

DIRECTORS' REPORT

The Directors hereby submit the Annual Report and Accounts of the Company for the year ended 31 December 2004.

The Directors of the ultimate holding company Arlacross Limited, during the financial year and their interests in shares of the Company were:-

	<u>31.12.04</u>	<u>01.01.04</u>
A F Parker (resigned 21 April 2004)	-	89
R Tang	-	11

During the financial year, the Company has not traded. Any expenses have been met by the Directors personally.

Signed on behalf of the Board

R L O Tang

SECRETARY/DIRECTOR

BALANCE SHEET AT 31 DECEMBER 2004

	<u>2004</u>	<u>2003</u>
	£	£
CURRENT ASSETS		
Cash in hand	2	2
CURRENT LIABILITIES		
Due to parent company	37,429	37,429
ASSETS LESS CURRENT LIABILITIES	<u>£(37,427)</u>	<u>£(37,427)</u>
Represented by		
AUTHORISED SHARE CAPITAL OF £1,000	£	£
SHARE CAPITAL ISSUED AND FULLY PAID		
Ordinary shares of £1 each	2	2
Profit and loss account	(37,429)	(37,429)
SHAREHOLDERS FUNDS	<u>£(37,427)</u>	<u>£(37,427)</u>

The Company was dormant throughout the reporting year.

For the year ended 31 December 2004 the Company was entitled to exemption under section 249aa(1) of the Companies Act 1985.

No members have required the Company to obtain an audit of accounts for the year in question in accordance with section 249b(2).

The directors acknowledge their responsibility for:

- i Ensuring the Company keeps accounting records which comply with section 221; and
- ii Preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

Signed

R L O Tang
Director



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13/08/05

Date

12 Aug 05