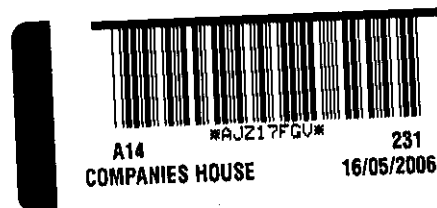


**ARCHIMEDES CONSULTING LIMITED**

4343875

**DIRECTORS' REPORT & FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005**



**ARCHIMEDES CONSULTING LIMITED**

**COMPANY INFORMATION**

REGISTERED OFFICE:

6 Althorp Road  
St Albans  
Herts  
AL1 3PW

COMPANY REGISTRATION NUMBER:

4343875

DIRECTORS:

P S Seabright  
S L Sollis

SECRETARY:

P S Seabright

ACCOUNTANTS:

Fenlon & Co  
25 Sandridge Road  
St Albans  
Herts  
AL1 4AE

BANKERS:

Bank of Scotland  
600 Gorgie Road  
Edinburgh  
EH11 3XP

# ARCHIMEDES CONSULTING LIMITED

## DIRECTORS' REPORT

The Directors submit their report and accounts for the year ended 31<sup>st</sup> December 2005.

### INCORPORATION

The company was incorporated on 20<sup>th</sup> December 2001.

### PRINCIPAL ACTIVITY

The company's principal activity during the period was that of provision of training and coaching.

### FIXED ASSETS

Details of fixed assets are set out in Note 5 to the accounts.

### DIRECTORS

The Directors of the company throughout the period and their beneficial interest in the Ordinary Share Capital of the company were as follows:

|               | <u>2005</u> | <u>No of Shares</u> | <u>2004</u> |
|---------------|-------------|---------------------|-------------|
| P S Seabright | 100         |                     | 100         |
| S L Sollis    | -           |                     | -           |
|               | <u>100</u>  |                     | <u>100</u>  |

### DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act. 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.

By Order of the Board

  
**P S Seabright**  
**Director**

3<sup>rd</sup> March 2006

**ARCHIMEDES CONSULTING LIMITED**  
**BALANCE SHEET AT 31<sup>ST</sup> DECEMBER 2005**

|                                   | <u>Notes</u> | <u>£</u>      | <u>2005</u>   | <u>£</u>      | <u>2004</u>   | <u>£</u> |
|-----------------------------------|--------------|---------------|---------------|---------------|---------------|----------|
| <b><u>FIXED ASSETS</u></b>        | 5            |               | 1,505         |               | 1,078         |          |
| <b><u>CURRENT ASSETS</u></b>      |              |               |               |               |               |          |
| Debtors                           | 6            | 24,767        |               | 5,930         |               |          |
| Cash at Bank                      |              | <u>62,586</u> |               | <u>55,020</u> |               |          |
|                                   |              | 87,353        |               | 60,950        |               |          |
| <b><u>LESS: CREDITORS:</u></b>    |              |               |               |               |               |          |
| Amounts due within one year       | 7            | <u>21,030</u> |               | <u>14,459</u> |               |          |
| <b><u>NET CURRENT ASSETS</u></b>  |              |               | <u>66,323</u> |               | <u>46,491</u> |          |
|                                   |              |               | <u>67,828</u> |               | <u>47,569</u> |          |
| <b><u>Financed By:</u></b>        |              |               |               |               |               |          |
| Share Capital                     | 8            |               | 100           |               | 100           |          |
| Profit & Loss Account             |              |               | <u>67,728</u> |               | <u>47,469</u> |          |
| <b><u>Shareholders' Funds</u></b> | 9            |               | <u>67,828</u> |               | <u>47,569</u> |          |

The Directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A(1) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit. The Directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> December 2005 and of its results for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The Directors have taken advantage, in the preparation of these accounts, of the special exemptions applicable to small companies under Schedule 8 Part 1 of the Companies Act 1985 on the grounds that, in the opinion of the Directors, the company qualifies as a small company and is entitled to make use of the special exemptions. The accounts were approved by the Board on 3<sup>rd</sup> March 2006 and signed on its behalf.

  
**P S Seabright**  
**Director**

The Notes on Pages 5 to 7 form part of these Financial Statements.

**ARCHIMEDES CONSULTING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005**

1. **ACCOUNTING POLICIES**

**Accounting Convention**

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The Directors have decided to take advantage of the reduced disclosure requirements available by Statutory Instrument 2452, The Companies Act Regulations 1992.

**Turnover**

Turnover represents the invoiced value of fees and disbursements charged to clients excluding Value Added Tax.

**Tangible Fixed Assets and Depreciation**

Depreciation is provided on tangible fixed assets, at a rate chosen to write off their cost over their useful lives as follows:

|           |   |                       |
|-----------|---|-----------------------|
| Equipment | - | 25% per annum on cost |
|-----------|---|-----------------------|

**Deferred Taxation**

The Accounting policy reflects the requirements of FRS 19 – Deferred Tax. 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 Balance on the Deferred Tax is disregarded if immaterial, ie below £250.

**Cash Flow Statement**

The Directors have decided to adopt the provisions of Financial Reporting Standard No 1 “Cash Flow Statements”. As the company is entitled to the exemptions available in Sections 246 to 249 of the Companies Act 1985, it is not required to produce such a statement.

**Stocks**

Stocks and Work-in-Progress is valued at the lower of cost and net realisable value.

**Leases**

Rental costs under operating leases are charged to Profit and Loss Account as incurred.

**ARCHIMEDES CONSULTING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005**  
**(Continued)**

|   | <b><u>2005</u></b>      | <b><u>2004</u></b>  |
|---|-------------------------|---------------------|
|   | <b><u>£</u></b>         | <b><u>£</u></b>     |
| 2. <b><u>PROFIT ON ORDINARY ACTIVITIES</u></b><br><b><u>BEFORE TAXATION</u></b> |                         |                     |
| This is arrived at after charging:  |                         |                     |
| Depreciation  | 502                     | 360                 |
| Directors' Remuneration   | 5,394                   | 2,351               |
|   | <u>          </u>       | <u>          </u>   |
| 3. <b><u>TAXATION</u></b>   |                         |                     |
| The Tax Charge on the Profit on Ordinary Activities was as follows:             |                         |                     |
| Corporation Tax payable at rates applicable to small companies                  | 11,621                  | 6,230               |
|   | <u>          </u>       | <u>          </u>   |
| 4. <b><u>DIVIDENDS</u></b>  |                         |                     |
| Dividend on Ordinary Shares - Paid  | 27,000                  | 10,440              |
|   | <u>          </u>       | <u>          </u>   |
| 5. <b><u>TANGIBLE ASSETS</u></b>  |                         |                     |
|   | <b><u>Equipment</u></b> | <b><u>Total</u></b> |
|   | <b><u>£</u></b>         | <b><u>£</u></b>     |
| <b><u>Cost</u></b>  |                         |                     |
| B/Fwd at 01.01.2005   | 1,532                   | 1,532               |
| Additions   | 929                     | 929                 |
| C/Fwd at 31.12.2005   | <u>2,461</u>            | <u>2,461</u>        |
| <b><u>Depreciation</u></b>  |                         |                     |
| B/Fwd at 01.01.2005   | 454                     | 454                 |
| Charge for Year   | <u>502</u>              | <u>502</u>          |
| C/Fwd at 31.12.2005   | <u>956</u>              | <u>956</u>          |
| <b><u>Net Book Value</u></b>  |                         |                     |
| At 31 <sup>st</sup> December 2005   | <u>1,505</u>            | <u>1,505</u>        |
| At 31 <sup>st</sup> December 2004   | <u>1,078</u>            | <u>1,078</u>        |

**ARCHIMEDES CONSULTING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005**  
**(Continued)**

|   | <b><u>2005</u></b> | <b><u>2004</u></b> |
|---|--------------------|--------------------|
|   | <b><u>£</u></b>    | <b><u>£</u></b>    |
| 6. <b><u>DEBTORS: Amounts due within one year</u></b>   |                    |                    |
| Trade Debtors   | 24,655             | 5,830              |
| Prepayments and accrued income  | <u>112</u>         | <u>100</u>         |
|   | <u>24,767</u>      | <u>5,930</u>       |
| 7. <b><u>CREDITORS: Amounts falling due within one year</u></b>   |                    |                    |
| Directors' Loan Account   | 535                | 44                 |
| Corporation Tax   | 11,621             | 6,230              |
| Other Taxation and Social Security  | 7,900              | 5,457              |
| Accruals and other creditors  | <u>974</u>         | <u>2,728</u>       |
|   | <u>21,030</u>      | <u>14,459</u>      |
| 8. <b><u>SHARE CAPITAL</u></b>  |                    |                    |
| <b><u>Authorised Share Capital</u></b>  |                    |                    |
| 1,000 Shares of £1 each   | <u>1,000</u>       | <u>1,000</u>       |
| <b><u>Allotted, Issued and Fully Paid</u></b>   |                    |                    |
| 100 Shares of £1 each   | <u>100</u>         | <u>100</u>         |
| 9. <b><u>SHAREHOLDERS' FUNDS</u></b>  |                    |                    |
| Profit After Tax  | 47,259             | 28,021             |
| Dividends   | (27,000)           | (10,440)           |
|   | 20,259             | 17,581             |
| Opening Shareholders' Funds   | <u>47,569</u>      | <u>29,988</u>      |
| Closing Shareholders' Funds   | <u>67,828</u>      | <u>47,569</u>      |
| 10. <b><u>RELATED PARTY TRANSACTIONS</u></b>  |                    |                    |
| Included in creditors due within one year is £535 (2004: £44) due to the Directors.   |                    |                    |
| 11. <b><u>ULTIMATE CONTROL</u></b>  |                    |                    |
| Ultimate control of the company is vested in P S Seabright by virtue of her ownership of the entire share capital of the company. |                    |                    |

**ARCHIMEDES CONSULTING LIMITED**

**DETAILED TRADING & PROFIT & LOSS ACCOUNT**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2005**

|   | <u>2005</u>   | <u>2004</u>   |
|---|---------------|---------------|
|   | £             | £             |
| <b><u>SALES</u></b>                         | 112,681       | 58,132        |
| <b><u>Less: Direct Costs</u></b>            | <u>27,022</u> | <u>8,518</u>  |
| <b><u>GROSS PROFIT</u></b>                  | 85,659        | 49,614        |
| <b><u>Less: Administrative expenses</u></b> |               |               |
| Director's Remuneration                     | 5,394         | 2,351         |
| Wages & Employers NI                        | 2,832         | -             |
| Advertising                                 | 1,585         | 2,358         |
| Postage, Stationery and Computer Expenses   | 3,575         | 1,296         |
| Training and Seminars                       | -             | 524           |
| Travel and Subsistence                      | 6,868         | 3,844         |
| Entertaining                                | 2,678         | 1,443         |
| Rent and Services                           | 492           | 468           |
| Publications and Subscriptions              | 519           | 548           |
| Telephone and Internet Expenses             | 2,069         | 958           |
| Accountancy and Book-keeping                | 1,414         | 1,268         |
| Sundry Expenses                             | 568           | 589           |
| Depreciation                                | <u>502</u>    | <u>360</u>    |
|   | 28,496        | 16,007        |
| <b><u>Less: IR Incentive Payment</u></b>    | <u>(250)</u>  | <u>-</u>      |
|   | <u>28,246</u> | <u>16,007</u> |
| <b><u>OPERATING PROFIT</u></b>              | <u>57,413</u> | <u>33,607</u> |