

D E RESOURCES

LIMITED

FINANCIAL ACCOUNTS FOR THE YEAR

1st NOVEMBER 1999 TO 31st OCTOBER 2000



REGISTERED NUMBER : SC 134128

D E RESOURCES LTD.

YEAR ENDED 31st OCTOBER 2000

DIRECTOR

D. Thomas

COMPANY SECRETARY

Mrs. C. Thomas

REGISTERED OFFICE

101 Duthie Terrace,
Aberdeen,
AB10 7PT.

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The following does not form part of the Statutory Accounts :

- | | |
|-----|----------------------------------|
| 11. | Detailed Profit and Loss Account |
|-----|----------------------------------|

D E RESOURCES LTD.REPORT OF THE DIRECTORFOR THE YEAR ENDED 31st OCTOBER 2000

The Director presents the Annual Report of the affairs of the Company, together with the Accounts for the above year.

PRINCIPAL ACTIVITY

The Company's principal activity during the year remained the provision of drilling engineering consultancy services to the onshore and offshore oil industry.

No goods were exported from the United Kingdom during the year.

DIRECTOR

The Director during the year under review who was beneficially interested in the shares in the Company at the beginning and end of the year was :-

Ordinary Shares of £ 1 each

31st October 2000 1st November 1999

D. Thomas

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POLITICAL OR CHARITABLE DONATIONS

No political or charitable donations were made during the year.

The Director has taken advantage, in the preparation of the above report, of the exemptions applicable to small Companies conferred by Schedule 8 Part 2 of the Companies Act 1985.

SIGNED ON BEHALF OF THE BOARD

9th July 2001

Date.....Director.....

D. Thomas

D E RESOURCES LTD.PROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31st OCTOBER 2000

	Notes	2000	1999
	-----	-----	-----
		£	£
		-	-
TURNOVER		134,380	131,472
Administrative expenses		88,061	49,067
		-----	-----
		46,319	82,405
Other Operating Income	2	14,310	6,351
		-----	-----
OPERATING PROFIT	3	60,629	88,756
Interest Receivable	4	3,349	2,386
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		63,978	91,142
Tax on profit on ordinary activities	5	11,624	18,288
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		52,354	72,854
Dividends	6	44,666	50,000
		-----	-----
RETAINED PROFIT FOR THE YEAR		7,688	22,854
Retained Profit brought forward		194,293	171,439
		-----	-----
Retained Profit carried forward		£ 201,981	£ 194,293
		=====	=====

All amounts relate to continuing activities.

The Company realised no gains or losses other than the profit for the year.

The notes set out on pages 4 to 10 form an integral part of these Accounts.

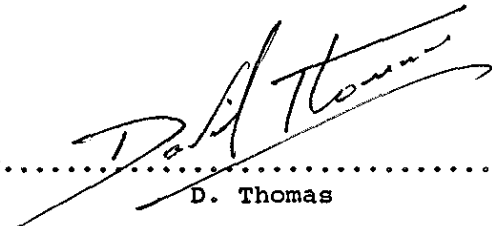
D E RESOURCES LTD.BALANCE SHEET - 31st OCTOBER 2000

	Notes	2000	1999
	-----	-----	-----
		£	£
FIXED ASSETS		-	-
Tangible assets	9	5,203	22,751
Investments	10	108,244	104,907
		-----	-----
		113,447	127,658
CURRENT ASSETS			
Debtors	11	13,386	11,502
Cash at bank and in hand		124,322	77,450
		-----	-----
		137,708	88,952
CREDITORS		-----	-----
Amounts falling due within one year	12	49,172	22,315
		-----	-----
NET CURRENT ASSETS		88,536	66,637
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 201,983	£ 194,295
		=====	=====
CAPITAL AND RESERVES			
Called-up Share Capital	13	2	2
Profit and Loss Account	15	201,981	194,293
		-----	-----
		£ 201,983	£ 194,295
		=====	=====

The Director has taken advantage, in the preparation of these financial statements, of the total exemption conferred by section 249A(1) Companies Act 1985. No notice of requirement for audit has been deposited by any member under section 249B(2) Companies Act 1985 in relation to the Company's Accounts for the year ended 31st October 2000. The Director acknowledges his responsibilities for both ensuring that the Company keeps accounting records which comply with section 221 Companies Act 1985 and for preparing Accounts which give a true and fair view of the state of affairs of the Company as at 31st October 2000 and of its profit for the year then ended in accordance with the requirements of section 226 Companies Act 1985, and which otherwise comply with the requirements of the Act relating to Accounts, so far as applicable to the Company. The Director has taken advantage, in the preparation of these financial statements, of the exemptions conferred by section 246 Companies Act 1985 on the basis that the Company qualifies as a small Company.

Approved on behalf of the Company :

9th July 2001

Date.....Director.....

D. Thomas

The notes set out on pages 4 to 10 form an integral part of these Accounts.

D E RESOURCES LTD.NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st OCTOBER 20001. ACCOUNTING POLICIESa) Basis of accounting

These Accounts have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

b) Cash flow statement

The Company has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement as it qualifies as a small Company.

c) Turnover

Turnover represents sales to external customers at invoiced amount less value added tax.

d) Depreciation

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets over their estimated useful lives to the business. The annual depreciation rates and methods are as follows :-

Motor Vehicle	25%	Reducing balance
Equipment	15%	Reducing balance

e) Deferred taxation

Provision is made for deferred taxation except where, in the opinion of the Director, it is not likely to become payable in the foreseeable future.

2. OTHER OPERATING INCOME

	2000	1999
	----	----
	£	£
Income from Fixed Asset Investments	-	-
in listed Companies	4,017	3,624
Gain on sale of Fixed Asset		
Investments in listed Companies	10,293	2,727
	-----	-----
	£ 14,310	£ 6,351
	=====	=====

D E RESOURCES LTD.NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st OCTOBER 20003. OPERATING PROFIT

Operating profit is stated after charging :-	2000	1999
	----	----
	£	£
Administrative expenses including :-	-	-
Depreciation	918	7,274
Loss on sale of Motor Vehicle	925	6,372
Director's Remuneration	64,500	12,000
	=====	=====

4. INTEREST RECEIVABLE

	2000	1999
	----	----
	£	£
	-	-
Deposit Account Interest	3,343	2,386
Other Interest Receivable	6	-
	-----	-----
	£ 3,349	£ 2,386
	=====	=====

5. TAXATION

	2000	1999
	----	----
	£	£
U.K. Corporation Tax at 21% on the profit adjusted for tax purposes	-	-
U.K. Corporation Tax at 20% on the profit adjusted for tax purposes	-	7,783
	11,624	10,505
	-----	-----
	£ 11,624	£ 18,288
	=====	=====

D E RESOURCES LTD.NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st OCTOBER 20006. DIVIDENDS

	2000 ----	1999 ----
Ordinary Shares - paid £ 22,333 per share (1999 - £ 25,000 per share)	£ 44,666 =====	£ 50,000 =====

7. DIRECTOR'S EMOLUMENTS

	2000 ----- £ -	1999 ----- £ -
Management Remuneration	64,500	12,000
Taxable Benefits (estimated)	3,000	6,000
	----- £ 67,500 =====	----- £ 18,000 =====

During the year the Director loaned funds to the Company and the balance owing to the Director at 31st October 2000 was £ 3,445.

8. STAFF

	2000 ----- £ -	1999 ----- £ -
Aggregate amounts paid in respect of :-		
Salaries and Wages	7,310	12,000
Social Security Costs	390	1,046
Other Pension Costs	-	-
	----- £ 7,700 =====	----- £ 13,046 =====

The average number of persons employed during the year (including the Director) by the Company was 2.

D E RESOURCES LTD.NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st OCTOBER 20009. TANGIBLE FIXED ASSETS

	<u>Motor Vehicle</u>	<u>Equipment</u>	<u>Total</u>
COST			
As at 1st November 1999	27,700	3,512	31,212
Additions in year	-	4,145	4,145
Disposal in year	(27,700)	-	(27,700)
As at 31st October 2000	-	7,657	7,657
DEPRECIATION			
As at 1st November 1999	6,925	1,536	8,461
Charge in year	925	918	1,843
Disposal in year	(7,850)	-	(7,850)
As at 31st October 2000	-	2,454	2,454
NET BOOK VALUE			
As at 31st October 2000	-	5,203	£ 5,203
	=	=====	=====
As at 31st October 1999	20,775	1,976	£ 22,751
	=====	=====	=====

D E RESOURCES LTD.NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st OCTOBER 200010. FIXED ASSET INVESTMENTS

	<u>Investments</u>
COST	
As at 1st November 1999	104,907
Additions in year	16,107
Disposals in year	(12,770)
As at 31st October 2000	<u>108,244</u>
NET BOOK VALUE	
As at 31st October 2000	£ 108,244
	=====
As at 31st October 1999	£ 104,907
	=====

All investments included in the above are listed on the U.K. Stock Exchange and the total market value as at 31st October 2000 was £ 140,641.

11. DEBTORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2000</u>	<u>1999</u>
	£	£
	-	-
Trade Debtors	13,254	10,751
Prepayments	37	30
Accrued Income	95	23
Other Taxes and Social Security	-	698
	<u>£ 13,386</u>	<u>£ 11,502</u>
	=====	=====

D E RESOURCES LTD.NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st OCTOBER 200012. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	----	----
	£	£
	-	-
U.K. Corporation Tax	11,230	13,730
Value Added Tax	6,108	6,045
Other Taxes and Social Security	27,776	-
Other Creditors	613	2,210
Director's Current Account	3,445	330
	-----	-----
	£ 49,172	£ 22,315
	=====	=====

13. SHARE CAPITAL

	2000	1999
	----	----
Authorised Share Capital -		
Ordinary Shares of £ 1 each	£ 1,000	£ 1,000
	=====	=====
Issued and Fully Paid Share Capital -		
Ordinary Shares of £ 1 each	£ 2	£ 2
	=	=

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	----	----
	£	£
	-	-
Profit for the year	52,354	72,854
Dividends	44,666	50,000
	-----	-----
Net addition to shareholders' funds	7,688	22,854
Opening shareholders' funds	194,295	171,441
	-----	-----
Closing shareholders' funds	£ 201,983	£ 194,295
	=====	=====

D E RESOURCES LTD.NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st OCTOBER 200015. RESERVES

	Profit and Loss Account

	£
	-
As at 31st October 1999	194,293
Profit for the year	7,688

As at 31st October 2000	£ 201,981
	=====

D E RESOURCES LTD.DETAILED PROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31st OCTOBER 2000

	2000	1999
	----	----
	£	£
	-	-
Turnover	134,380	131,472
Other Income : Income from		
Fixed Asset Investments	4,017	3,624
: Gain on sale of		
Fixed Asset Investments	10,293	2,727
: Deposit Account Interest	3,343	2,386
: Corporation Tax repayment		
supplement	6	-
	-----	-----
	152,039	140,209
Administrative expenses		
Salaries and Wages	7,700	13,046
Travel and Subsistence	2,193	2,890
Heating and Lighting	180	180
Telephone	495	348
Printing, Postage, Stationery and		
Advertising	640	585
Insurance	332	302
Subscriptions	100	50
Accountancy	2,080	1,630
Professional Fees	-	2,240
Bank Charges	100	96
Sundries	15	15
Donations	-	325
Depreciation of Motor Vehicle	-	6,925
Loss on sale of Motor Vehicle	925	6,372
Depreciation of Equipment	918	349
Director's Remuneration :		
- D. Thomas	64,500	12,000
- National Insurance Contributions	7,883	1,714
	-----	-----
Total administrative expenses	88,061	49,067
	-----	-----
Net Profit before taxation	£ 63,978	£ 91,142
	=====	=====