts.

CGMS LIMITED


ABBREVIATED BALANCE SHEET

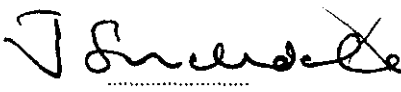
31ST DECEMBER 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	7	83,641	75,020
CURRENT ASSETS			
Stocks	8	97,858	81,101
Debtors	9	1,063,646	907,992
Cash at bank and in hand		333,635	582,016
		<u>1,495,139</u>	<u>1,571,109</u>
CREDITORS: Amounts falling due within one year	10	<u>1,154,745</u>	<u>1,233,182</u>
NET CURRENT ASSETS		<u>340,394</u>	<u>337,927</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>424,035</u>	<u>412,947</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	11	6,600	10,000
		<u>417,435</u>	<u>402,947</u>
CAPITAL AND RESERVES			
Called-up equity share capital	13	114,000	114,000
Share premium account		18,000	18,000
Capital Redemption Reserve	14	139,000	139,000
Profit and loss account	15	146,435	131,947
SHAREHOLDERS' FUNDS	16	<u>417,435</u>	<u>402,947</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 1/4/04 and are signed on their behalf by:


E MORTIMER


J STOCKDALE

The notes on pages 7 to 12 form part of these abbreviated accounts.

CGMS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31ST DECEMBER 2003

	Note	2003 £	£	2002 £	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	17		(168,509)		494,404
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	17		11,087		7,726
TAXATION	17		(3,035)		(25,963)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	17		(53,724)		(63,613)
EQUITY DIVIDENDS PAID			(34,200)		(28,500)
(DECREASE)/INCREASE IN CASH	17		<u>(248,381)</u>		<u>384,054</u>

The notes on pages 7 to 12 form part of these abbreviated accounts.

CGMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2003

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	5 Years Straight Line
Computer Equipment	3 Years Straight Line

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2003	2002
	£	£
Directors' emoluments	88,817	567,598
Depreciation of owned fixed assets	44,944	36,002
Loss on disposal of fixed assets	159	-
Auditors' remuneration		
– as auditors	7,500	6,000
Operating lease costs:		
Plant and equipment	30,775	22,923

Motor vehicles

CGMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2003

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2003	2002
	No	No
Number of staff	38	36

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	1,634,334	1,803,524
Social security costs	180,844	192,822
Other pension costs	34,226	97,801
	<u>1,849,404</u>	<u>2,094,147</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2003	2002
	£	£
Emoluments receivable	88,817	567,598
Value of company pension contributions to money purchase schemes	-	72,000
	<u>88,817</u>	<u>639,598</u>

The number of directors who are accruing benefits under company pension schemes was as follows:

	2003	2002
	No	No
Money purchase schemes	-	4

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2003	2002
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2002 – 19.25%)	16,450	3,100
Over/under provision in prior year	(65)	363
Total current tax	<u>16,385</u>	<u>3,463</u>

Deferred tax:

(Decrease)/Increase in deferred tax provision (note 11)		
Capital allowances	(3,400)	5,600
Tax on profit on ordinary activities	<u>12,985</u>	<u>9,063</u>

CGMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2003

5. TAX ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2002 – 19.25%).

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>61,673</u>	<u>31,841</u>
Profit/(loss) on ordinary activities by rate of tax	11,718	6,129
Expenses not deductible for tax purposes	1,333	3,297
Capital allowances for period in excess of depreciation	–	(6,326)
Depreciation for period in excess of capital allowances	3,399	–
Adjustment to tax charge in respect of previous periods	(65)	363
Total current tax (note 5(a))	<u>16,385</u>	<u>3,463</u>

6. DIVIDENDS

The following dividends have been paid in respect of the year:

	2003 £	2002 £
Dividend paid on ordinary shares	<u>34,200</u>	<u>28,500</u>

7. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Equipment £	Total £
COST			
At 1st January 2003	40,600	163,843	204,443
Additions	10,629	43,095	53,724
Disposals	(212)	–	(212)
At 31st December 2003	<u>51,017</u>	<u>206,938</u>	<u>257,955</u>
DEPRECIATION			
At 1st January 2003	29,350	100,073	129,423
Charge for the year	4,820	40,124	44,944
On disposals	(53)	–	(53)
At 31st December 2003	<u>34,117</u>	<u>140,197</u>	<u>174,314</u>
NET BOOK VALUE			
At 31st December 2003	<u>16,900</u>	<u>66,741</u>	<u>83,641</u>
At 31st December 2002	<u>11,250</u>	<u>63,770</u>	<u>75,020</u>

8. STOCKS

	2003 £	2002 £
Work in progress	<u>97,858</u>	<u>81,101</u>

9. DEBTORS

	2003 £	2002 £
Trade debtors	869,878	813,239
Other debtors	25,595	28,960
Prepayments and accrued income	168,173	65,793
	<u>1,063,646</u>	<u>907,992</u>

CGMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2003

10. CREDITORS: Amounts falling due within one year

	2003	2002
	£	£
Trade creditors	650,181	684,234
Amounts owed to group undertakings	120,091	24,500
Corporation tax	16,450	3,100
PAYE and social security	47,442	53,430
VAT	67,769	43,529
Other creditors	6,042	-
Accruals and deferred income	246,770	424,389
	<u>1,154,745</u>	<u>1,233,182</u>

11. DEFERRED TAXATION

	2003	2002
	£	£
The movement in the deferred taxation provision during the year was:		
Provision brought forward	10,000	4,400
Profit and loss account movement arising during the year	(3,400)	5,600
Provision carried forward	<u>6,600</u>	<u>10,000</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2003	2002
	£	£
Excess of taxation allowances over depreciation on fixed assets	6,600	10,000
	<u>6,600</u>	<u>10,000</u>

12. COMMITMENTS UNDER OPERATING LEASES

At 31st December 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	2003		2002	
	Land & Buildings	Other Items	Land & Buildings	Other Items
	£	£	£	£
Operating leases which expire:				
Within 1 year	-	-	-	4,246
Within 2 to 5 years	174,268	48,496	-	40,374
After more than 5 years	25,500	-	168,875	-
	<u>199,768</u>	<u>48,496</u>	<u>168,875</u>	<u>44,620</u>

13. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
225,000 Ordinary shares of £1 each	225,000	225,000
150,000 Undesignated shares of £1 each	150,000	150,000
	<u>375,000</u>	<u>375,000</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>114,000</u>	<u>114,000</u>	<u>114,000</u>	<u>114,000</u>

14. CAPITAL REDEMPTION RESERVE

	2003	2002
	£	£
Capital redemption reserve	<u>139,000</u>	<u>139,000</u>

CGMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2003

15. PROFIT AND LOSS ACCOUNT

	2003	2002
	£	£
Balance brought forward	131,947	137,669
Retained profit/(accumulated loss) for the financial year	14,488	(5,722)
Balance carried forward	<u>146,435</u>	<u>131,947</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Profit for the financial year	48,688	22,778
Dividends	(34,200)	(28,500)
	<u>14,488</u>	<u>(5,722)</u>
Opening shareholders' equity funds	402,947	408,669
Closing shareholders' equity funds	<u>417,435</u>	<u>402,947</u>

17. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2003	2002
	£	£
Operating profit	50,586	24,115
Depreciation	44,944	36,002
Loss on disposal of fixed assets	159	-
Increase in stocks	(16,757)	(11,031)
Increase in debtors	(155,654)	(307,896)
(Decrease)/increase in creditors	(91,787)	753,214
Net cash (outflow)/inflow from operating activities	<u>(168,509)</u>	<u>494,404</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2003	2002
	£	£
Interest received	11,087	7,726
Net cash inflow from returns on investments and servicing of finance	<u>11,087</u>	<u>7,726</u>

TAXATION

	2003	2002
	£	£
TAXATION	<u>(3,035)</u>	<u>(25,963)</u>

CAPITAL EXPENDITURE

	2003	2002
	£	£
Payments to acquire tangible fixed assets	(53,724)	(63,613)
Net cash outflow from capital expenditure	<u>(53,724)</u>	<u>(63,613)</u>

CGMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 2003

17. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2003 £	2002 £
(Decrease)/Increase in cash in the period	(248,381)	384,054
Movement in net funds in the period	(248,381)	384,054
Net funds at 1 January 2003	582,016	197,962
Net funds at 31 December 2003	333,635	582,016

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2003 £	Cash flows £	At 31 Dec 2003 £
Net cash:			
Cash in hand and at bank	582,016	(248,381)	333,635
Net funds	582,016	(248,381)	333,635

18. ULTIMATE PARENT COMPANY

The company's ultimate holding company is CgMs Holdings Limited, a company incorporated in England and Wales.