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SAATCHINVEST LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

Lee Associates Audit Limited
5 Southampton Place
London
WC1A 2DA



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COMPANIES HOUSE 31/10/2005

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	Lee Associates Audit 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

SAATCHIINVEST LIMITED

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SAATCHINVEST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The directors present their report and financial statements for the year ended 31 December 2004.

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 2004:

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 2004	1 January 2004
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



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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 2004, 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.

Lee Associates Audit Limited

Lee Associates Audit Limited

Chartered Accountants

31/12/05

5 Southampton Place
London
WC1A 2DA

SAATCHI INVEST LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

		2004	2003
	Notes	£	£
Turnover		72,500	-
Cost of sales		(69,679)	-
Gross profit		<u>2,821</u>	<u>-</u>
Administrative expenses		(51,972)	(66,902)
Operating loss		<u>(49,151)</u>	<u>(66,902)</u>
Interest payable and similar charges		(131)	-
Loss on ordinary activities before taxation		<u>(49,282)</u>	<u>(66,902)</u>
Tax on loss on ordinary activities	2	-	-
Loss on ordinary activities after taxation	7	<u><u>(49,282)</u></u>	<u><u>(66,902)</u></u>

SAATCHI INVEST LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2004

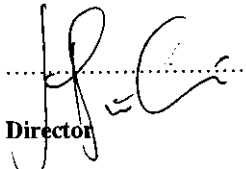
	Notes	2004 £	£	2003 £
Current assets				
Stocks		-		69,679
Debtors	3	100		448
Cash at bank and in hand		6,022		31,477
		<u>6,122</u>		<u>101,604</u>
Creditors: amounts falling due within one year	4	(2,000)		(2,000)
		<u>4,122</u>		<u>99,604</u>
Creditors: amounts falling due after more than one year	5	252,993		299,193
Capital and reserves				
Called up share capital	6	100		100
Profit and loss account	7	(248,971)		(199,689)
		<u>4,122</u>		<u>99,604</u>

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 31/10/05.....


Director

SAATCHINVEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

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 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 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 £ 267,575 (2003: £ 199,690) available for carry forward against future trading profits.

3 Debtors	2004	2003
	£	£
Other debtors	100	448
	<u>100</u>	<u>448</u>
4 Creditors: amounts falling due within one year	2004	2003
	£	£
Other creditors	2,000	2,000
	<u>2,000</u>	<u>2,000</u>
5 Creditors: amounts falling due after more than one year	2004	2003
	£	£
Other creditors	252,993	299,193
	<u>252,993</u>	<u>299,193</u>
Analysis of loans		
Wholly repayable within five years	252,993	299,193
	<u>252,993</u>	<u>299,193</u>

Included in other creditors are loans totalling £252,993 (2003 - £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.

SAATCHINVEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

6	Share capital	2004 £	2003 £
	Authorised		
	1,000 Ordinary shares of £1 each	1,000	1,000
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	100 Ordinary shares of £1 each	100	100
		<u> </u>	<u> </u>

7	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 1 January 2004	(199,689)
	Retained loss for the year	(49,282)
		<u> </u>
	Balance at 31 December 2004	(248,971)
		<u> </u>

8 Transactions with directors

At the year end, Lord M Saatchi, D Kershaw, JT Sinclair had loans outstanding of £54,308 (2003 - £63,548) owed to them by the company. WM Muirhead was owed loans totalling £35,760 (2003-£45,000) by the company. All of the loans made by the directors to the company are unsecured, interest free and have no scheduled repayment date.