

REGISTERED NUMBER: 03198330 (England and Wales)

ROUSE & CO. INTERNATIONAL LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007

Bessler Hendrie
Chartered Accountants
Registered Auditor
Albury Mill, Mill Lane
Chilworth
Guildford
Surrey
GU4 8RU

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ROUSE & CO. INTERNATIONAL LIMITED

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for the year ended 30 April 2007

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ROUSE & CO. INTERNATIONAL LIMITED

COMPANY INFORMATION
for the year ended 30 April 2007

DIRECTORS:

R A Ross-Macdonald
S D Adams
A J T Willoughby

SECRETARY:

Ms L Barnes

REGISTERED OFFICE:

11th Floor
Exchange Tower
1 Harbour Exchange Square
London
E14 9GE

REGISTERED NUMBER:

03198330 (England and Wales)

AUDITORS:

Bessler Hendrie
Chartered Accountants
Registered Auditor
Albury Mill, Mill Lane
Chilworth
Guildford
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ROUSE & CO. INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS

for the year ended 30 April 2007

The directors present their report with the financial statements of the company and the group for the year ended 30 April 2007.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the management, protection and exploitation of intellectual property throughout the world.

REVIEW OF BUSINESS

The results for the year and financial position of the company and the group are as shown in the annexed financial statements.

Business objectives/Strategy

Rouse is a multinational provider of intellectual property services, ranging from advice and representation at one end of the scale to strategic IP asset management consulting at the other. The Rouse vision is to be a market leading, innovative international IP professional services firm, providing client service of the highest level to leading businesses around the world.

The key elements of Rouse's business strategy are to establish a business environment in which key personnel become brand guardians, to understand clients' business needs, in order that Rouse may provide a comprehensive client orientated service to its clients.

Financial objectives

The financial objectives of the group are to increase revenue from its client base whilst maintaining margins. This is to be achieved by leveraging the existing client base to provide a broader range of IP services to clients from the group's widespread geographical office base.

Financial performance

The directors are satisfied with the results for the year. Group turnover decreased by 2.56% to £13.6 million, with overheads decreasing by 5.45%, resulting in a profit for the year before taxation of £610,087 (2006 : £176,143).

Profit after tax for the year is reported at £461,048 (2006 : £113,687).

The directors expect the trading results for the year to 30 April 2008 to show growth in turnover and with continued tight control of overheads, improved profitability.

Working capital management

The group remains focused on cash generation and working capital management and achieved its target of having work in progress plus debtor days of less than 105 days. Cash balances decreased by £1,162,974 after the payment of a dividend of £294,616. Loans of £133,523 have been taken out in the year.

Financing and treasury

The group's operations are financed largely by retained profits and equity. The group has overdraft facilities available from its bankers and operates within its agreed covenants

Shareholders' funds and dividend

Total shareholders' funds at April 2007 were £3,615,013 (2006: £3,646,493). During the year the group paid an interim dividend of £0.50 per share.

ROUSE & CO. INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS for the year ended 30 April 2007

Principal risks and uncertainties

The principal risk facing the group is exposure to foreign currency, especially as over 50% of the group revenue is billed in US dollars. Revenue in the current period has been suppressed by the weakening dollar by as much as £1 million. The group doesn't trade or speculate in any financial instruments even to mitigate this exposure.

Key performance indicators

Key performance indicators have been established to internally benchmark performance. In general the performance against these benchmarks has improved for the year under review and further improvement is expected in the coming financial year.

DIVIDENDS

The group's profit for the year after taxation was £461,048 (2006 £113,687).

The company paid a dividend of £0.50 per Ordinary share on 30 March 2007 to all shareholders amounting to £294,616. This leaves a group profit of £166,432 (2006: loss £563,646) taken to reserves.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2006 to the date of this report.

R A Ross-Macdonald
S D Adams
A J T Willoughby

GROUP'S POLICY ON PAYMENT OF CREDITORS

Trade creditors are settled in accordance with their agreed payment terms

POLITICAL AND CHARITABLE CONTRIBUTIONS

The group made charitable donations totalling £3,689 (2006:£1,375) during the year

EMPLOYEE INVOLVEMENT

The group encourages the involvement of its employees in its activities through regular meetings of the staff with the directors and other business managers. Information of particular concern to employees is regularly disseminated and the group encourages staff to give their views on important matters of policy.

DISABLED PERSONS

The group will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise.

ROUSE & CO. INTERNATIONAL LIMITED

**REPORT OF THE DIRECTORS
for the year ended 30 April 2007**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

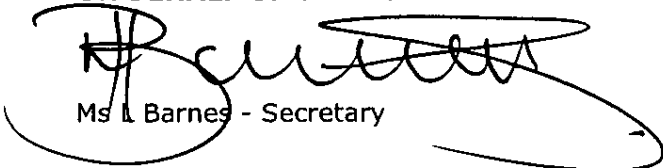
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Bessler Hendrie, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD:



Ms L Barnes - Secretary

9 May 2008

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ROUSE & CO. INTERNATIONAL LIMITED

We have audited the financial statements of Rouse & Co. International Limited for the year ended 30 April 2007 on pages seven to twenty seven. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page four.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ROUSE & CO. INTERNATIONAL LIMITED**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and the group as at 30 April 2007 and of the profit of the group for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Bessler Hendrie

Bessler Hendrie
Chartered Accountants
Registered Auditor
Albury Mill, Mill Lane
Chilworth
Guildford
Surrey
GU4 8RU

12 May 2008

ROUSE & CO. INTERNATIONAL LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 30 April 2007**

	Notes	2007 £	2006 £
TURNOVER	2	13,604,231	13,961,450
Administrative expenses		(13,063,829)	(13,817,048)
		540,402	144,402
Other operating income		-	3,836
OPERATING PROFIT	4	540,402	148,238
Interest receivable and similar income		92,588	57,694
		632,990	205,932
Interest payable and similar charges	5	(22,903)	(29,789)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		610,087	176,143
Tax on profit on ordinary activities	6	(149,039)	(62,456)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>461,048</u>	<u>113,687</u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

The notes form part of these financial statements

ROUSE & CO. INTERNATIONAL LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 30 April 2007

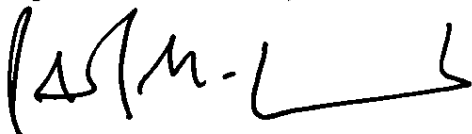
	2007 £	2006 £
PROFIT FOR THE FINANCIAL YEAR	461,048	113,687
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>461,048</u>	113,687
Prior year adjustment		<u>280,644</u>
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT		<u>394,331</u>

The notes form part of these financial statements

ROUSE & CO. INTERNATIONAL LIMITED**CONSOLIDATED BALANCE SHEET
30 April 2007**

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	9	1,470,712	677,971
Investments	10	-	-
		<u>1,470,712</u>	<u>677,971</u>
CURRENT ASSETS			
Debtors	11	6,665,969	5,932,099
Cash at bank		<u>1,239,316</u>	<u>2,147,050</u>
		7,905,285	8,079,149
CREDITORS			
Amounts falling due within one year	12	<u>(5,624,872)</u>	<u>(5,110,627)</u>
NET CURRENT ASSETS		<u>2,280,413</u>	<u>2,968,522</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,751,125	3,646,493
CREDITORS			
Amounts falling due after more than one year	13	(80,536)	-
PROVISIONS FOR LIABILITIES	17	<u>(55,576)</u>	-
NET ASSETS		<u>3,615,013</u>	<u>3,646,493</u>
CAPITAL AND RESERVES			
Called up share capital	18	58,923	58,923
Share premium	19	1,031,834	1,031,834
Other reserves	19	87,563	87,563
Profit and loss account	19	<u>2,436,693</u>	<u>2,468,173</u>
SHAREHOLDERS' FUNDS	22	<u>3,615,013</u>	<u>3,646,493</u>

The financial statements were approved by the Board of Directors on 9 May 2008 and were signed on its behalf by



R A Ross-Macdonald - Director

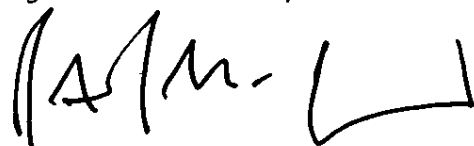
The notes form part of these financial statements

ROUSE & CO. INTERNATIONAL LIMITED

COMPANY BALANCE SHEET
30 April 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	9	1,130,550	342,226
Investments	10	<u>55,851</u>	<u>55,946</u>
		<u>1,186,401</u>	<u>398,172</u>
CURRENT ASSETS			
Debtors	11	3,054,837	3,758,313
Cash at bank		<u>852,355</u>	<u>839,109</u>
		3,907,192	4,597,422
CREDITORS			
Amounts falling due within one year	12	<u>(3,915,818)</u>	<u>(3,663,584)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(8,626)</u>	<u>933,838</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,177,775	1,332,010
CREDITORS			
Amounts falling due after more than one year	13	<u>(80,536)</u>	<u>-</u>
NET ASSETS		<u>1,097,239</u>	<u>1,332,010</u>
CAPITAL AND RESERVES			
Called up share capital	18	58,923	58,923
Share premium	19	1,031,834	1,031,834
Profit and loss account	19	<u>6,482</u>	<u>241,253</u>
SHAREHOLDERS' FUNDS	22	<u>1,097,239</u>	<u>1,332,010</u>

The financial statements were approved by the Board of Directors on 9 May 2008 and were signed on its behalf by:



.....
R A Ross-Macdonald - Director

The notes form part of these financial statements

ROUSE & CO. INTERNATIONAL LIMITED

CASH FLOW STATEMENT

for the year ended 30 April 2007

	Notes	2007 £	2006 £
Net cash inflow from operating activities	23	321,757	1,658,428
Returns on investments and servicing of finance	24	59,685	27,905
Taxation		(98,279)	(47,866)
Capital expenditure	24	(1,283,160)	(211,835)
Equity dividends paid		<u>(294,616)</u>	<u>(677,333)</u>
		(1,294,613)	749,299
Financing	24	<u>131,639</u>	<u>(400,134)</u>
(Decrease)/Increase in cash in the period		<u>(1,162,974)</u>	<u>349,165</u>
Reconciliation of net cash flow to movement in net funds			
	25		
(Decrease)/Increase in cash in the period		(1,162,974)	349,165
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(131,639)</u>	<u>400,134</u>
Change in net funds resulting from cash flows		(1,294,613)	749,299
Translation differences		<u>(152,872)</u>	<u>135,223</u>
Movement in net funds in the period		(1,447,485)	884,522
Net funds at 1 May		<u>1,863,866</u>	<u>979,344</u>
Net funds at 30 April		<u>416,381</u>	<u>1,863,866</u>

The notes form part of these financial statements

ROUSE & CO. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2007

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements incorporate those of Rouse & Co International Limited and all of its subsidiary undertakings for the period. Subsidiaries acquired during the period are consolidated using the acquisition method. Their results are incorporated from the date control passes. The difference between cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is capitalised and written off on a straight line basis over its estimated economic life. Provision is made for impairment.

As permitted by Section 230 of the Companies Act 1985, the profit and loss of the parent company has not been presented.

Turnover

Turnover represents amounts chargeable to clients for professional services provided during the year excluding value added tax in accordance with UITF 40 "Revenue recognition and service contracts"

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Leasehold improvements	-	over the term of the lease
Plant & machinery	- 25%	on reducing balance
Fixtures & fittings	- 25%	on reducing balance
Computer equipment	- 33%	on reducing balance
Motor vehicles	- 33%	on reducing balance

Deferred tax

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

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.

Foreign currencies

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

Fixed asset investments denominated in foreign currencies are translated into sterling at the rates of exchange current at the dates of the transactions except when financed by borrowings denominated in foreign currencies when both the investments and the borrowings are re-translated at the rates of exchange ruling at the end of the period

ROUSE & CO. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 30 April 2007

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are operating leases and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

Pension costs and other post-retirement benefits

Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below

	2007 £	2006 £
United Kingdom & Europe	4,348,023	4,161,206
Hong Kong	-	189,553
China	4,913,524	5,204,455
Indonesia	1,042,945	922,333
Middle East	1,865,088	1,979,344
Thailand	612,955	814,743
India	223,255	194,464
Vietnam	544,443	495,352
Philippines	53,998	-
	<u>13,604,231</u>	<u>13,961,450</u>

ROUSE & CO. INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 April 2007****3 STAFF COSTS**

	2007	2006
	£	£
Wages and salaries	8,133,743	5,164,703
Social security costs	470,544	336,149
Other pension costs	<u>270,313</u>	<u>206,241</u>
	<u>8,874,600</u>	<u>5,761,093</u>

The average monthly number of employees during the year was as follows:

	2007	2006
Fee Earners and administration	312	251
Management	<u>3</u>	<u>3</u>
	<u>315</u>	<u>254</u>

4. OPERATING PROFIT**PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2007	2006
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation and amounts written off tangible fixed assets:		
Charge for the year		
- owned assets	427,755	362,278
- leased assets	21,284	-
- loss on disposals	1,162	13,358
Operating lease rentals		
Land and buildings	651,992	975,341
Auditors remuneration	103,167	99,558
Amounts payable to auditors in respect of additional services	22,960	11,600
Exchange losses/ (gains)	<u>55,028</u>	<u>(11,458)</u>
Directors' emoluments and other benefits etc	<u>37,111</u>	<u>79,785</u>

Consultancy fees of £120,000 (2006. £Nil) were invoiced by A J T Willoughby (a Director of the company) during the year.

ROUSE & CO. INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the year ended 30 April 2007

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	£	£
Bank interest	7,033	436
Other interest	12,805	12,000
Finance lease	<u>3,065</u>	<u>17,353</u>
	<u>22,903</u>	<u>29,789</u>

6. TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2007	2006
	£	£
Current tax		
UK corporation tax	-	20,000
Foreign Tax	92,075	72,788
Adjustments in respect of previous years	<u>-</u>	<u>(13,876)</u>
Total current tax	92,075	78,912
Deferred tax - origination and reversal of timing differences	<u>56,964</u>	<u>(16,456)</u>
Tax on profit on ordinary activities	<u>149,039</u>	<u>62,456</u>

UK corporation tax has been charged at 30% (2006 - 30%).

ROUSE & CO. INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the year ended 30 April 2007**6 TAXATION - continued****Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2007 £	2006 £
Profit on ordinary activities before tax	<u>610,087</u>	<u>176,143</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 30%)	183,026	52,843
Effects of:		
Lower rate tax on overseas earnings	(244,696)	(143,082)
Expenses disallowed for tax purposes	18,652	42,499
Capital allowances (less than)/ in excess of depreciation	(31,480)	22,607
Tax due on overseas dividend received	199,521	135,000
Revenue expenditure capitalised	(7,941)	-
Release of spreading relief on UITF 40 adjustment	147	-
Timing differences on deductibility of costs	(25,154)	-
Over provision in previous years	-	(13,876)
Prior year adjustment	-	(15,877)
Rounding	-	(1,202)
Current tax charge	<u>92,075</u>	<u>78,912</u>

7. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £59,845 (2006: £55,148 loss).

8. DIVIDENDS

	2007 £	2006 £
Interim	<u>294,616</u>	<u>677,333</u>

ROUSE & CO. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 April 2007

9. TANGIBLE FIXED ASSETS

Group

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 May 2006	123,340	243,592	377,327
Additions	551,253	1,065	101,151
Disposals	(92)	(20,913)	(218,593)
Exchange differences	(6,258)	-	(15,467)
At 30 April 2007	<u>668,243</u>	<u>223,744</u>	<u>244,418</u>
DEPRECIATION			
At 1 May 2006	79,867	174,432	282,032
Charge for year	81,520	18,878	45,479
Eliminated on disposal	(64)	(19,726)	(211,506)
Exchange differences	(4,052)	-	(4,901)
At 30 April 2007	<u>157,271</u>	<u>173,584</u>	<u>111,104</u>
NET BOOK VALUE			
At 30 April 2007	<u>510,972</u>	<u>50,160</u>	<u>133,314</u>
At 30 April 2006	<u>43,473</u>	<u>69,160</u>	<u>95,295</u>

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 May 2006	15,329	1,437,597	2,197,185
Additions	-	633,201	1,286,670
Disposals	(7,625)	(60,163)	(307,386)
Exchange differences	(1,128)	(43,708)	(66,561)
At 30 April 2007	<u>6,576</u>	<u>1,966,927</u>	<u>3,109,908</u>
DEPRECIATION			
At 1 May 2006	9,163	973,720	1,519,214
Charge for year	1,627	301,535	449,039
Eliminated on disposal	(6,669)	(51,001)	(288,966)
Exchange differences	(716)	(30,422)	(40,091)
At 30 April 2007	<u>3,405</u>	<u>1,193,832</u>	<u>1,639,196</u>
NET BOOK VALUE			
At 30 April 2007	<u>3,171</u>	<u>773,095</u>	<u>1,470,712</u>
At 30 April 2006	<u>6,166</u>	<u>463,877</u>	<u>677,971</u>

ROUSE & CO. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 30 April 2007

9. TANGIBLE FIXED ASSETS - continued

Group

Fixed assets, included in the above, which are held under finance leases are as follows

	Computer equipment £
COST	
Additions	<u>124,661</u>
At 30 April 2007	<u>124,661</u>
DEPRECIATION	
Charge for year	<u>21,284</u>
At 30 April 2007	<u>21,284</u>
NET BOOK VALUE	
At 30 April 2007	<u>103,377</u>

Company

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 May 2006	-	243,592	203,599	834,636	1,281,827
Additions	546,596	1,065	78,155	443,106	1,068,922
Disposals	-	(20,913)	(201,244)	-	(222,157)
At 30 April 2007	<u>546,596</u>	<u>223,744</u>	<u>80,510</u>	<u>1,277,742</u>	<u>2,128,592</u>
DEPRECIATION					
At 1 May 2006	-	174,432	202,295	562,875	939,602
Charge for year	57,624	18,878	7,119	196,016	279,637
Eliminated on disposal	-	(19,726)	(201,471)	-	(221,197)
At 30 April 2007	<u>57,624</u>	<u>173,584</u>	<u>7,943</u>	<u>758,891</u>	<u>998,042</u>
NET BOOK VALUE					
At 30 April 2007	<u>488,972</u>	<u>50,160</u>	<u>72,567</u>	<u>518,851</u>	<u>1,130,550</u>
At 30 April 2006	<u>-</u>	<u>69,160</u>	<u>1,304</u>	<u>271,761</u>	<u>342,225</u>

ROUSE & CO. INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the year ended 30 April 2007

9 TANGIBLE FIXED ASSETS - continued**Company**

Fixed assets, included in the above, which are held under finance leases are as follows

	Computer equipment £
COST	
Additions	<u>124,661</u>
At 30 April 2007	<u>124,661</u>
DEPRECIATION	
Charge for year	<u>21,284</u>
At 30 April 2007	<u>21,284</u>
NET BOOK VALUE	
At 30 April 2007	<u>103,377</u>

10 FIXED ASSET INVESTMENTS**Company**

	Unlisted investments £
COST	
At 1 May 2006	143,301
Additions	7
Disposals	<u>(102)</u>
At 30 April 2007	<u>143,206</u>
PROVISIONS	
At 1 May 2006 and 30 April 2007	<u>87,355</u>
NET BOOK VALUE	
At 30 April 2007	<u>55,851</u>
At 30 April 2006	<u>55,946</u>

ROUSE & CO. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 30 April 2007

10. FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of unlisted companies include the following

Name	Country of incorporation	Nature of business
Rouse & Co International (UK) Limited	United Kingdom	Non-trader
Rouse & Co International (Overseas) Limited	Hong Kong	Consultancy services
Beijing Jieding Consultancy *	China	Consultancy services
P T Rouse & Co International (Indonesia) #	Indonesia	Consultancy services
Rouse & Co International (Thailand) Limited +	Thailand	Consultancy services
Rouse India Private Limited +	India	Consultancy services
Rouse Consultancy (Shanghai) Limited +	China	Consultancy services
IS Global Inc	USA	Consultancy services
Rouse & Co International (Philippines) Inc ~	Philippines	Consultancy services
Rouse & Co International (Patents) Limited	United Kingdom	Consultancy services

100% of the Ordinary share capital in the above subsidiary companies is controlled within the Group and consolidated within these Financial Statements.

* This company is a subsidiary undertaking of Rouse & Co International (UK) Limited.

5% of this company is owned by Rouse & Co International (UK) Limited so that it is a wholly owned subsidiary undertaking.

+ This company is a subsidiary undertaking of Rouse & Co International (Overseas) Limited

~ 80% of this company is owned by Rouse & Co International (Overseas) Limited so that it is a wholly owned subsidiary undertaking.

Rouse India Private Limited has a year end of 31 March 2008 to comply with local tax legislation. The results of this company are not material to the Group.

ROUSE & CO. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 30 April 2007

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Trade debtors	4,043,606	3,669,345	1,606,940	1,239,026
Amounts owed by group undertakings	-	-	675,144	1,924,388
Amounts recoverable on contract	1,408,410	1,297,421	414,863	296,090
Other debtors	489,766	452,901	13,540	75,332
Prepayments and accrued income	724,187	512,432	344,350	223,477
	<u>6,665,969</u>	<u>5,932,099</u>	<u>3,054,837</u>	<u>3,758,313</u>

Included in trade debtors for the group is an amount of £5,592 (2006: £344,872) owed by Rouse Legal, a firm in which R A Ross-Macdonald and S D Adams (directors of the company) are partners.

Included in other debtors for the group and company are deferred tax assets of £20,368 (2006: £21,757) and £13,539 (2006: £28,401) respectively. These are included due to the origination of timing differences.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Bank loans and overdrafts (see note 14)	683,532	277,304	683,532	277,304
Finance leases (see note 15)	58,867	5,880	58,867	5,880
Trade creditors	1,380,247	1,010,736	549,026	370,109
Payments on account	915,056	1,072,162	915,056	1,072,162
Amounts owed to group undertakings	-	-	504,538	443,303
Corporation tax	48,746	24,412	2,848	15,067
Social security and other taxes	306,926	382,527	254,407	295,834
Other creditors	155,683	453,513	60,147	225,808
Accruals and deferred income	2,075,815	1,884,093	887,397	958,117
	<u>5,624,872</u>	<u>5,110,627</u>	<u>3,915,818</u>	<u>3,663,584</u>

Included in trade creditors for the group and company are the amounts of £129,941 (2006: £Nil) and £121,961 (2006: £Nil) respectively owed to Rouse Legal, a firm in which R A Ross-Macdonald and S D Adams (directors of the company) are partners.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Finance leases (see note 15)	<u>80,536</u>	<u>-</u>	<u>80,536</u>	<u>-</u>

ROUSE & CO. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 April 2007

14 LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Amounts falling due within one year or on demand				
Bank overdrafts	683,532	275,420	683,532	275,420
Bank loans	-	1,884	-	1,884
	<u>683,532</u>	<u>277,304</u>	<u>683,532</u>	<u>277,304</u>

15 OBLIGATIONS UNDER LEASING AGREEMENTS

Group

	Finance leases	
	2007	2006
	£	£
Gross obligations repayable:		
Within one year	64,038	5,880
Between one and five years	<u>88,366</u>	<u>-</u>
	<u>152,404</u>	<u>5,880</u>
Finance charges repayable		
Within one year	5,171	-
Between one and five years	<u>7,830</u>	<u>-</u>
	<u>13,001</u>	<u>-</u>
Net obligations repayable		
Within one year	58,867	5,880
Between one and five years	<u>80,536</u>	<u>-</u>
	<u>139,403</u>	<u>5,880</u>

ROUSE & CO. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 April 2007

15 OBLIGATIONS UNDER LEASING AGREEMENTS - continued

Company

	Finance leases	
	2007	2006
	£	£
<i>Gross obligations repayable</i>		
Within one year	64,038	5,880
Between one and five years	<u>88,366</u>	<u>-</u>
	<u>152,404</u>	<u>5,880</u>
		-
<i>Finance charges repayable.</i>		
Within one year	5,171	-
Between one and five years	<u>7,830</u>	<u>-</u>
	<u>13,001</u>	<u>-</u>
		-
<i>Net obligations repayable:</i>		
Within one year	58,867	5,880
Between one and five years	<u>80,536</u>	<u>-</u>
	<u>139,403</u>	<u>5,880</u>

The following operating lease payments are committed to be paid within one year

Group

	Land and buildings	
	2007	2006
	£	£
<i>Expiring:</i>		
Within one year	317,915	210,859
Between one and five years	<u>558,668</u>	<u>232,580</u>
	<u>876,583</u>	<u>443,439</u>

The finance leases are secured upon certain office and computer equipment of the Group.

ROUSE & CO. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 30 April 2007

16. SECURED DEBTS

The following secured debts are included within creditors

	Group	
	2007	2006
	£	£
Bank overdrafts	683,532	275,420
Bank loans	-	1,884
	<u>683,532</u>	<u>277,304</u>

The bank loans and overdrafts are secured by a fixed charge over the Group's assets. Composite guarantees are in place between all United Kingdom Group Companies.

17. PROVISIONS FOR LIABILITIES

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Deferred tax	<u>55,576</u>	-	-	-
		Deferred tax		Deferred tax
		£		£
Balance at 1 May 2006		(21,757)		(28,401)
Accelerated capital allowances		64,394		64,394
Tax losses		(70,520)		(70,420)
Other temporary differences		<u>63,091</u>		<u>20,888</u>
Balance at 30 April 2007		<u>35,208</u>		<u>(13,539)</u>

Provision for deferred tax has been made as follows:

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Accelerated capital allowances	36,075	-	35,993	(28,401)
Tax losses	(70,520)	(28,319)	(70,420)	-
Other timing differences	<u>69,653</u>	<u>6,562</u>	<u>20,888</u>	-
	<u>35,208</u>	<u>(21,757)</u>	<u>(13,539)</u>	<u>(28,401)</u>

The group deferred tax provision is split in these accounts as a provision of £55,576 (2006: £Nil) and an asset within 'other debtors' of £20,368 (2006: £28,401).

ROUSE & CO. INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the year ended 30 April 2007**18 CALLED UP SHARE CAPITAL**

Authorised Number	Class	Nominal value:	2007 £	2006 £
3,000,000	Ordinary	£0.10	<u>300,000</u>	<u>300,000</u>

Allotted and issued Number	Class	Nominal value	2007 £	2006 £
589,232	Ordinary	£0.10	<u>58,923</u>	<u>58,923</u>

19. RESERVES**Group**

	Profit and loss account £	Share premium £	Other reserves £	Totals £
At 1 May 2006	2,468,173	1,031,834	87,563	3,587,570
Profit for the year	461,048	-	-	461,048
Dividends	(294,616)	-	-	(294,616)
Exchange difference	(197,912)	-	-	(197,912)
At 30 April 2007	<u>2,436,693</u>	<u>1,031,834</u>	<u>87,563</u>	<u>3,556,090</u>

Company

	Profit and loss account £	Share premium £	Totals £
At 1 May 2006	241,253	1,031,834	1,273,087
Profit for the year	59,845	-	59,845
Dividends	(294,616)	-	(294,616)
At 30 April 2007	<u>6,482</u>	<u>1,031,834</u>	<u>1,038,316</u>

20. TRANSACTIONS WITH DIRECTORS

During the year the group invoiced administration charges of £1,200,629 (2006: £1,244,815) to Rouse Legal, a firm in which R A Ross-Macdonald and S D Adams (directors of the company) are partners

A J T Willoughby, a director of the company, invoiced consultancy fees in the year amounting to £120,000 (2006: £Nil). As at 30 April 2007 £11,750 (2006: £Nil) was unpaid.

ROUSE & CO. INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 April 2007****21 RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemptions provided by Financial Reporting Standard No 8 Related Party Disclosures, and has not disclosed transactions with fellow group undertakings on the basis that more than 90% of the company's voting rights are controlled within the group.

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**Group**

	2007 £	2006 £
Profit for the financial year	461,048	113,687
Dividends	<u>(294,616)</u>	<u>(677,333)</u>
	166,432	(563,646)
Exchange difference on consolidation	<u>(197,912)</u>	<u>161,656</u>
Net reduction of shareholders' funds	(31,480)	(401,990)
Opening shareholders' funds	<u>3,646,493</u>	<u>4,048,483</u>
Closing shareholders' funds	<u>3,615,013</u>	<u>3,646,493</u>

Company

	2007 £	2006 £
Profit/(Loss) for the financial year	59,845	(35,590)
Dividends	<u>(294,616)</u>	<u>(677,333)</u>
Net reduction of shareholders' funds	(234,771)	(712,923)
Opening shareholders' funds	<u>1,332,010</u>	<u>2,044,933</u>
Closing shareholders' funds	<u>1,097,239</u>	<u>1,332,010</u>

23. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007 £	2006 £
Operating profit	540,402	148,238
Depreciation charges	449,039	362,278
Loss on disposal of fixed assets	1,162	13,358
(Increase)/Decrease in debtors	(676,860)	348,728
Increase in creditors	<u>8,014</u>	<u>785,826</u>
Net cash inflow from operating activities	<u>321,757</u>	<u>1,658,428</u>

ROUSE & CO. INTERNATIONAL LIMITED

NOTES TO THE CASH FLOW STATEMENT - continued
for the year ended 30 April 2007

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2007 £	2006 £
Returns on investments and servicing of finance		
Interest received	82,588	57,694
Interest paid	(19,838)	(12,436)
Interest element of finance lease payments	<u>(3,065)</u>	<u>(17,353)</u>
Net cash inflow for returns on investments and servicing of finance	<u>59,685</u>	<u>27,905</u>
Capital expenditure		
Purchase of tangible fixed assets	(1,286,670)	(234,724)
Sale of tangible fixed assets	<u>3,510</u>	<u>22,889</u>
Net cash outflow for capital expenditure	<u>(1,283,160)</u>	<u>(211,835)</u>
Financing		
Bank loan repaid in the year	(1,884)	(367,885)
Capital withdrawn/ (repaid) in year	<u>133,523</u>	<u>(32,249)</u>
Net cash inflow/(outflow) from financing	<u>131,639</u>	<u>(400,134)</u>

25. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 5 06 £	Cash flow £	Exchange movements £	At 30 4 07 £
Net cash:				
Cash at bank	2,147,050	(754,862)	(152,872)	1,239,316
Bank overdraft	<u>(275,420)</u>	<u>(408,112)</u>	<u>-</u>	<u>(683,532)</u>
	<u>1,871,630</u>	<u>(1,162,974)</u>	<u>(152,872)</u>	<u>555,784</u>
Debt:				
Finance leases	(5,880)	(133,523)	-	(139,403)
Debts falling due within one year	<u>(1,884)</u>	<u>1,884</u>	<u>-</u>	<u>-</u>
	<u>(7,764)</u>	<u>(131,639)</u>	<u>-</u>	<u>(139,403)</u>
Total	<u>1,863,866</u>	<u>(1,294,613)</u>	<u>(152,872)</u>	<u>416,381</u>