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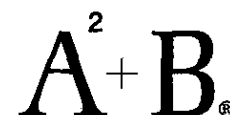
**RSE CONSULTANTS LTD
FINANCIAL ACCOUNTS
31 DECEMBER 2004**

Company Registration Number SC153752



ANDERSON ANDERSON & BROWN
Chartered Accountants
Aberdeen

RSE CONSULTANTS LTD
THE DIRECTOR'S REPORT
YEAR ENDED 31 DECEMBER 2004



The director has pleasure in presenting his report and the unaudited financial accounts of the company for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the provision of expert witness, independent insurance assessment and technical consultancy services.

The director considers the results for the year to be satisfactory.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial accounts.

The director has recommended the following dividends:

	2004	2003
	£	£
Dividends paid on ordinary shares	<u>46,500</u>	<u>48,000</u>

THE DIRECTOR AND HIS INTERESTS IN THE SHARES OF THE COMPANY

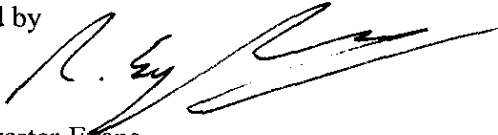
The director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

	Ordinary Shares of £1 each	
	At	At
	31 December 2004	1 January 2004
R Sylvester-Evans	<u>100</u>	<u>100</u>

RSE CONSULTANTS LTD
THE DIRECTOR'S REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2004

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Signed by



R Sylvester-Evans
Director

Approved by the director on 4th July 2005

RSE CONSULTANTS LTD

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

YEAR ENDED 31 DECEMBER 2004

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Company law requires the director to prepare financial accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial accounts, the director is required to:

select suitable accounting policies, as described on page 7, and then apply them consistently;

state whether or not applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial accounts; and

prepare the financial accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 accounts comply with the Companies Act 1985. The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RSE CONSULTANTS LTD
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2004

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	Note	2004 £	2003 £
TURNOVER		148,287	122,088
Administrative expenses		<u>57,622</u>	<u>76,170</u>
OPERATING PROFIT	2	90,665	45,918
Interest receivable and similar income		217	198
Interest payable and similar charges	5	(460)	(589)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>90,422</u>	<u>45,527</u>
Tax on profit on ordinary activities	6	11,559	7,159
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>78,863</u>	<u>38,368</u>
Dividends	7	46,500	48,000
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>32,363</u>	<u>(9,632)</u>
Balance brought forward		<u>47,563</u>	<u>57,195</u>
Balance carried forward		<u>79,926</u>	<u>47,563</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

RSE CONSULTANTS LTD

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

YEAR ENDED 31 DECEMBER 2004

	2004	2003
	£	£
Profit for the financial year	78,863	38,368
Dividends	(46,500)	(48,000)
	<u>32,363</u>	<u>(9,632)</u>
Opening shareholders' equity funds	47,663	57,295
Closing shareholders' equity funds	<u>80,026</u>	<u>47,663</u>

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RSE CONSULTANTS LTD

BALANCE SHEET

31 DECEMBER 2004

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	Note	2004 £	2003 £
FIXED ASSETS			
Tangible assets	8	<u>4,843</u>	<u>8,981</u>
CURRENT ASSETS			
Debtors	9	74,136	65,633
Investments	10	7,180	7,180
Cash at bank		<u>20,148</u>	<u>-</u>
		<u>101,464</u>	<u>72,813</u>
CREDITORS: Amounts falling due within one year	11	<u>26,281</u>	<u>34,131</u>
NET CURRENT ASSETS		<u>75,183</u>	<u>38,682</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>80,026</u>	<u>47,663</u>
CAPITAL AND RESERVES			
Called-up equity share capital	13	100	100
Profit and loss account		<u>79,926</u>	<u>47,563</u>
SHAREHOLDERS' FUNDS		<u>80,026</u>	<u>47,663</u>

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

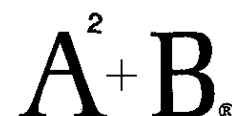
The director acknowledges his responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) 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 the Act relating to financial accounts, so far as applicable to the company.

These financial accounts were approved and signed by the director on 4th July 2005


R SYLVESTER-EVANS

RSE CONSULTANTS LTD
NOTES TO THE FINANCIAL ACCOUNTS
YEAR ENDED 31 DECEMBER 2004



1. ACCOUNTING POLICIES

Basis of accounting

The financial accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial accounts on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings 3-4 years

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

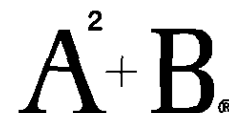
The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made only to the extent that it is probable that an actual liability will crystallise.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2004	2003
	£	£
Depreciation of owned fixed assets	<u>4,897</u>	<u>5,190</u>

RSE CONSULTANTS LTD
NOTES TO THE FINANCIAL ACCOUNTS
YEAR ENDED 31 DECEMBER 2004



3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2004	2003
	No.	No.
Number of administrative staff	1	1
Number of management staff	1	1
	<u>2</u>	<u>2</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	14,724	33,695
Social security costs	2,630	3,356
Other pension costs	19,647	19,647
	<u>37,001</u>	<u>56,698</u>

4. DIRECTOR'S EMOLUMENTS

The director's aggregate emoluments in respect of qualifying services were:

	2004	2003
	£	£
Emoluments receivable	<u>25,352</u>	<u>45,310</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

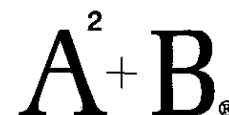
	2004	2003
	£	£
Interest payable on bank borrowing	460	568
Other similar charges payable	-	21
	<u>460</u>	<u>589</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

Taxation

	2004	2003
	£	£
Current tax:		
UK Corporation Tax based on the results for the year at 19% (2003 - 19%)	11,700	7,200
Adjustment in respect of previous years:		
(Over)/under provision in prior years	(141)	(41)
Total current tax	<u>11,559</u>	<u>7,159</u>

RSE CONSULTANTS LTD
NOTES TO THE FINANCIAL ACCOUNTS
YEAR ENDED 31 DECEMBER 2004



6. TAX ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

Tax on profit on ordinary activities	<u>11,559</u>	<u>7,159</u>
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The corporation tax charge is greater than would result from applying the current rate of tax to the profit before tax because of the add back of expenses disallowed for tax purposes.

7. DIVIDENDS

The following dividends have been paid in respect of the year:

	2004	2003
	£	£
Dividend paid on ordinary shares	<u>46,500</u>	<u>48,000</u>

8. TANGIBLE FIXED ASSETS

	Fixtures & Fittings
	£
COST	
At 1 January 2004	41,853
Additions	759
At 31 December 2004	<u>42,612</u>
DEPRECIATION	
At 1 January 2004	32,872
Charge for the year	4,897
At 31 December 2004	<u>37,769</u>
NET BOOK VALUE	
At 31 December 2004	<u>4,843</u>
At 31 December 2003	<u>8,981</u>

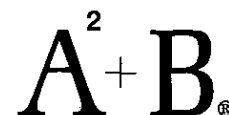
9. DEBTORS

	2004	2003
	£	£
Trade debtors	73,915	65,363
VAT recoverable	221	270
	<u>74,136</u>	<u>65,633</u>

10. INVESTMENTS

	2004	2003
	£	£
Other investments	<u>7,180</u>	<u>7,180</u>

RSE CONSULTANTS LTD
NOTES TO THE FINANCIAL ACCOUNTS
YEAR ENDED 31 DECEMBER 2004



11. CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Bank loans and overdrafts	1,881	14,831
Corporation Tax	11,700	7,200
Other creditors	10,000	10,000
Director's loan	1,200	600
Accruals and deferred income	1,500	1,500
	<u>26,281</u>	<u>34,131</u>

12. RELATED PARTY TRANSACTIONS

Control

During the year the company was controlled by the director. Details of the director's interest in the share capital of the company are disclosed in the director's report.

Transactions

During the year the company had the following transactions with related parties:

R Sylvester-Evans, director The movement on the director's loan is shown in Note 11.

13. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>