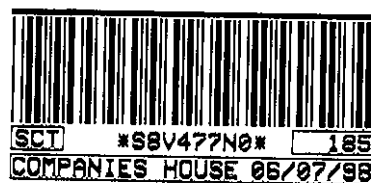


**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 1997  
FOR  
PHOENIX COMPLETION SERVICES LIMITED**



**PHOENIX COMPLETION SERVICES LIMITED**

**COMPANY INFORMATION**

**for the Year Ended 31 October 1997**

**DIRECTORS:** Bruce Alexander Whyte  
Linda Jean Whyte  
Anthony Bruce Whyte

**SECRETARY:** Peterkins

**REGISTERED OFFICE:** 100 Union Street  
Aberdeen  
AB9 1QQ

**REGISTERED NUMBER:** 80233 (Scotland)

**ACCOUNTANTS:** Acumen Accountants and Advisors Limited  
Bon Accord House  
Riverside Drive  
ABERDEEN  
AB11 7SL

# PHOENIX COMPLETION SERVICES LIMITED

## REPORT OF THE DIRECTORS for the Year Ended 31 October 1997

The directors present their report with the financial statements of the company for the year ended 31 October 1997.

### PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of engineering consultants in the oil industry.

### DIRECTORS

The directors during the year under review were:

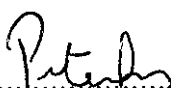
Bruce Alexander Whyte  
Linda Jean Whyte  
Anthony Bruce Whyte

The beneficial interests of the directors holding office on 31 October 1997 in the issued share capital of the company were as follows:

|                          | 31.10.97 | 1.11.96 |
|--------------------------|----------|---------|
| <b>Ordinary 1 shares</b> |          |         |
| Bruce Alexander Whyte    | 8,780    | 8,780   |
| Linda Jean Whyte         | 8,780    | 8,780   |
| Anthony Bruce Whyte      | 2,440    | 1,220   |

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

### ON BEHALF OF THE BOARD:

  
.....  
Peterkins - SECRETARY

Dated:

**PHOENIX COMPLETION SERVICES LIMITED**

**PROFIT AND LOSS ACCOUNT**  
for the Year Ended 31 October 1997

|                                                      |       | 1997           | 1996           |
|------------------------------------------------------|-------|----------------|----------------|
|                                                      | Notes | £              | £              |
| <b>TURNOVER</b>                                      | 2     | 103,543        | 104,723        |
| <b>GROSS PROFIT</b>                                  |       | 103,543        | 104,723        |
| Administrative expenses                              |       | 62,657         | 63,049         |
| <b>OPERATING PROFIT</b>                              | 3     | 40,886         | 41,674         |
| Interest receivable and similar income               | 4     | 3,025          | 2,794          |
|                                                      |       | 43,911         | 44,468         |
| Interest payable and similar charges                 |       | 972            | 395            |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |       | 42,939         | 44,073         |
| Tax on profit on ordinary activities                 | 5     | 11,509         | 13,373         |
| <b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>  |       | 31,430         | 30,700         |
| Dividends                                            | 6     | 25,000         | 28,880         |
|                                                      |       | 6,430          | 1,820          |
| Retained profit brought forward                      |       | 66,406         | 64,586         |
| <b>RETAINED PROFIT CARRIED FORWARD</b>               |       | <u>£72,836</u> | <u>£66,406</u> |

The notes form part of these financial statements

**PHOENIX COMPLETION SERVICES LIMITED**

**BALANCE SHEET**

**31 October 1997**

|                                                       |       | 1997          |                | 1996          |                |
|-------------------------------------------------------|-------|---------------|----------------|---------------|----------------|
|                                                       | Notes | £             | £              | £             | £              |
| <b>FIXED ASSETS:</b>                                  |       |               |                |               |                |
| Tangible assets                                       | 7     |               | 24,617         |               | 37,172         |
| <b>CURRENT ASSETS:</b>                                |       |               |                |               |                |
| Debtors                                               | 8     | 15,593        |                | 22,810        |                |
| Cash at bank                                          |       | 81,488        |                | 56,462        |                |
|                                                       |       | <u>97,081</u> |                | <u>79,272</u> |                |
| <b>CREDITORS: Amounts falling due within one year</b> | 9     | <u>28,862</u> |                | <u>30,038</u> |                |
| <b>NET CURRENT ASSETS:</b>                            |       |               | <u>68,219</u>  |               | <u>49,234</u>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>         |       |               | <u>£92,836</u> |               | <u>£86,406</u> |
| <b>CAPITAL AND RESERVES:</b>                          |       |               |                |               |                |
| Called up share capital                               | 10    |               | 20,000         |               | 20,000         |
| Profit and loss account                               |       |               | <u>72,836</u>  |               | <u>66,406</u>  |
| Shareholders' funds                                   |       |               | <u>£92,836</u> |               | <u>£86,406</u> |

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ending 31 October 1997.

No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

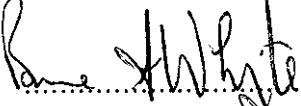
**PHOENIX COMPLETION SERVICES LIMITED**

**BALANCE SHEET**

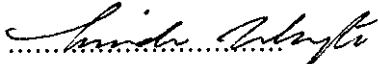
**31 October 1997**

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

**ON BEHALF OF THE BOARD:**



.....  
Bruce Alexander Whyte - DIRECTOR



.....  
Linda Jean Whyte - DIRECTOR

Approved by the Board on 27/6/98 .....

# PHOENIX COMPLETION SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 October 1997

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

#### Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

|                       |               |
|-----------------------|---------------|
| Leasehold property    | - 4% on cost  |
| Fixtures and fittings | - 10% on cost |
| Motor vehicles        | - 25% on cost |
| Computer equipment    | - 33% on cost |

#### Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

### 2. TURNOVER

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

### 3. OPERATING PROFIT

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

|                                              | 1997          | 1996          |
|----------------------------------------------|---------------|---------------|
|                                              | £             | £             |
| Depreciation - owned assets                  | 12,555        | 14,734        |
| Profit on disposal of fixed assets           | -             | (1,984)       |
| Pension costs                                | 2,406         | 2,370         |
| Accountants remuneration                     | 1,400         | 1,500         |
|                                              | <u>26,067</u> | <u>36,158</u> |
| Directors' emoluments and other benefits etc | <u>26,067</u> | <u>36,158</u> |

### 4. INTEREST RECEIVABLE AND SIMILAR INCOME

|                        | 1997         | 1996         |
|------------------------|--------------|--------------|
|                        | £            | £            |
| Bank interest received | 2,557        | 2,794        |
| Loan interest received | 468          | -            |
|                        | <u>3,025</u> | <u>2,794</u> |

# PHOENIX COMPLETION SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 October 1997

### 5. TAXATION

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

|                    | 1997          | 1996          |
|--------------------|---------------|---------------|
|                    | £             | £             |
| UK Corporation Tax | <u>11,509</u> | <u>13,373</u> |

UK Corporation Tax has been charged at 21% (1996 - 24%).

### 6. DIVIDENDS

|                  | 1997          | 1996          |
|------------------|---------------|---------------|
|                  | £             | £             |
| Interim Dividend | 14,600        | 28,880        |
| Final Dividend   | <u>10,400</u> | <u>-</u>      |
|                  | <u>25,000</u> | <u>28,880</u> |

### 7. TANGIBLE FIXED ASSETS

|                                           | Leasehold<br>property | Fixtures<br>and<br>fittings | Motor<br>vehicles | Computer<br>equipment | Totals        |
|-------------------------------------------|-----------------------|-----------------------------|-------------------|-----------------------|---------------|
|                                           | £                     | £                           | £                 | £                     | £             |
| <b>COST:</b>                              |                       |                             |                   |                       |               |
| At 1 November 1996<br>and 31 October 1997 | <u>26,029</u>         | <u>27,664</u>               | <u>42,394</u>     | <u>3,749</u>          | <u>99,836</u> |
| <b>DEPRECIATION:</b>                      |                       |                             |                   |                       |               |
| At 1 November 1996                        | 10,005                | 25,764                      | 24,620            | 2,275                 | 62,664        |
| Charge for year                           | <u>1,041</u>          | <u>190</u>                  | <u>10,598</u>     | <u>726</u>            | <u>12,555</u> |
| At 31 October 1997                        | <u>11,046</u>         | <u>25,954</u>               | <u>35,218</u>     | <u>3,001</u>          | <u>75,219</u> |
| <b>NET BOOK VALUE:</b>                    |                       |                             |                   |                       |               |
| At 31 October 1997                        | <u>14,983</u>         | <u>1,710</u>                | <u>7,176</u>      | <u>748</u>            | <u>24,617</u> |
| At 31 October 1996                        | <u>16,024</u>         | <u>1,900</u>                | <u>17,774</u>     | <u>1,474</u>          | <u>37,172</u> |

### 8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                 | 1997          | 1996          |
|-----------------|---------------|---------------|
|                 | £             | £             |
| Trade debtors   | -             | 7,990         |
| Accrued income  | 9,343         | 7,600         |
| ACT recoverable | <u>6,250</u>  | <u>7,220</u>  |
|                 | <u>15,593</u> | <u>22,810</u> |

**PHOENIX COMPLETION SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the Year Ended 31 October 1997

**9. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

|                               | 1997          | 1996          |
|-------------------------------|---------------|---------------|
|                               | £             | £             |
| Trade creditors               | -             | 234           |
| Directors current accounts    | 823           | 7,295         |
| Other creditors               | 7,844         | 692           |
| V.A.T.                        | 4,663         | 3,436         |
| Social security & other taxes | 2,623         | 3,508         |
| Taxation                      | 11,509        | 13,373        |
| Accruals                      | 1,400         | 1,500         |
|                               | <u>28,862</u> | <u>30,038</u> |

**10. CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

| Number: | Class:   | Nominal<br>value: | 1997          | 1996          |
|---------|----------|-------------------|---------------|---------------|
|         |          |                   | £             | £             |
| 20,000  | Ordinary | 1                 | <u>20,000</u> | <u>20,000</u> |

**PHOENIX COMPLETION SERVICES LIMITED**

**REPORT OF THE ACCOUNTANTS TO THE DIRECTORS OF  
PHOENIX COMPLETION SERVICES LIMITED**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 October 1997 set out on pages three to eight and you consider that the company is exempt from an audit in accordance with section 249A of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



Acumen Accountants and Advisors Limited  
Bon Accord House  
Riverside Drive  
ABERDEEN  
AB11 7SL

Dated: 2/1/98