

Company Registration No. 3133832 (England and Wales)

**RESOURCE AND ENVIRONMENTAL CONSULTANTS LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2005**



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COMPANIES HOUSE 27/10/2006

# RESOURCE AND ENVIRONMENTAL CONSULTANTS LIMITED

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# RESOURCE AND ENVIRONMENTAL CONSULTANTS LIMITED

## INDEPENDENT AUDITORS' REPORT TO RESOURCE AND ENVIRONMENTAL CONSULTANTS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 7, together with the financial statements of Resource and Environmental Consultants Limited for the year ended 31 December 2005 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state *to them in an auditors' report on abbreviated accounts and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our audit work, for this report, or for the opinions we have formed.*

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

### Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

### Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

*UHY Hacker Young*  
UHY Hacker Young

Chartered Accountants  
**Registered Auditor**

*26 October 2006*

St James Building  
79 Oxford Street  
Manchester  
M1 6HT

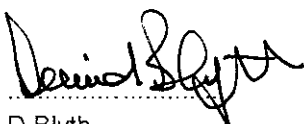
# RESOURCE AND ENVIRONMENTAL CONSULTANTS LIMITED

## ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	2005 £	£	2004 £	£
<b>Fixed assets</b>					
Tangible assets	2		239,786		191,034
<b>Current assets</b>					
Stocks		-		10,142	
Debtors		1,328,237		1,188,326	
Cash at bank and in hand		11,352		6,899	
		<u>1,339,589</u>		<u>1,205,367</u>	
<b>Creditors: amounts falling due within one year</b>		<u>(1,098,854)</u>		<u>(1,123,485)</u>	
<b>Net current assets</b>			<u>240,735</u>		<u>81,882</u>
<b>Total assets less current liabilities</b>			<u>480,521</u>		<u>272,916</u>
<b>Creditors: amounts falling due after more than one year</b>			(49,796)		(16,869)
<b>Provisions for liabilities</b>			(20,148)		(18,523)
			<u>410,577</u>		<u>237,524</u>
<b>Capital and reserves</b>					
Called up share capital	3		1,808		1,808
Profit and loss account			408,769		235,716
<b>Shareholders' funds</b>			<u>410,577</u>		<u>237,524</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

X Approved by the Board and authorised for issue on 23 October 2006

X   
D Blyth  
Director

X   
V Parr  
Director

# RESOURCE AND ENVIRONMENTAL CONSULTANTS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

#### 1.2 Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	- 25% reducing balance
Computer equipment	- 33% reducing balance
Fixtures, fittings & equipment	- 10% reducing balance
Motor vehicles	- 25% reducing balance

#### 1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value and includes a proportion of attributable overheads where applicable. Provision is made for any foreseeable losses where appropriate. No profit element is included in the valuation of work in progress.

#### 1.7 Pensions

Payments to employees' personal pension schemes are charged to the profit and loss account as they become payable.

# RESOURCE AND ENVIRONMENTAL CONSULTANTS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

### 1 Accounting policies

(continued)

#### 1.8 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### 1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### 2 Fixed assets

	<b>Tangible assets £</b>
<b>Cost</b>	
At 1 January 2005	478,164
Additions	109,441
Disposals	(20,196)
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At 31 December 2005	567,409
	<hr/>
<b>Depreciation</b>	
At 1 January 2005	287,130
On disposals	(12,826)
Charge for the year	53,319
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At 31 December 2005	327,623
	<hr/>
<b>Net book value</b>	
At 31 December 2005	239,786
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At 31 December 2004	191,034
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# RESOURCE AND ENVIRONMENTAL CONSULTANTS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

3	Share capital	2005 £	2004 £
	<b>Authorised</b>		
	42,000,000,000 A Ordinary shares of 0p each	8,400,000	7,650,000
	3,000,000,000 B Ordinary shares of 0p each	600,000	900,000
	200,000,000 C Ordinary shares of 0p each	40,000	40,000
	- D Ordinary shares of 0p each	-	450,000
		<u>9,040,000</u>	<u>9,040,000</u>
	<b>Allotted, called up and fully paid</b>		
	8,400,000 A Ordinary shares of £0.0002 each	1,680	1,680
	600,000 B Ordinary shares of £0.0002 each	120	120
	40,000 C Ordinary shares of £0.0002 each	8	8
		<u>1,808</u>	<u>1,808</u>

The A Ordinary shares, the B Ordinary shares and the C Ordinary shares shall rank pari passu with regard to dividends.

The A Ordinary shareholders shall be entitled to receive notice of, attend, and vote at any General Meeting of the company.

The B Ordinary shareholders and the C Ordinary shareholders shall not be entitled to receive notice of, attend, nor vote at any General Meeting.

In the event of an A Ordinary shareholder selling his shares either through retirement from the company or upon death, then any shares not accepted by members shall be automatically converted to fully paid preference shares at the rate of one Preference share for every A Ordinary share. The Preference shares shall rank pari passu with all other Preference shares in issue at that time.

In the event of the company becoming listed, or in the event that an agreement is in place to sell the company, then all Preference shares currently in issue shall be converted to A Ordinary shares that rank pari passu in all respects.

In any financial year that the Preference shares are in issue, the profits of the company shall be applied in paying to all shareholders a cash dividend equal to 50% of the net profit of the company and its subsidiaries for the relevant financial year.

The Preference shareholders shall be entitled to receive notice of and attend any General Meeting, but cannot vote unless any dividend owed to the Preference shareholders is in arrears at the date of the Meeting, or if the purpose of the meeting concerns winding-up the company, or altering the share capital to the extent that the Preference shareholders are affected. In such an event the Preference shareholders shall only be allowed to vote on such a matter.

In the event of the C Ordinary shareholders selling their shares either through retirement from the company or upon death being within 4 years of the date of issue of the C shares the sale price shall be equal to the nominal value of the shares so held.

During the year, in accordance with the Articles of Association, 450,000 of the existing D Ordinary shares of £0.0002 each in the capital of the company, have been converted into an equivalent number of A

# RESOURCE AND ENVIRONMENTAL CONSULTANTS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2005*

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Ordinary shares of £0.0002 each in the capital of the company.

During the year 150,000 of the existing A ordinary shares of £0.0002 each (50,000 each of those held by D Blyth, D Wood and V Parr) were converted into an equivalent number of B Ordinary shares of £0.0002 each in the capital of the company, having in each case the rights set out in the Articles of Association.

Options have been granted to certain employees in respect of service under the Resource and Environmental Consultants Limited Enterprise Management Incentive Scheme ("the Scheme") at a redeemable option price of nil pence per share.

At the current and prior year end options have been granted, and have not expired, in respect of 240,000 B Ordinary Shares of £0.0002 each in the company. The options are exercisable at the earlier of 5 years from the grant date or upon the sale of the company.



# RESOURCE AND ENVIRONMENTAL CONSULTANTS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2005*

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### 4 Ultimate parent company

The company was controlled by the directors throughout this and the previous year.