

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

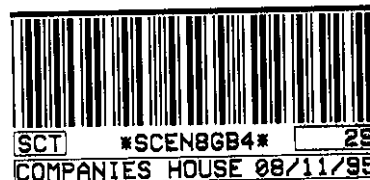
Company No: 110121

FINANCIAL STATEMENTS

- for the year ended -

31 MARCH 1995





MORRIS & YOUNG ,
6 Atholl Crescent
PERTH, PH1 5JN

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

DIRECTORS

R Briggs
R S Smith
W F Forbes
R B Middleton FNI
D E Grant FCCA
A D D MacRae

SECRETARY

D E Grant FCCA

REGISTERED OFFICE

West Dock
Burntisland
FIFE
KY3 9AH

AUDITORS

Morris & Young
Chartered Accountants & Registered Auditors
6 Atholl Crescent
PERTH
PH1 5JN

PRINCIPAL BANKERS

Clydesdale Bank plc
238 Union Street
ABERDEEN
AB1 1TS

REGISTERED IN SCOTLAND

Company No. 110121

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

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BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 March 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company provides pollution control and consultancy services.

The Directors are satisfied with the Company's results and anticipate a further satisfactory result in the present financial year.

DIVIDEND AND TRANSFER TO RESERVES

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £27,782 is transferred to reserves.

FIXED ASSETS

The movements in fixed assets during the year are set out in note 7 to the financial statements.

SHARE CAPITAL

The Company is a wholly owned subsidiary of Briggs Commercial Limited.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as stated below.

R Briggs
R B Middleton FNI
W F Forbes
D E Grant FCCA
R S Smith
A D D MacRae

The interests of the directors in the Holding Company, Briggs Commercial Limited are disclosed in that Company's accounts.

A new managing director Alasdair D.D. MacRae was appointed on 18 January 1995, R.S. Smith being appointed commercial director.

CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Morris & Young, Chartered Accountants, are willing to be re-appointed in accordance with section 385 of the Companies Act 1985.

By Order of the Board

Date: 16 August 1995


D E Grant FCCA
Secretary

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

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 (a) select suitable accounting policies and then apply them consistently, (b) make judgements and estimates that are reasonable and prudent, (c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and (d) 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 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.

Report of the auditors to the members of Briggs Marine Environmental Services Limited

We have audited the financial statements on pages 3 to 13.

Respective responsibilities of directors and auditors

As described above the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion based on our audit of those financial statements and to report our opinion to you.

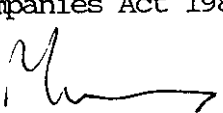
Basis of opinion

We conducted our audit in accordance with 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 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 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MORRIS & YOUNG,
CHARTERED ACCOUNTANT & REGISTERED AUDITORS,
6 Atholl Crescent
PERTH PH1 5JN

Date : 18 August 1995

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1995

	Notes	1995 £	1994 £
TURNOVER		3,519,210	3,234,372
Cost of sales		(2,082,212)	(2,378,407)
GROSS PROFIT		1,436,998	855,965
Distribution costs		-	(32,763)
Administrative expenses		(1,451,627)	(708,372)
		(14,629)	114,830
Other operating income		57,147	64,255
OPERATING PROFIT BEFORE INTEREST	2	42,518	179,085
Interest payable	3	(10,767)	(11,719)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		31,751	167,366
Tax on profit on ordinary activities	6	(3,969)	-
PROFIT FOR THE FINANCIAL YEAR	12	£ 27,782	£ 167,366

The notes on pages 7 to 13 form part of these financial statements.

The Company has made no recognised gains or losses in 1995 or 1994 other than the profit for the year.

The company's turnover and expenses all relate to continuing operations.

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED**BALANCE SHEET AT 31 MARCH 1995**

	Notes	£	1995 £	£	1994 £
FIXED ASSETS					
Tangible assets	7		41,254		125,576
CURRENT ASSETS					
Stocks	8	191,369		169,613	
Debtors	9	757,664		761,051	
Cash at bank and in hand		2,070,841		1,358,178	
		<u>3,019,874</u>		<u>2,288,842</u>	
CREDITORS: Amounts falling due within one year	10	(2,352,875)		(1,733,948)	
NET CURRENT ASSETS			666,999		554,894
			<u>£ 708,253</u>		<u>£680,470</u>
SHAREHOLDERS FUNDS					
Called up share capital	11		10,000		10,000
Profit and loss account	12		698,253		670,470
			<u>£ 708,253</u>		<u>£680,470</u>

The financial statements were approved
by the board on 16 August 1995 and
signed on its behalf by

.....  D E Grant - Director

The notes on pages 7 to 13 form part of these financial statements.

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 1995**

	1995	1994
	£	£
Net cash flow from operating activities (note a)	645,647	501,384
Returns on investments and servicing of finance		
Interest paid	(8,939)	(9,813)
Interest element of finance lease rental payments	(1,828)	(1,906)
Net cash outflow from returns on investments and servicing of finance	(10,767)	(11,719)
Taxation		
UK Corporation tax paid	-	-
Tax paid	-	-
Investing activities		
Purchase of tangible fixed assets	-	(47,952)
Receipts from sales of tangible fixed assets	77,782	-
Net cash outflow from investing activities	77,782	(47,952)
Net cash outflow before financing	712,662	441,713
Financing		
Net cash inflow from financing	-	-
Increase/(Decrease) in cash and equivalents	712,662	441,713

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 1995

(a) RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1995 £	1994 £
Operating profit	42,518	179,085
Depreciation charges	9,809	1,660
Gain on sale of tangible fixed assets	(3,269)	-
(Increase)/decrease in stock	(21,756)	37,445
(Increase)/decrease in debtors	3,387	439,383
Increase/(decrease) in creditors	618,927	(156,188)
Net cash inflow from operating activities	£ 645,647	£ 501,385

(b) ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	1995 £	1994 £
Balance at 1 April 1994	1,358,178	916,464
Net cash inflow / (outflow)	712,663	441,714
Balance at 31 March 1995	£ 2,070,841	£1,358,178

(c) ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1995 £	1994 £	1995 Change in year £	1994 Change in year £
Cash at bank and in hand	2,070,841	1,358,178	712,663	441,714
	<u>2,070,841</u>	<u>1,358,178</u>	<u>712,663</u>	<u>441,714</u>

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1995

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention and are in accordance with applicable accounting standards.

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost of the tangible assets over their estimated useful lives:-

Vessels and marine equipment	10%	Reducing balance
Furniture & Equipment	15%	Reducing balance
Motor vehicles	25%	Reducing balance

1.4 STOCK

Stock and work in progress are valued at the lower of cost and estimated net realisable value.

1.5 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.6 DEFERRED INCOME

Deferred income is calculated by taking a pro rated proportion of the known charter income reduction for the year to 31 December 1995 at the date of the signing of these accounts.

1.7 PENSIONS

Pension contributions are charged to the profit and loss account so as to spread the cost of the pensions over the employees' working lives with the Company. These contributions are invested separately from the Company's assets.

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1995

2.	OPERATING PROFIT	1995	1994
		£	£
	The operating profit is stated after charging:-		
	Depreciation	9,809	1,660
	Auditors' remuneration	-	3,000
	Hire of equipment and after crediting:-	18,602	13,099
	Rents receivable	<u>57,147</u>	<u>64,255</u>
3.	INTEREST PAYABLE AND SIMILAR CHARGES	1995	1994
		£	£
	On bank loans and overdrafts and on loans repayable in full within five years	8,939	9,813
	Finance charges	<u>1,828</u>	<u>1,906</u>
		<u>£ 10,767</u>	<u>£11,719</u>

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1995

4. DIRECTORS AND EMPLOYEES	1995 £	1994 £
Staff costs:-		
Wages and salaries	309,743	405,176
Social security costs	75,571	26,162
Other pension costs	10,676	21,593
	<u>395,990</u>	<u>452,931</u>
The average weekly number of employees during the year were made up as follows:	Number	Number
Production & sales	26	12
Management & administration	14	8
	<u>40</u>	<u>20</u>
	£	£
Directors' emoluments:-		
Remuneration (incl. pension contributions)	147,765	145,474
	<u>£ 147,765</u>	<u>£ 145,474</u>
The Chairman received no remuneration during the year.		
The division of directors' emoluments, excluding pension contributions, is as follows:-		
Highest paid director	<u>£ 42,267</u>	<u>£ 43,000</u>
Other directors' remuneration fell within the following ranges:	Number	Number
£5,001 - £10,000	1	-
£40,001 - £45,000	2	2

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1995

5. PENSION COSTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £10,676.

The Company also operates a pension scheme providing benefits based on final pensionable pay through the Merchant Navy Officers Pension Fund. The assets of the scheme are held separately from those of the Company. Contributions to the scheme are charged to the Profit and Loss Account so as to spread the cost of pensions over employees' working lives with the Company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was as at 31 March, 1990. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 9% per annum, the salary increases would average 7% per annum and that present and future pensions would increase at the rate of 3.25% per annum.

The pension charge for the period was £10,676.

The most recent actuarial valuation of the Merchant Navy Officers Pension Fund showed that the market value of the scheme's assets was £816.7m and that the actuarial valuation of those assets represented 116% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions of the Company and employees will remain at 6.9% and 4.7% of earnings respectively.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge based on the profit before tax comprises:-

U.K. corporation tax at 25% (1994 - 25%)

1995	1994
£	£
3,969	-
<u>£ 3,969</u>	<u>£ -</u>

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1995

7. TANGIBLE FIXED ASSETS

<u>Cost</u>	<u>Beginning of year</u> £	<u>Additions</u> £	<u>Disposals</u> £	<u>End of year</u> £
Properties:				
Long leasehold	2,000	-	-	2,000
Pollution control equipment	42,844	-	(42,844)	-
Furniture & equipment	63,018	-	-	63,018
Motor vehicles	39,222	-	(39,222)	-
	<u>147,084</u>	<u>-</u>	<u>(82,066)</u>	<u>65,018</u>
 <u>Depreciation</u>	 <u>Beginning of year</u> £	 <u>Charge for year</u> £	 <u>On disposals</u> £	 <u>End of year</u> £
Pollution control equipment	4,284	-	(4,284)	-
Furniture & equipment	17,224	6,540	-	23,764
Motor vehicles	-	3,269	(3,269)	-
	<u>21,508</u>	<u>9,809</u>	<u>(7,553)</u>	<u>23,764</u>
 <u>Total net book values</u>	 <u>Beginning of year</u> £ 125,576			 <u>End of year</u> £ 41,254

8. STOCKS

	<u>1995</u> £	<u>1994</u> £
Goods for resale	51,479	51,532
Fuel & lubes	17,033	18,749
Vessel maintenance stock	42,230	33,086
Sundry stock	3,178	2,453
Work in progress	77,449	63,793
	<u>£191,369</u>	<u>£169,613</u>

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1995**

9. DEBTORS	1995	1994
	£	£
Trade debtors	511,513	643,801
Amounts owed by Briggs Marine		
Contractors Ltd	61,332	56,114
Other debtors & prepayments	23,116	115,089
Amounts owed by Alba International Ltd	83,660	-
Prepayments and accrued income	78,043	-
	<u>£757,664</u>	<u>£815,004</u>
10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1995	1994
	£	£
Trade creditors	232,663	201,880
Amounts due to Briggs		
Commercial Limited	1,328,413	624,211
Amounts due to Briggs		
Shipping Limited	23,886	14,847
Corporation tax	3,969	-
Taxes and social security costs	24,274	8,653
Due to Customs & Excise	50,753	91,856
Pensions	949	940
Deferred income	103,638	207,048
Sundry creditors	555,663	503,999
Accruals	28,667	80,514
	<u>£2,352,875</u>	<u>£1,733,948</u>
11. SHARE CAPITAL	1995	1994
	£	£
<u>Authorised</u>		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u>£10,000</u>	<u>£10,000</u>
<u>Allotted, called up and fully paid</u>		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u>£10,000</u>	<u>£10,000</u>

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1995

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital £	Profit & Loss Account £	Total Shareholders Funds £
Balance at 1 April 1993	10,000	503,104	513,104
Profit for the year	-	167,366	167,366
Dividends paid	-	-	-
Balance at 31 March 1994	10,000	670,470	680,470
Profit for the year	-	27,782	27,782
Dividends paid & proposed	-	-	-
Balance at 31 March 1995	<u>10,000</u>	<u>698,253</u>	<u>708,253</u>

13. CONTINGENT LIABILITIES

The Company's bankers hold a bond floating charge over the assets of the Company which also serves to guarantee the borrowings of the Holding Company, Briggs Commercial Limited and those of a fellow subsidiary, Briggs Marine Contractors Limited.

14. ULTIMATE PARENT COMPANY

The ultimate parent company is Briggs Commercial Limited, a company registered in Scotland.