

Company Registration No: 03684054

TS4I (POWER RESOURCES 1) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2005



**Group Secretariat
The Royal Bank of Scotland Group plc
3 Princess Way
Redhill
Surrey
RH1 1NP**

TS4I (POWER RESOURCES 1) LIMITED

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TS4I (POWER RESOURCES 1) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

**P C Bryan
C Campbell
T W J Longstaff
M C Moss**

SECRETARY:

A S Graham

REGISTERED OFFICE:

**The Quadrangle
The Promenade
Cheltenham
Gloucestershire
GL50 1PX**

AUDITORS:

**Deloitte & Touche LLP
Bristol**

Registered in England and Wales.

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2005.

ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is the provision of energy and power related asset finance and management products. This is likely to continue in the foreseeable future.

The retained profit for the period was £121,461 (2004: retained loss £10,588) and this was transferred to reserves. The directors do not recommend the payment of a dividend of £nil be paid (2004: £nil).

The directors do not anticipate any material change in either the type or level of activities of the Company.

DIRECTORS AND SECRETARY

The present directors and secretary, who have served throughout the year except where noted below, are listed on page 1.

From 1 January 2005 to date the following changes have taken place:

	Appointed	Resigned
Directors		
I J Isaac		1 March 2005
C Campbell	19 October 2005	
L McCormack		25 April 2006
P C Bryan	25 April 2006	
Secretary		
M L Thomas		19 October 2005
A S Graham	19 October 2005	

DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 1985 to prepare accounts for each financial year and have elected to prepare them in accordance with International Financial Reporting Standards. They are responsible for preparing accounts that present fairly the financial position, financial performance, and cash flows of the Company. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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 statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

TS4I (POWER RESOURCES 1) LIMITED

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, and to enable them to ensure that the Annual report and accounts complies with the Companies Act 1985. They are 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.

FINANCIAL RISK MANAGEMENT POLICY

The Company activities expose it to a number of financial risks including credit risk, cash flow risk, liquidity risk and price risk. The Company has in place a risk management policy that seeks to limit the adverse effects on the financial performance of the Company.

Credit risk

The Company's financial assets are bank balances and cash, trade and other receivables. The Company has implemented policies that require appropriate credit checks on customers before sales commence.

Cash flow risk

The Company is not subject to the financial risks of changes in foreign currency exchange rates.

Liquidity risk

In or order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term and short-term debt finance.

Price risk

The Company is exposed to gas supply price risk. The Company mitigates this risk through the Energy Supply Agreements with its customer.

DIRECTORS' INTERESTS

No Director had an interest in the shares of the Company.

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The Company is committed to maintaining a sound commercial relationship with its suppliers. Consequently, it is the Company's policy to negotiate and agree terms and conditions with its suppliers, which includes the giving of an undertaking by the Company to pay suppliers within 30 days of receipt of a correctly prepared invoice submitted in accordance with the terms of the contract.

Trade creditors at 31 December 2005 represented 3 days of purchases (2004: 5 days).

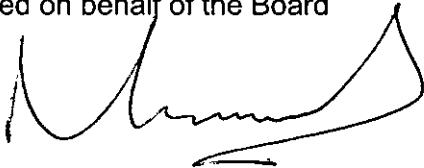
ELECTIVE RESOLUTIONS

The Company has elected to dispense with the requirement to hold annual general meetings, lay accounts before a general meeting and re-appointment of auditors annually.

AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to be 'M Moss', written over a horizontal line.

M Moss
Director

Date: 27/7/06

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TS4i (Power Resources 1) LIMITED**

We have audited the financial statements of TS4i (Power Resources 1) Limited for the year ended 31 December 2005 which comprise the income statement, the balance sheet, the cash flow statement and the related notes 1 to 18. 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 annual report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985 of the IAS Regulation. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 other information contained in the directors' report and the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 circumstances of the company, 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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with those IFRSs as adopted for use in the European Union, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Bristol, United Kingdom

Date: *3 August 2006*

TS4i (POWER RESOURCES 1) LIMITED

INCOME STATEMENT

for the year ended 31 December 2005

	Note	31 December 2005 £	31 December 2004 £
CONTINUING OPERATIONS			
Revenue	3	3,761,602	2,532,221
Cost of Sales		(3,215,115)	(2,293,904)
GROSS PROFIT		<u>546,487</u>	<u>238,317</u>
Other operating income		-	25,427
Administrative expenses		(97,808)	-
OPERATING PROFIT	4	<u>448,679</u>	<u>263,744</u>
Investment revenues	6	13,293	12,558
Finance costs	7	(287,963)	(290,849)
PROFIT/(LOSS) BEFORE TAXATION		<u>174,009</u>	<u>(14,547)</u>
Taxation (charge)/credit on profit/(loss) on ordinary activities	8	(52,548)	3,959
PROFIT/(LOSS) FOR THE YEAR	15	<u><u>121,461</u></u>	<u><u>(10,588)</u></u>

The notes on pages 10 to 17 form part of these financial statements.

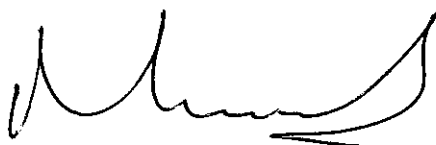
TS4i (POWER RESOURCES 1) LIMITED

BALANCE SHEET at 31 December 2005

	Note	31 December 2005 £	31 December 2004 £
NON-CURRENT ASSETS			
Property, plant and equipment	9	3,778,084	4,024,832
CURRENT ASSETS			
Trade and other receivables	10	1,127,460	776,287
Cash and cash equivalents		<u>444,912</u>	<u>374,377</u>
		<u>1,572,372</u>	<u>1,150,664</u>
TOTAL ASSETS		<u><u>5,350,456</u></u>	<u><u>5,175,496</u></u>
CURRENT LIABILITIES			
Trade and other payables	11	(496,459)	(264,059)
Bank overdraft and loans	12	<u>(253,441)</u>	<u>(222,664)</u>
		<u>(749,900)</u>	<u>(486,723)</u>
NET CURRENT ASSETS		<u>822,472</u>	<u>663,941</u>
NON CURRENT LIABILITIES			
Bank overdraft and loans	12	(3,893,653)	(4,147,095)
Deferred tax liabilities	13	<u>(768,493)</u>	<u>(724,729)</u>
		<u>(4,662,146)</u>	<u>(4,871,824)</u>
TOTAL LIABILITIES		<u><u>(5,412,046)</u></u>	<u><u>(5,358,547)</u></u>
NET LIABILITIES		<u><u>(61,590)</u></u>	<u><u>(183,051)</u></u>
EQUITY			
Share capital	14	2	2
Retained earnings	15	<u>(61,592)</u>	<u>(183,053)</u>
TOTAL EQUITY		<u><u>(61,590)</u></u>	<u><u>(183,051)</u></u>

The financial statements on pages 7 to 17 were approved by the Board of Directors and authorised for issue on 27 July 2006. They were signed on its behalf by :-

M Moss
Director



The notes on pages 10 to 17 form part of these financial statements.

TS4i (POWER RESOURCES 1) LIMITED

CASH FLOW STATEMENT

for the year ended 31 December 2005

	Note	Year ended 31 December 2005 £	Year ended 31 December 2004 £
NET CASH FROM OPERATING ACTIVITIES	16	<u>567,870</u>	<u>399,279</u>
INVESTING ACTIVITIES			
Interest received		13,293	12,558
NET CASH USED IN INVESTING ACTIVITIES		<u>13,293</u>	<u>12,558</u>
FINANCING ACTIVITIES			
Interest paid		(287,963)	(290,849)
Repayments of borrowings		(222,665)	(191,886)
NET CASH USED IN FINANCING ACTIVITIES		<u>(510,628)</u>	<u>(482,735)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>70,535</u>	<u>(70,898)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		374,377	445,275
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>444,912</u></u>	<u><u>374,377</u></u>

TS4i (POWER RESOURCES 1) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

a BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted for use in the EU for the first time.

The financial statements have been prepared on the historical cost basis. The principal accounting policies are set out below.

b TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

c BORROWING COSTS

All borrowing costs are recognised as an expense in the period in which they are incurred.

d CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

e BANK BORROWINGS

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in profit or loss using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

f PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is calculated to write off the cost or valuation less estimated residual value of all tangible fixed assets on a straight line basis over their estimated useful lives.

Generating plant and machinery is depreciated over 20 years.

TS4i (POWER RESOURCES 1) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

g TRADE RECEIVABLES

Trade receivables are measured at initial recognition fair value, and subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

h TRADE PAYABLES

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

i CASH FLOW STATEMENT

The cash flow statement has been presented using the indirect method of cash flows from operating activities.

j FINANCIAL RISK MANAGEMENT POLICY

The Company activities expose it to a number of financial risks including credit risk, cash flow risk, liquidity risk and price risk. The company has in place a risk management policy that seeks to limit the adverse effects on the financial performance of the Company.

Credit risk

The Company's financial assets are bank balances and cash, trade and other receivables. The Company has implemented policies that require appropriate credit checks on customers before sales commence.

Cash flow risk

The Company is not subject to the financial risks of changes in foreign currency exchange rates.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short term debt-finance.

Price risk

The Company is exposed to gas supply price risk. The Company mitigates this risk through the Energy Supply Agreements with its customer.

2 IMMEDIATE AND ULTIMATE PARENT COMPANY

The Company is a Joint Venture owned on a 50:50 basis by Royal Bank Leasing Limited and Atkins Investments Limited.

Royal Bank Leasing Limited is a member of The Royal Bank of Scotland Group plc which is incorporated in Great Britain and registered in Scotland. Financial statements for The Royal Bank of Scotland Group plc can be obtained from The Royal Bank of Scotland Group plc, 42 St Andrew Square, Edinburgh, EH12 1YE.

Atkins Investments Limited is a member of the WS Atkins plc group of companies which is incorporated in Great Britain and registered in England and Wales. Copies of the group financial statements of WS Atkins plc may be obtained from the Company Secretary's office, Woodcote Grove, Ashley Road, Epsom, Surrey KT18 5BW.

TS4i (POWER RESOURCES 1) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

3 REVENUE

All the company's activities, consisting of the provision of energy and power related products, are in the United Kingdom.

Revenue includes £83,010 (2004: 151,756) of income recoverable from insurers due to a business interruption claim during the year to 31 December 2005.

4 OPERATING PROFIT

	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Profit for the year has been arrived at after charging:		
Depreciation of property, plant and equipment	246,748	246,331
Auditors' remuneration for audit services	<u>4,250</u>	<u>4,250</u>

5 STAFF COSTS

The Company has no employees.

The directors' emoluments for Tim Longstaff, Peter Bryan and Lisa McCormack were paid by WS Atkins plc. All other directors were paid by The Royal Bank of Scotland Group plc. No recharge is being made to the Company in respect of any directors. It is not possible to allocate directors' emoluments between the companies of which they are director.

6 INVESTMENT REVENUE

	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Interest on bank deposits	<u>13,293</u>	<u>12,558</u>

7 FINANCE COSTS

	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Interest on bank overdrafts and loans	<u>287,963</u>	<u>290,849</u>

TS4i (POWER RESOURCES 1) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

8 TAXATION

	Year ended 31 December 2005 £	Year ended 31 December 2004 £
A) ANALYSIS OF CHARGE/(CREDIT) IN THE YEAR		
Current tax (charge)/credit:		
- Group relief receivable on profits/(losses) for the year	8,783	(86,791)
- Adjustment in respect of prior periods	-	130
	<u>8,783</u>	<u>(86,661)</u>
Deferred tax - origination and reversal of timing differences:		
- Current year	43,765	82,772
- Adjustment in respect of prior periods	-	(70)
	<u>52,548</u>	<u>(3,959)</u>
B) FACTORS AFFECTING THE CURRENT TAX CHARGE/(CREDIT) FOR THE YEAR		
Profit/(loss) on ordinary activities before tax	<u>174,009</u>	<u>(14,547)</u>
Tax on profit/(loss) on ordinary activities at the standard rate of 30% (2004: 30%)	52,203	(4,364)
Capital allowances for period more than depreciation	(43,764)	(82,772)
Permanent difference - assets not qualifying for capital allowances	344	345
Adjustment to tax charge in respect of previous periods	-	130
	<u>8,783</u>	<u>(86,661)</u>
Current tax (charge)/credit	<u>8,783</u>	<u>(86,661)</u>

TS4i (POWER RESOURCES 1) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

9 PROPERTY, PLANT AND EQUIPMENT

	2005 £	2004 £
COST		
Generating plant & machinery		
At 31 December	<u>4,938,530</u>	<u>4,938,530</u>
ACCUMULATED DEPRECIATION		
At 1 January	913,698	666,950
Charge for year	<u>246,748</u>	<u>246,748</u>
At 31 December	<u>1,160,446</u>	<u>913,698</u>
CARRYING VALUE		
At 31 December	<u><u>3,778,084</u></u>	<u><u>4,024,832</u></u>

The amount of finance costs capitalised to 31 December 2005 is £193,982 (2004: £193,982).
The average rate of interest charged was 7.45% (2004: 7.45%).

10 TRADE AND OTHER RECEIVABLES

	31 December 2005 £	31 December 2004 £
Amounts falling due within one year:		
Trade debtors	1,068,237	653,668
Corporation tax - group relief receivable	47,328	113,308
Other debtors and prepayments	<u>11,895</u>	<u>9,311</u>
	<u><u>1,127,460</u></u>	<u><u>776,287</u></u>

Trade debtors includes £38,510 (2004: £151,756) recoverable from insurers due to a business interruption claim during the year to 31 December 2005.

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

TS4i (POWER RESOURCES 1) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

11	TRADE AND OTHER PAYABLES	31 December 2005	31 December 2004
	Amounts falling due within one year:	£	£
	Trade creditors	29,038	119,418
	Other taxes and social security	29,713	4,477
	Accruals and deferred income	437,708	140,164
		<u>496,459</u>	<u>264,059</u>

The directors consider that the carrying amount of trade and other payables approximates their fair value.

12	BANK OVERDRAFT AND LOANS	31 December 2005	31 December 2004
	Amounts falling due within one year:	£	£
	Bank loan	<u>253,441</u>	<u>222,664</u>
	Amounts falling due after more than one year:		
	Bank loan	<u>3,893,653</u>	<u>4,147,095</u>
	The borrowings are repayable as follows:		
	On demand or within one year	253,441	222,664
	In the second year	284,218	253,441
	In the third to fifth years inclusive	1,037,317	944,986
	After five years	<u>2,572,118</u>	<u>2,948,668</u>
		<u>4,147,094</u>	<u>4,369,759</u>

The bank loan is secured by a fixed and floating charge over the assets of the Company. The bank loan carries interest at LIBOR plus 2% and is repayable in monthly instalments until its maturity on 31 May 2016.

The directors consider that the carrying amount of bank overdraft and loans approximates their fair value.

13	DEFERRED TAX	
	Movements during the year:	Deferred taxation £
	At 31 December 2004	724,729
	Charge to income	<u>43,764</u>
	At 31 December 2005	<u>768,493</u>

Full provision has been made for the potential amount of deferred taxation shown below:

	31 December 2005	31 December 2004
	£	£
Capital allowances on assets financed	<u>768,493</u>	<u>724,729</u>

TS4i (POWER RESOURCES 1) LIMITED
NOTES ON THE FINANCIAL STATEMENTS
14 SHARE CAPITAL

	31 December 2005	31 December 2004
Authorised		
"A" Ordinary shares of £1 each	1	1
"B" Ordinary shares of £1 each	1	1
	<u>2</u>	<u>2</u>
Allotted, called up and fully paid		
"A" Ordinary shares of £1 each	1	1
"B" Ordinary shares of £1 each	1	1
	<u>2</u>	<u>2</u>

The "A" and "B" shares rank pari passu in all respects.

15 RETAINED EARNINGS

	£
At 1 January 2005	(183,053)
Net profit for the year	<u>121,461</u>
At 31 December 2005	<u>(61,592)</u>

16 NOTES TO THE CASH FLOW STATEMENT

	31 December 2005 £	31 December 2004 £
Profit from operations	448,679	263,744
Adjustments for:		
Depreciation of property, plant and equipment	246,748	246,748
Operating cash flows before movements in working capital	<u>695,427</u>	<u>510,492</u>
Increase in receivables	(417,153)	(61,025)
Increase/(decrease) in payables	232,400	(190,525)
Cash generated by operations	<u>510,673</u>	<u>258,942</u>
Income tax received	57,197	140,337
NET CASH FROM OPERATING ACTIVITIES	<u><u>567,870</u></u>	<u><u>399,279</u></u>

TS4i (POWER RESOURCES 1) LIMITED

NOTES ON THE FINANCIAL STATEMENTS

17 RELATED PARTY TRANSACTIONS

The Company is a joint venture by Royal Bank Leasing Limited and Atkins Investments Limited, as discussed in note 2, which are therefore related parties. The Company has entered into transactions with WS Atkins Consultants Limited, a member of the same group of companies as Atkins Investments Limited. These have also been classed as related party transactions.

During the year the Company entered into transactions on behalf of TS4i (Power Resources 2) Limited which are also joint venture companies owned on a 50:50 basis by Royal Bank Leasing Limited and Atkins Investment Limited. Because of common control these are classed as related party transactions.

The nature and value of transactions with related parties for the period and amounts outstanding at period end are shown below, with the exception of finance provided by a party in the course of its business.

	Year to 31 December 2005		Year to 31 December 2004	
	Value of transaction £	Receivable (payable) at year end £	Value of transaction £	Receivable (payable) at year end £
<u>WS Atkins Consultants Limited</u>				
The Company was charged operations and maintenance charges	306,038	(25,108)	374,615	(41,454)
The Company was charged administrative fees	47,568	(8,622)	46,802	(7,928)
	<hr/>		<hr/>	
<u>Total Solutions for Industry Limited</u>				
The Company was (credited)/charged for management services received	-	-	(97,315)	-
	<hr/>		<hr/>	

Total Solutions for Industry Limited paid audit fees of £4,250 on behalf of the Company in the prior year.

TS4i (Power Resources 2) Limited

The Company paid audit fees on behalf of TS4i (Power Resources 2) Limited amounting to £4,250 (2004: £nil). There are no year end balances held with TS4i (Power Resources 2) Limited (2004: £nil).

Royal Bank Leasing Limited

The Company was charged administrative fees	24,940	(24,940)	23,430	-
Interest on loan paid to related party	287,963	-	290,849	-
Outstanding balance on loan owed to the related party	-	(4,147,094)	-	(4,369,759)
Group relief receivable	-	47,328	-	113,308
	<hr/>		<hr/>	

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

The Company holds a bank account with The Royal Bank of Scotland plc which is a related party. The balance on the account as at 31 December 2005 was £444,912 (2004: £374,377).

18 TRANSITION TO IFRS

There are no differences arising on the transition to IFRS.