

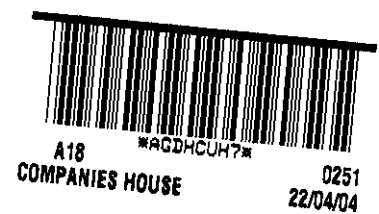
G & H Engineering & Diving Services Limited

Company No. 2412380

Financial Statements

For the year ended

31 August 2003



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 2003.

Principal activities

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

Directors

The following directors have held office since 1 September 2002:

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

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 2003	1 September 2002
G.L. Hassell	999	999
G.P.Hassell	-	-
J.A.Stanton	-	-

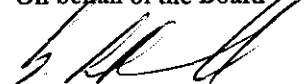
Auditors

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: 13 April 2004

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 2003. 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 2003 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 Auditors

Middlesex House
800 Uxbridge Road
Hayes, Middlesex
UB4 0RS

Date: 14 April 2004

G & H Engineering & Diving Services Limited
Profit and Loss Account
For the year ended 31 August 2003

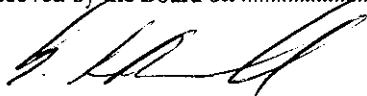
	Notes	2003 £	2002 £
Turnover		1,238,929	1,218,827
Cost of sales		(884,828)	(927,393)
Gross profit		<u>354,101</u>	<u>291,434</u>
Administrative expenses		(291,266)	(259,499)
Other operating income		9,000	7,372
Operating profit	2	<u>71,835</u>	<u>39,307</u>
Other interest receivable and similar income		41	-
Interest payable and similar charges		(6,968)	(10,808)
Profit on ordinary activities before taxation		<u>64,908</u>	<u>28,499</u>
Taxation	3	(10,085)	(3,861)
Profit on ordinary activities after taxation	10	<u><u>54,823</u></u>	<u><u>24,638</u></u>

G & H Engineering & Diving Services Limited
Balance Sheet
As at 31 August 2003

	Notes	2003 £	£	2002 £	£
Fixed Assets					
Tangible assets	4		57,524		61,995
Current Assets					
Stocks		70,062		94,443	
Debtors	5	362,986		316,384	
Cash at bank and in hand		150		103	
		<u>433,198</u>		<u>410,930</u>	
Creditors: Amounts falling due within one year	6	<u>(352,596)</u>		<u>(378,805)</u>	
Net Current Assets			<u>80,602</u>		<u>32,125</u>
Total Assets Less Current Liabilities			<u>138,126</u>		<u>94,120</u>
Creditors: Amounts falling due after more than one year	7		(94,223)		(105,234)
Provisions for Liabilities and Charges	8		(4,055)		(3,861)
Net Assets/(Liabilities)			<u><u>39,848</u></u>		<u><u>(14,975)</u></u>
Capital and Reserves					
Called up share capital	9		1,000		1,000
Profit and loss account	10		38,848		(15,975)
Shareholders' Funds			<u><u>39,848</u></u>		<u><u>(14,975)</u></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 13 April 2004



.....
G.L. Hassell
Director

G & H Engineering & Diving Services Limited

Notes to the Financial Statements

For the year ended 31 August 2003

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) Deferred taxation

In accordance with FRSSE, deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred at the balance sheet date.

e) 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

	2003	2002
	£	£
The operating profit is stated after charging:		
Auditors' remuneration	4,500	4,000
Depreciation of tangible assets:		
Owned assets	9,478	8,640
Leased assets	3,875	6,281
Operating lease rentals - other	36,250	36,250
Directors' emoluments	65,118	63,338

G & H Engineering & Diving Services Limited
Notes to the Financial Statements
For the year ended 31 August 2003 (continued)

3	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	9,891	-
	Current tax charge	<u>9,891</u>	<u>-</u>
	Deferred tax		
	Deferred tax charge - current year	387	3,861
	Adjustment to deferred tax from changes in tax rate	(193)	-
		<u>194</u>	<u>3,861</u>
		<u>10,085</u>	<u>3,861</u>

4	Tangible Assets	Plant and machinery etc £
	Cost	
	At 1 September 2002	153,347
	Additions	8,882
	At 31 August 2003	<u>162,229</u>
	Depreciation	
	At 1 September 2002	91,352
	Charge for the year	13,353
	At 31 August 2003	<u>104,705</u>
	Net book value	
	At 31 August 2003	<u>57,524</u>
	At 31 August 2002	<u>61,995</u>

The net book value of tangible fixed assets includes £11,538 (2002 - £18,842) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £3,875 (2002 - £6,281) for the year.

G & H Engineering & Diving Services Limited
Notes to the Financial Statements
For the year ended 31 August 2003 (continued)

5 Debtors	2003	2002
	£	£
Trade debtors	352,676	299,729
Other debtors	10,310	16,655
	<u>362,986</u>	<u>316,384</u>

6 Creditors: Amounts Falling Due Within One Year	2003	2002
	£	£
Bank loans and overdrafts	27,859	43,977
Trade creditors	69,805	110,034
Corporation tax	9,891	-
Social security and other taxes	188,146	128,639
Other creditors	51,383	88,770
Net obligations under hire purchase contracts	5,512	7,385
	<u>352,596</u>	<u>378,805</u>

The bank loan and overdraft are secured.

7 Creditors: Amounts Falling Due After More Than One Year	2003	2002
	£	£
Bank loans	44,223	49,868
Net obligations under hire purchase contracts	-	5,366
Other creditors	50,000	50,000
	<u>94,223</u>	<u>105,234</u>

Analysis of loans

Wholly repayable within five years	50,948	55,993
Included in current liabilities	(6,725)	(6,125)
	<u>44,223</u>	<u>49,868</u>

G & H Engineering & Diving Services Limited
Notes to the Financial Statements
For the year ended 31 August 2003 (continued)

8 Provisions for Liabilities and Charges

	Deferred taxation £
Profit and loss account	4,055
Balance at 31 August 2003	<u>4,055</u>

Deferred taxation provided in the financial statements is as follows:

	2003 £	Fully provided 2002 £
Accelerated capital allowances	<u>4,055</u>	<u>3,861</u>

	2003 £	2002 £
9 Called Up Share Capital		
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>

10 Shareholders' funds

2003	Share capital £	Profit and loss account £	Total £
Balance at 1 September 2002	1,000	(15,975)	(14,975)
Retained profit for the year	<u>-</u>	<u>54,823</u>	<u>54,823</u>
Balance at 31 August 2003	<u>1,000</u>	<u>38,848</u>	<u>39,848</u>

2002	Share capital £	Profit and loss account £	Total £
Balance at 1 September 2001	1,000	(40,613)	(39,613)
Retained profit for the year	<u>-</u>	<u>24,638</u>	<u>24,638</u>
Balance at 31 August 2002	<u>1,000</u>	<u>(15,975)</u>	<u>(14,975)</u>

G & H Engineering & Diving Services Limited
Notes to the Financial Statements
For the year ended 31 August 2003 (continued)

11 Future Financial Commitments

a) Operating leases

At 31 August 2003 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings			Other
	2003	2002	2003	2002
	£	£	£	£
Operating lease which expire:				
in the second to fifth year	36,250	-	-	-
after five years	-	36,250	-	-
	36,250	36,250	-	-

12 Controlling Party

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

At the end of the year the company owed Mr Hassell £72,829 (2002 - £122,394).

Mr Hassell has personally guaranteed the bank overdraft.