

A E YATES MICROTUNNELLING LIMITED
DIRECTORS' REPORT

Company No. 3086829

The Directors present their report and the financial statements for the year ended 31 August 2003.

Principal Activity

The Company's principal activity was that of a civil engineering and tunnelling contractor.

Directors and Their Interests

The Directors at 31 August 2003 and their interests in the share capital of the Company was as follows:

	Ordinary Shares of £1 each
	2003
J C Whitehead	2
S J Harrison	nil
P Boron	nil

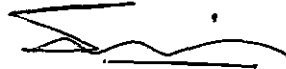
Statement of Directors' Responsibilities

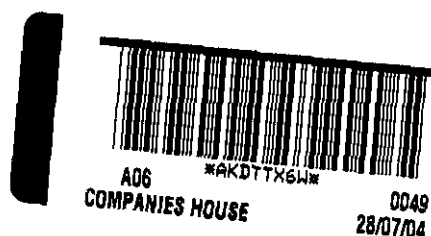
Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- * Select suitable accounting policies and then apply them consistently;
- * Make judgements and estimates that are reasonable and prudent;
- * 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 him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the presentation and detection of fraud and other irregularities.

This report was approved by the Board on 16th May 2004 taking advantage of special exemptions available to small companies.


S J Harrison
Director



		Aug.2003	Aug.2002	
Fixed Assets				
Land and Buildings				
Current Assets				
Bank	14329		14248	
Trade Debtors			74260	
Sundry Debtors	2		2	
Total Current Assets	14331		88510	
Current Liabilities				
Bank				
Trade Creditors				
Owing to Assoc.Company				
Taxes				
Accruals	-14355		-88534	
Total Current Liabilities	-14355		-88534	
Net Current Assets/(Liabilities)		-24	-24	
Long Term Liabilities				
Bank				
Net Assets.		-24	-24	
Share Capital		2	2	
Reserves P+(L)		-26	-26	
		-24	-24	

For the yeae ending 31/08/1 the company was entitled to exemption under section 249A(1) of the Companies Act 1985.

No notice from members requiring an audit has been deposited under section 249B(2)

i) The directors acknowledge their responsibility for:

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.

Director

Director

A.E.YATES MICROTUNNELLINGLIMITED
TRADING ACCOUNT y/r 31.8.03.

				31/08/2003
		£		£
Turnover				
Contract Income				140242
Less Direct Costs				
Subcontract Charges		140327		
Materials				
Plant Hire/Haulage				
Plant R+M				
Wages				
Other Direct Costs				
Total Direct Costs		140327		
Gross Margin				-85
Less Overheads				
Management Service Charges				
Other Overheads				
Bank Charges		32		
Bank Int Payable		-117		
Total Expenses		-85		-85
Oprtnng Profit/(Loss)				0
Interest Payable				0
Net Profit/(Loss)				0