

D E RESOURCES

LIMITED

FINANCIAL ACCOUNTS FOR THE YEAR

1st NOVEMBER 2002 TO 31st OCTOBER 2003



REGISTERED NUMBER : SC 134128

D E RESOURCES LTD.

YEAR ENDED 31st OCTOBER 2003

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 2003

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, although a service was provided outside 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 2003 1st November 2002

D. Thomas

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POLITICAL OR CHARITABLE DONATIONS

No political or charitable donations were made during the year.

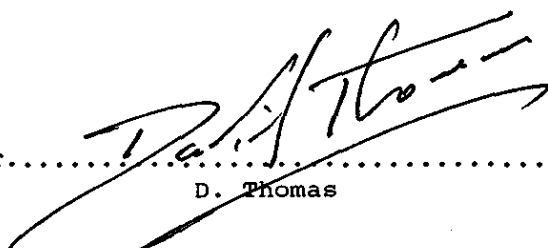
The Director has taken advantage, in the preparation of the above report, of the exemptions applicable to small Companies conferred by Schedule 8 Part 2 of the Companies Act 1985.

SIGNED ON BEHALF OF THE BOARD

13th July 2004

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

D. Thomas



D E RESOURCES LTD.PROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31st OCTOBER 2003

	Notes	2003	2002
	-----	-----	-----
		£	£
		-	-
TURNOVER		119,736	122,903
Administrative expenses		18,598	15,380
		-----	-----
		101,138	107,523
Other Operating Income	2	(2,612)	1,564
		-----	-----
OPERATING PROFIT	3	98,526	109,087
Interest Receivable	4	4,574	3,002
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		103,100	112,089
Tax on profit on ordinary activities	5	19,754	21,954
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		83,346	90,135
Dividends	6	40,200	39,100
		-----	-----
RETAINED PROFIT FOR THE YEAR		43,146	51,035
Retained Profit brought forward		264,302	213,267
		-----	-----
Retained Profit carried forward		£ 307,448	£ 264,302
		=====	=====

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.

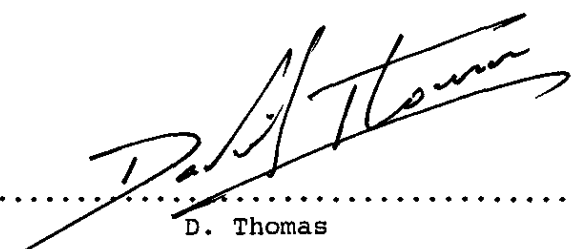
D E RESOURCES LTD.BALANCE SHEET - 31st OCTOBER 2003

	Notes	2003	2002
	-----	-----	-----
		£	£
FIXED ASSETS		-	-
Tangible assets	9	5,342	3,796
Investments	10	116,758	124,145
		-----	-----
		122,100	127,941
CURRENT ASSETS			
Debtors	11	18,045	41,711
Cash at bank and in hand		193,038	124,182
		-----	-----
		211,083	165,893
CREDITORS		-----	-----
Amounts falling due within one year	12	25,733	29,530
		-----	-----
NET CURRENT ASSETS		185,350	136,363
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 307,450	£ 264,304
		=====	=====
CAPITAL AND RESERVES			
Called-up Share Capital	13	2	2
Profit and Loss Account	15	307,448	264,302
		-----	-----
		£ 307,450	£ 264,304
		=====	=====

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 2003. 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 2003 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 :

13th July 2004

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 20031. 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 rate and method is as follows :-

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

	2003	2002
	----	----
	£	£
Income from Fixed Asset Investments in listed Companies	4,102	4,315
Loss on sale of Fixed Asset Investments in listed Companies	(7,348)	(2,751)
Excess VAT recovered	634	-
	-----	-----
	£ (2,612)	£ 1,564
	=====	=====

D E RESOURCES LTD.NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st OCTOBER 20033. OPERATING PROFIT

Operating profit is stated after charging :-	2003	2002
	----	----
	£	£
Administrative expenses including :-	-	-
Depreciation	943	670
Director's Remuneration	4,571	4,580
	=====	=====

4. INTEREST RECEIVABLE

	2003	2002
	----	----
	£	£
	-	-
Deposit Account Interest	4,507	2,996
Other Interest Receivable	67	6
	-----	-----
	£ 4,574	£ 3,002
	=====	=====

5. TAXATION

	2003	2002
	----	----
	£	£
U.K. Corporation Tax at 20% on the profit adjusted for tax purposes	-	-
U.K. Corporation Tax at 19% on the profit adjusted for tax purposes	-	9,177
Overprovision of U.K. Corporation Tax at 21% on previous years' profit adjusted for tax purposes	19,957	12,355
Overprovision of U.K. Corporation Tax at 20% on previous years' profits adjusted for tax purposes	(287)	-
Tax credit on U.K. dividends received	(1,117)	-
Tax credit on previous years' U.K. dividends received	415	422
	786	-
	-----	-----
	£ 19,754	£ 21,954
	=====	=====

D E RESOURCES LTD.NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st OCTOBER 20036. DIVIDENDS

	2003 ----	2002 ----
Ordinary Shares - paid £ 20,100 per share (2002 - £ 19,550 per share)	£ 40,200 =====	£ 39,100 =====

7. DIRECTOR'S EMOLUMENTS

	2003 ----	2002 ----
Management Remuneration	£ 4,571 =====	£ 4,580 =====

During the year the Director loaned funds to the Company and the balance owing to the Director at 31st October 2003 was £ 229.

8. STAFF

	2003 ----	2002 ----
Aggregate amounts paid in respect of :-	£ -	£ -
Salaries and Wages	4,571	4,580
Social Security Costs	-	-
Other Pension Costs	-	-
	-----	-----
	£ 4,571 =====	£ 4,580 =====

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 20039. TANGIBLE FIXED ASSETS

	<u>Equipment</u>
COST	
As at 1st November 2002	7,700
Additions in year	2,489

As at 31st October 2003	10,189

DEPRECIATION	
As at 1st November 2002	3,904
Charge in year	943

As at 31st October 2003	4,847

NET BOOK VALUE	
As at 31st October 2003	£ 5,342
	=====
As at 31st October 2002	£ 3,796
	=====

D E RESOURCES LTD.NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st OCTOBER 200310. FIXED ASSET INVESTMENTS

	<u>Investments</u> -----
COST	
As at 1st November 2002	124,145
Additions in year	2,703
Disposals in year	(10,090)

As at 31st October 2003	116,758

NET BOOK VALUE	
As at 31st October 2003	£ 116,758
	=====
As at 31st October 2002	£ 124,145
	=====

All investments included in the above are listed on the U.K. Stock Exchange and the total market value as at 31st October 2003 was £ 116,527.

11. DEBTORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 ----- £ -	2002 ----- £ -
Trade Debtors	16,703	40,425
Prepayments	104	66
Accrued Income	1,238	1,220
	-----	-----
	£ 18,045	£ 41,711
	=====	=====

D E RESOURCES LTD.NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st OCTOBER 200312. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	----	----
	£	£
	-	-
U.K. Corporation Tax	19,957	21,532
Value Added Tax	4,874	6,430
Other Creditors	673	690
Director's Current Account	229	878
	-----	-----
	£ 25,733	£ 29,530
	=====	=====

13. SHARE CAPITAL

	2003	2002
	----	----
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

	2003	2002
	----	----
	£	£
	-	-
Profit for the year	83,346	90,135
Dividends	40,200	39,100
	-----	-----
Net addition to shareholders' funds	43,146	51,035
Opening shareholders' funds	264,304	213,269
	-----	-----
Closing shareholders' funds	£ 307,450	£ 264,304
	=====	=====

D E RESOURCES LTD.NOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31st OCTOBER 200315. RESERVES

	Profit and Loss Account

	£
	-
As at 31st October 2002	264,302
Profit for the year	43,146

As at 31st October 2003	£ 307,448
	=====

D E RESOURCES LTD.DETAILED PROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31st OCTOBER 2003

	2003	2002
	----	----
	£	£
	-	-
Turnover	119,736	122,903
Other Income : Income from		
Fixed Asset Investments	4,102	4,315
: Loss on sale of		
Fixed Asset Investments	(7,348)	(2,751)
: Excess VAT recovered	634	-
: Deposit Account Interest	4,507	2,996
: Corporation Tax repayment		
supplement	67	6
	-----	-----
	121,698	127,469
Administrative expenses		
Sub-Contractors	2,500	-
Salaries and Wages	4,620	4,580
Travel and Subsistence	394	348
Equipment Repairs	-	65
Heating and Lighting	300	300
Telephone	659	1,292
Printing, Postage, Stationery and		
Advertising	1,460	1,224
Insurance	570	492
Accountancy	1,730	1,680
Professional Fees	250	-
Bank Charges	131	134
Sundries	15	15
Entertaining	455	-
Depreciation of Equipment	943	670
Director's Remuneration :		
- D. Thomas	4,571	4,580
- National Insurance Contributions	-	-
	-----	-----
Total administrative expenses	18,598	15,380
	-----	-----
Net Profit before taxation	£ 103,100	£ 112,089
	=====	=====