

SAATCHINVEST LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

LACA Limited
5 Southampton Place
London
WC1A 2DA



SAATCHINVEST LIMITED

COMPANY INFORMATION

Directors	D Kershaw W M Muirhead Lord M Saatchi J T Sinclair
Secretary	Lee Associates (Secretaries) Limited
Company number	04311483
Registered office	5 Southampton Place London WC1A 2DA
Accountants	LACA Limited 5 Southampton Place London WC1A 2DA
Business address	36 Golden Square London W1F 9EE
Bankers	National Westminster Bank plc P O Box 12258, 1 Princes Street London EC2R 8PA

SAATCHINVEST LIMITED

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SAATCHINVEST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their report and financial statements for the year ended 31 December 2003.

Principal activities

The principal activity of the company continued to be that of business and management consultancy.

Directors

The following directors have held office since 1 January 2003:

D Kershaw
W M Muirhead
Lord M Saatchi
J T Sinclair

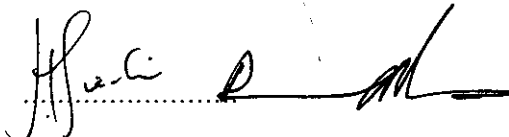
Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 2003	1 January 2003
D Kershaw	16	16
W M Muirhead	16	16
Lord M Saatchi	16	16
J T Sinclair	16	16

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

22/10/04
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SAATCHINVEST LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF SAATCHINVEST LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 2003, set out on pages 3 to 6 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.



LACA Limited

Chartered Accountants

26/10/04

5 Southampton Place
London
WC1A 2DA

SAATCHIINVEST LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

		Year ended 31 December 2003 £	Period ended 31 December 2002 £
	Notes		
Administrative expenses		(85,505)	(132,788)
Loss on ordinary activities before taxation		<u>(85,505)</u>	<u>(132,788)</u>
Tax on loss on ordinary activities	2	-	-
Loss on ordinary activities after taxation	7	<u><u>(85,505)</u></u>	<u><u>(132,788)</u></u>

SAATCHINVEST LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2003

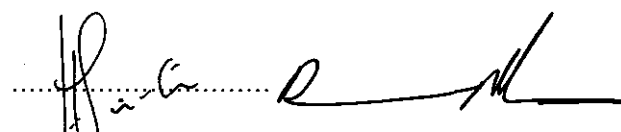
	Notes	2003 £	2002 £
Current assets			
Stocks		69,679	-
Debtors	3	448	6,235
Cash at bank and in hand		31,477	43,688
		<hr/>	<hr/>
		101,604	49,923
Creditors: amounts falling due within one year	4	(20,603)	(33,418)
		<hr/>	<hr/>
		81,001	16,505
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	5	299,193	149,193
Capital and reserves			
Called up share capital	6	100	100
Profit and loss account	7	(218,292)	(132,788)
		<hr/>	<hr/>
		81,001	16,505
		<hr/>	<hr/>

In preparing these financial statements:

- The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- The directors acknowledge their responsibilities for:
 - ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - preparing accounts 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 its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 22/10/04.

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Director

SAATCHINVEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The company meets its day to day working capital requirements through the continuing support of the directors. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

1.2 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Taxation

The company has estimated losses of £ 218,293 (2002: £ 132,788) available for carry forward against future trading profits.

3 Debtors	2003 £	2002 £
Other debtors	448	6,235

4 Creditors: amounts falling due within one year	2003 £	2002 £
Trade creditors	-	25,873
Taxation and social security	1,936	2,138
Other creditors	18,667	5,407
	20,603	33,418

5 Creditors: amounts falling due after more than one year	2003 £	2002 £
Other creditors	299,193	149,193
Analysis of loans		
Wholly repayable within five years	299,193	149,193

Included in other creditors are loans totalling £299,193. These are unsecured and interest free with no fixed date of repayment. The loans will not be repaid until such time as the company has sufficient funds to do so. Some of these loans were made by the directors of the company and as such are disclosed in Note 8.

SAATCHI INVEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

6	Share capital	2003 £	2002 £
	Authorised		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

7	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 1 January 2003	(132,787)
	Retained loss for the period	<u>(85,505)</u>
	Balance at 31 December 2003	<u>(218,292)</u>

8 Transactions with directors

During the year, Lord M Saatchi, D Kershaw and JT Sinclair made further loans to the company of £30,000 each (2002 - £33,548). At the year end, they were each owed £63,548 by the company (2002 - £33,548)

WM Muirhead also made a further loan totalling £30,000 to the company (2002 - £15,000). At the year end, he was owed £45,000 by the company (2002 - £15,000).

All of the loans made by the directors to the company are unsecured, interest free and have no scheduled repayment date.

SAATCHINVEST LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2003

SAATCHINVEST LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

	Year ended 31 December 2003	Period ended 31 December 2002
	£	£
Direct costs	69,679	-
	<u>69,679</u>	<u>-</u>
Closing stock of work in progress	(69,679)	-
	<u>(69,679)</u>	<u>-</u>
Administrative expenses	(85,505)	(132,788)
Operating loss	<u>(85,505)</u>	<u>(132,788)</u>

SAATCHINVEST LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2003

	Year ended 31 December 2003 £	Period ended 31 December 2002 £
Administrative expenses		
Wages and salaries	54,205	81,791
Employer's N.I. contributions	6,208	9,106
Printing, postage and stationery	100	48
Advertising and marketing	374	22,711
Computer running costs	-	252
Travelling expenses	12,305	9,304
Entertaining	-	432
Legal and professional fees	7,219	6,376
Accountancy & bookkeeping	4,729	2,528
Bank charges	87	33
Profit/loss on foreign currency	248	-
Sundry expenses	30	207
	<u>85,505</u>	<u>132,788</u>