D E RESOURCES

LIMITED

FINANCIAL ACCOUNTS FOR THE YEAR

1st NOVEMBER 2003 TO 31st OCTOBER 2004



REGISTERED NUMBER : SC 134128

D E RESOURCES LTD.

YEAR ENDED 31st OCTOBER 2004

DIRECTOR
D. Thomas

COMPANY SECRETARY
Mrs. C. Thomas

REGISTERED OFFICE
101 Duthie Terrace,
Aberdeen,
AB10 7PT.

INDEX TO ACCOUNTS

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1. Report of the Director

2. Profit and Loss Account

3. Balance Sheet

4. - 10. Notes to the Accounts

The following does not form part of the Statutory Accounts :

11. Detailed Profit and Loss Account

D E RESOURCES LTD.

REPORT OF THE DIRECTOR

FOR THE YEAR ENDED 31st OCTOBER 2004

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 2004	1st November 2003
D. Thomas	1	1

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

Date 12th July 2005 Director D. Thomas

D E RESOURCES LTD.

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st OCTOBER 2004

	Notes	2004	2003
		£	£
TURNOVER		135,797	119,736
Administrative expenses		46,184	18,598
		89,613	101,138
Other Operating Income	2	10,204	(2,612)
OPERATING PROFIT	3	99,817	98,526
Interest Receivable	4	6,014	4,574
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		105,831	103,100
Tax on profit on ordinary activities	5	19,486	19,754
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		86,345	83,346
Dividends	6	20,910	40,200
RETAINED PROFIT FOR THE YEAR		65,435	43,146
Retained Profit brought forward		307,448	264,302
Retained Profit carried forward		£ 372,883	£ 307,448

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 2004

	Notes		2004		2003
			£		£
FIXED ASSETS			-		-
Tangible assets	9		4,903		5,342
Investments	10		175,209		116,758
			180,112		122,100
CURRENT ASSETS					
Debtors	11	43,781		18,045	
Cash at bank and in hand		177,747		193,038	
		221,528		211,083	
CREDITORS					
Amounts falling due within one year	12	28,755		25,733	
NET CURRENT ASSETS			192,773		185,350
TOTAL ASSETS LESS CURRENT LIABILITIES			£ 372,885		£ 307,450
CAPITAL AND RESERVES					
Called-up Share Capital	13		2		2
Profit and Loss Account	15		372,883		307,448
			£ 372,885		£ 307,450

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 2004. 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 2004 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 :

12th July 2005

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 ACCOUNTS

FOR THE YEAR ENDED 31st OCTOBER 2004

1. ACCOUNTING POLICIES

a) 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

	2004	2003
	£	£
Income from Fixed Asset Investments	-	-
in listed Companies	3,902	4,102
Loss on sale of Fixed Asset		
Investments in listed Companies	-	(7,348)
Gain on sale of Fixed Asset		
Investments in listed Companies	2,113	-
Excess VAT recovered	4,189	634
	£ 10,204	£ (2,612)

D E RESOURCES LTD.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st OCTOBER 2004

3. OPERATING PROFIT

Operating profit is stated after charging :-	2004	2003
	£	£
Administrative expenses including :-	-	-
Depreciation	865	943
Director's Remuneration	4,661	4,571

4. INTEREST RECEIVABLE

	2004	2003
	£	£
	-	-
Deposit Account Interest	5,988	4,507
Other Interest Receivable	26	67
	£ 6,014	£ 4,574

5. TAXATION

	2004	2003
	£	£
U.K. Corporation Tax at 19% on the	-	-
profit adjusted for tax purposes	19,098	19,957
Overprovision of U.K. Corporation Tax at 21% on previous years' profit adjusted for tax purposes	-	(287)
Overprovision of U.K. Corporation Tax at 20% on previous years' profits adjusted for tax purposes	-	(1,117)
Tax credit on U.K. dividends received	388	415
Tax credit on previous years' U.K. dividends received	-	786
	£ 19,486	£ 19,754

D E RESOURCES LTD.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st OCTOBER 2004

6. DIVIDENDS

	2004	2003
Ordinary Shares - paid £ 10,455 per share (2003 - £ 20,100 per share)	£ 20,910	£ 40,200

7. DIRECTOR'S EMOLUMENTS

	2004	2003
Management Remuneration	£ 4,661	£ 4,571

During the year the Director loaned funds to the Company and the balance owing to the Director at 31st October 2004 was £ 583.

During the year the Company made contributions to the personal pension of the Director to the value of £ 29,685.

8. STAFF

	2004	2003
	£	£
Aggregate amounts paid in respect of :-	-	-
Salaries and Wages	4,696	4,620
Social Security Costs	-	-
Other Pension Costs	-	-
	£ 4,696	£ 4,620

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

D E RESOURCES LTD.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st OCTOBER 2004

9. TANGIBLE FIXED ASSETS

	Equipment
COST	
As at 1st November 2003	10,189
Additions in year	426
As at 31st October 2004	10,615
DEPRECIATION	
As at 1st November 2003	4,847
Charge in year	865
As at 31st October 2004	5,712
NET BOOK VALUE	
As at 31st October 2004	£ 4,903
As at 31st October 2003	£ 5,342

D E RESOURCES LTD.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st OCTOBER 2004

10. FIXED ASSET INVESTMENTS

	Investments
COST	
As at 1st November 2003	116,758
Additions in year	117,787
Disposals in year	(59,336)
As at 31st October 2004	175,209
NET BOOK VALUE	
As at 31st October 2004	£ 175,209
As at 31st October 2003	£ 116,758

All investments included in the above are listed on the U.K. Stock Exchange and the total market value as at 31st October 2004 was £ 178,389.

11. DEBTORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
Trade Debtors	42,905	16,703
Prepayments	121	104
Accrued Income	755	1,238
	£ 43,781	£ 18,045

D E RESOURCES LTD.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st OCTOBER 2004

12. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
U.K. Corporation Tax	19,098	19,957
Value Added Tax	8,312	4,874
Other Creditors	762	673
Director's Current Account	583	229
	£ 28,755	£ 25,733

13. SHARE CAPITAL

	2004	2003
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

	2004	2003
	£	£
Profit for the year	86,345	83,346
Dividends	20,910	40,200
Net addition to shareholders' funds	65,435	43,146
Opening shareholders' funds	307,450	264,304
Closing shareholders' funds	£ 372,885	£ 307,450

D E RESOURCES LTD.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st OCTOBER 2004

15. RESERVES

	Profit and Loss Account
	£
As at 31st October 2003	307,448
Profit for the year	65,435
As at 31st October 2004	£ 372,883

D E RESOURCES LTD.

DETAILED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st OCTOBER 2004

	2004	2003
	£	£
Turnover	135,797	119,736
Other Income : Income from Fixed Asset Investments	3,902	4,102
: Loss on sale of Fixed Asset Investments	-	(7,348)
: Gain on sale of Fixed Asset Investments	2,113	-
: Excess VAT recovered	4,189	634
: Deposit Account Interest	5,988	4,507
: Corporation Tax repayment supplement	26	67
	152,015	121,698

Administrative expenses

Sub-Contractors	-	2,500
Salaries and Wages	4,696	4,620
Travel and Subsistence	499	394
Heating and Lighting	300	300
Telephone	705	659
Printing, Postage, Stationery and Advertising	1,020	1,460
Insurance	666	570
Accountancy	1,780	1,730
Professional Fees	857	250
Bank Charges	128	131
Sundries	15	15
Entertaining	307	455
Depreciation of Equipment	865	943
Director's Remuneration :		
- D. Thomas	4,661	4,571
- National Insurance Contributions	-	-
Director's Pension Contributions	29,685	-
Total administrative expenses	46,184	18,598
Net Profit before taxation	£ 105,831	£ 103,100