

G & H ENGINEERING & DIVING SERVICES LIMITED

COMPANY No. 2412380

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2002



G & H Engineering & Diving Services Limited

Company Information

Directors

G.L. Hassell
G.P. Hassell
J.A. Stanton

Secretary

C.M. Hayes

Registered Office

Middlesex House
800 Uxbridge Road
Hayes
Middlesex
UB4 0RS

Bankers

HSBC
125 Harlington Road West
Feltham
Middlesex
TW14 0JH

Auditors

Kingston Smith
Middlesex House
800 Uxbridge Road
Hayes, Middlesex
UB4 0RS

G & H ENGINEERING & DIVING SERVICES LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and financial statements for the year ended 31 August 2002.

Principal activities

The principal activities of the company throughout the year were that of consulting engineering, salvage divers and sales of diving equipment.

Directors and their interests

The directors who served the company during the year together with their interests (including family interests) in the shares of the company at the beginning and end of the year, were as follows:

	Ordinary shares of £ 1 each	
	31 August 2002	1 September 2001
G.L. Hassell	999	999
G.P.Hassell	-	-
J.A.Stanton	-	-

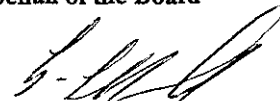
Auditors

Kingston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed they be re-appointed auditors to the company for the ensuing year.

Small company rules

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

On behalf of the Board



G.L. Hassell
Director

Middlesex House
800 Uxbridge Road
Hayes
Middlesex
UB4 0RS

Date: 16/11/03

G & H ENGINEERING & DIVING SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES & REPORT OF THE AUDITORS

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those 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 a going concern basis unless it is inappropriate to assume 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the Shareholders of G & H Engineering & Diving Services Limited

We have audited the financial statements of G & H Engineering & Diving Services Limited on pages 3 to 9 for the year ended 31 August 2002. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 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 transactions with the company is not disclosed.

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

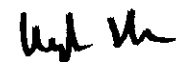
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Kingston Smith
Chartered Accountants
and Registered Auditor

Middlesex House
800 Uxbridge Road
Hayes, Middlesex
UB4 0RS

Date: 12/10/03

G & H Engineering & Diving Services Limited
Profit and Loss Account
For the year ended 31 August 2002

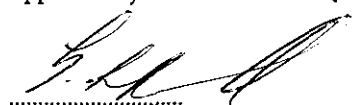
	Notes	2002 £	2001 £
Turnover		1,218,827	849,314
Cost of sales		(927,393)	(613,319)
Gross profit		291,434	235,995
Administrative expenses		(259,499)	(247,228)
Other operating income		7,372	-
Operating profit/(loss)	2	39,307	(11,233)
Interest payable and similar charges		(10,808)	(16,574)
Profit/(Loss) on ordinary activities before taxation		28,499	(27,807)
Taxation	3	(3,861)	-
Profit/(Loss) on ordinary activities after taxation	11	24,638	(27,807)

G & H ENGINEERING & DIVING SERVICES LIMITED
BALANCE SHEET
AS AT 31 AUGUST 2002

	Notes	2002 £	£	2001 £	£
FIXED ASSETS					
Tangible assets	4		61,995		48,277
CURRENT ASSETS					
Stocks	5	94,443		141,126	
Debtors	6	316,384		210,393	
Cash at bank and in hand		103		2,256	
		<u>410,930</u>		<u>353,775</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	<u>(378,805)</u>		<u>(374,509)</u>	
NET CURRENT ASSETS/(LIABILITIES)			32,125		(20,734)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>94,120</u>		<u>27,543</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	8		(105,234)		(67,156)
PROVISIONS FOR LIABILITIES AND CHARGES	9		<u>(3,861)</u>		<u>-</u>
NET LIABILITIES			<u>(14,975)</u>		<u>(39,613)</u>
CAPITAL AND RESERVES					
Called up share capital	10		1,000		1,000
Profit and loss account	11		(15,975)		(40,613)
SHAREHOLDERS' FUNDS			<u>(14,975)</u>		<u>(39,613)</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the Board on 16/11/02



G.L. Hassell
Director

G & H ENGINEERING & DIVING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2002

1 Accounting Policies

a) Accounting basis and standards

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). Accounting policies remain unchanged from prior years.

b) Depreciation

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

Plant and machinery	20% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	10% reducing balance

c) Turnover

Turnover represents the invoiced value of goods and services provided net of value added tax derived wholly within the UK.

d) Leasing and hire purchase commitments

Assets held under finance lease and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to profit and loss account over the period of the lease on a straight line basis.

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

2 Operating profit/(loss)

2002	2001
£	£

The operating profit/(loss) is stated after charging:

Auditors' remuneration	4,000	-
Depreciation of tangible assets	8,640	4,932
Depreciation of assets under finance leases	6,281	8,374
Directors' emoluments	63,338	72,349
	<u> </u>	<u> </u>

G & H ENGINEERING & DIVING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2002 (CONTINUED)

3 Taxation	2002	2001
	<u> </u>	<u> </u>
Current tax charge	-	-
Deferred tax		
Deferred tax charge credit current year	3,861	-
	<u> </u>	<u> </u>
Factors affecting the tax charge for the year		
Profit/(loss) on ordinary activities before taxation	28,499	(27,807)
	<u> </u>	<u> </u>
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2001 : 0.00%)	5,700	-
	<u> </u>	<u> </u>
Effects of:		
Non deductible expenses	1,498	-
Depreciation	2,984	-
Capital allowances	(3,992)	-
Tax losses utilised	(6,190)	-
	<u> </u>	<u> </u>
	(5,700)	-
	<u> </u>	<u> </u>
Current tax charge	-	-
	<u> </u>	<u> </u>

4 Tangible assets	Plant and machinery etc £
Cost	
At 1 September 2001	124,708
Additions	28,639
	<u> </u>
At 31 August 2002	153,347
	<u> </u>
Depreciation	
At 1 September 2001	76,431
Charge for the year	14,921
	<u> </u>
At 31 August 2002	91,352
	<u> </u>
Net book value	
At 31 August 2002	61,995
	<u> </u>
At 31 August 2001	48,277
	<u> </u>

The net book value of tangible fixed assets includes £18,842 (2001 - £25,123) in respect of assets held under finance leases or hire purchase contracts.

G & H ENGINEERING & DIVING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2002 (CONTINUED)

5	Stocks	2002	2001
		£	£
	Stocks	94,443	141,126
		<u> </u>	<u> </u>
 6	 Debtors	 2002	 2001
		£	£
	Trade debtors	299,729	201,541
	Other debtors	16,655	8,852
		<u> </u>	<u> </u>
		316,384	210,393
		<u> </u>	<u> </u>
 7	 Creditors: Amounts Falling Due Within One Year	 2002	 2001
		£	£
	Bank loans and overdrafts	43,977	122,750
	Trade creditors	110,034	52,299
	Corporation tax	-	12,679
	Social security and other taxes	128,639	130,898
	Other creditors	88,770	47,385
	Net obligations under hire purchase contracts	7,385	8,498
		<u> </u>	<u> </u>
		378,805	374,509
		<u> </u>	<u> </u>
 There is a fixed charge over all debts and a floating charge over all other assets held by HSBC Bank plc.			
 8	 Creditors: Amounts Falling Due After More Than One Year	 2002	 2001
		£	£
	Bank loans	49,868	55,408
	Net obligations under hire purchase contracts	5,366	11,748
	Other creditors	50,000	-
		<u> </u>	<u> </u>
		105,234	67,156
		<u> </u>	<u> </u>

All amounts due are wholly repayable within five years.

G & H ENGINEERING & DIVING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2002 (CONTINUED)

9 Provisions for Liabilities and Charges

	Deferred taxation £
Profit and loss account	3,861
Balance at 31 August 2002	<u>3,861</u>

Deferred taxation provided in the financial statements is as follows:

	2002 £	Fully provided 2001 £
Accelerated capital allowances	<u>3,861</u>	<u>-</u>

10 Called Up Share Capital	2002 £	2001 £
Authorised		
1,000 Ordinary shares of £ 1 each	<u>1,000</u>	<u>1,000</u>
 Called up, allotted and fully paid		
1,000 Ordinary shares of £ 1 each	<u>1,000</u>	<u>1,000</u>

11 Statement of Movements on Profit and Loss Account

2002	Profit and loss account £
Balance at 1 September 2001	(40,613)
Retained profit for the year	24,638
Balance at 31 August 2002	<u>(15,975)</u>
 2001	 Profit and loss account £
Balance at 1 September 2000	(12,806)
Retained loss for the year	(27,807)
Balance at 31 August 2001	<u>(40,613)</u>

G & H ENGINEERING & DIVING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2002 (CONTINUED)

12 Future Financial Commitments

12.1 Operating leases

At 31 August 2002 the company had annual commitments under non-cancellable operating leases as set out below:

	2002	2001
	£	£
Operating leases which expire: after five years	36,250	36,000
	<u>36,250</u>	<u>36,000</u>

13 Controlling Party

The immediate and ultimate controlling party is the director G.L.Hassell by virtue of his shareholding in the company.

The company paid rent of nil (2001 - £12,000) to Mr Hassell during the year for use of the trading property at 61 Hanworth Road, Feltham, Middlesex.

At the end of the year the company owed Mr Hassell £122,934 (2001 - £33,734).