

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000



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BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

COMPANY INFORMATION

Directors

R Briggs
D E Grant
R B Middleton
N W F McArthur
J McMurtrie

Secretary

D E Grant

Company number

SC110121

Registered office

West Dock
Burntisland
Fife
KY3 9AU

Auditors

Morris & Young
Chartered Accountants & Registered Auditors,
6 Atholl Crescent,
Perth.
PH1 5JN.

Business address

Leading Light Building
142 Sinclair Road, Torry
Aberdeen
AB11 9PR

Bankers

Clydesdale Bank
238 Union Street
Aberdeen
AB1 1TN

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

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BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000

The directors present their report and financial statements for the year ended 31 March 2000.

Principal activities and review of the business

The principal activity of the company continued to be that of providing pollution control and consultancy services.

The directors are pleased with the company's results and anticipate making further progress in the present year.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Market value of land and buildings

In the opinion of the directors the market value of land and buildings exceeds the current net book value.

Year 2000

The company has suffered no material problems regarding Year 2000 Compliance so far and therefore the directors expect that there will be no significant problems in the future.

Directors

The following directors have held office since 1 April 1999:

R Briggs
D E Grant
R B Middleton
N W F McArthur
J McMurtrie

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2000	1 April 1999
R Briggs	-	-
D E Grant	-	-
R B Middleton	-	-
N W F McArthur	-	-
J McMurtrie	-	-

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

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000

Auditors

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

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 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.

By order of the board



D E Grant
Director

24 January 2001

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

AUDITORS' REPORT

TO THE SHAREHOLDERS OF BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those 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 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 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

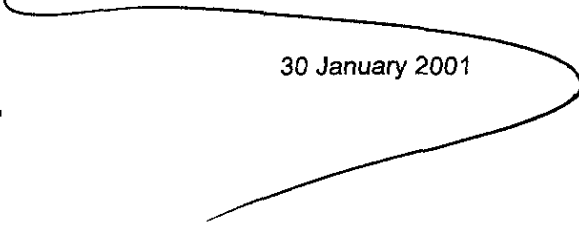


Morris & Young

Chartered Accountants & Registered Auditors,
6 Atholl Crescent,
Perth.
PH1 5JN.



30 January 2001



BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2000

	Notes	2000 £	1999 £
Turnover	2	7,075,153	7,671,814
Cost of sales		(4,902,248)	(5,225,045)
Gross profit		2,172,905	2,446,769
Administrative expenses		(1,892,227)	(2,265,275)
Other operating income		-	3,610
Operating profit	3	280,678	185,104
Interest payable and similar charges	4	(4,908)	(3,465)
Profit on ordinary activities before taxation		275,770	181,639
Tax on profit on ordinary activities	5	(61,091)	(59,110)
Profit on ordinary activities after taxation	13	214,679	122,529

The profit and loss account has been prepared on the basis that all operations are continuing operations.

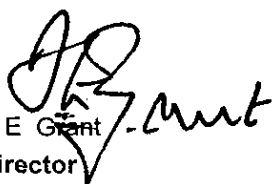
There are no recognised gains and losses other than those passing through the profit and loss account.

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

BALANCE SHEET AS AT 31 MARCH 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	6	509,833		272,366	
Investments	7	813		-	
		<u>510,646</u>		<u>272,366</u>	
Current assets					
Stocks	8	513,806	710,281		
Debtors	9	2,881,300	3,245,509		
Cash at bank and in hand		43,467	48,416		
		<u>3,438,573</u>	<u>4,004,206</u>		
Creditors: amounts falling due within one year	10	<u>(2,555,486)</u>	<u>(3,097,518)</u>		
Net current assets		<u>883,087</u>		<u>906,688</u>	
Total assets less current liabilities		<u>1,393,733</u>		<u>1,179,054</u>	
Capital and reserves					
Called up share capital	12	10,000		10,000	
Profit and loss account	13	1,383,733		1,169,054	
Shareholders' funds - equity interests	14	<u>1,393,733</u>		<u>1,179,054</u>	

The financial statements were approved by the Board on 24 January 2001


D E Grant
Director

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2000

	2000 £	1999 £
Net cash outflow from operating activities	(478,853)	(111,581)
Returns on investments and servicing of finance		
Interest paid	(4,908)	(3,465)
Net cash outflow for returns on investments and servicing of finance	(4,908)	(3,465)
Taxation	(52,119)	(65,418)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(297,198)	(65,765)
Payments to acquire investments	(813)	-
Net cash outflow for capital expenditure	(298,011)	(65,765)
Net cash outflow before management of liquid resources and financing	(833,891)	(246,229)
Decrease in cash in the year	(833,891)	(246,229)

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2000

1	Reconciliation of operating profit to net cash outflow from operating activities	2000	1999
		£	£
	Operating profit	280,678	185,104
	Depreciation of tangible assets	59,731	34,241
	Decrease/(increase) in stocks	196,475	(467,453)
	Decrease/(increase) in debtors	356,671	(820,392)
	(Decrease)/Increase in creditors within one year	(1,372,408)	956,919
	Net cash outflow from operating activities	(478,853)	(111,581)

2	Analysis of net debt	1 April 1999	Cash flow	Other non- cash changes	31 March 2000
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	48,416	(4,949)		43,467
	Bank overdrafts	(243,446)	(828,942)		(1,072,388)
		(195,030)	(833,891)		(1,028,921)
	Debt:				
	Net debt	(195,030)	(833,891)	-	(1,028,921)

3	Reconciliation of net cash flow to movement in net debt	2000	1999
		£	£
	Decrease in cash in the year	(833,891)	(246,229)
	Cash inflow from increase in debt	-	-
	Movement in net debt in the year	(833,891)	(246,229)
	Opening net (debt)/funds	(195,030)	51,199
	Closing net debt	(1,028,921)	(195,030)

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	None
Land and buildings Leasehold	None
Vessels & marine equipment	10% Reducing balance
Fixtures, fittings & equipment	15% Reducing balance
Motor vehicles	25% Reducing balance

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Stock and work in progress

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

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings. Any difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.8 Liquid resources

Included in liquid resources are current asset investments held as readily disposable stores of value. There has been no change in the definition of liquid resources during the year.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

The segmental analysis by geographical area is disclosed in the group accounts.

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

The segmental analysis by geographical area is disclosed in the group accounts.

3	Operating profit	2000 £	1999 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	59,731	34,241
	Auditors' remuneration	970	3,250

4	Interest payable	2000 £	1999 £
	On bank loans and overdrafts	2,005	-
	On other loans wholly repayable within 5 years	2,903	3,465
		4,908	3,465

5	Taxation	2000 £	1999 £
	U.K. current year taxation		
	U.K. corporation tax at 30% (1999 - 31%)	60,544	59,110
	Prior years		
	U.K. corporation tax	547	-
		61,091	59,110

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

6 Tangible fixed assets

	Land and buildings Freehold	Land and buildings Leasehold	Vessels & marine equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 1999	39,611	2,000	141,293	197,502	9,083	389,489
Additions	-	-	288,603	8,595	-	297,198
At 31 March 2000	39,611	2,000	429,896	206,097	9,083	686,687
Depreciation						
At 1 April 1999	111	-	32,667	79,094	5,251	117,123
Charge for the year	-	-	39,723	19,050	958	59,731
At 31 March 2000	111	-	72,390	98,144	6,209	176,854
Net book value						
At 31 March 2000	39,500	2,000	357,506	107,953	2,874	509,833
At 31 March 1999	39,500	2,000	108,626	118,408	3,832	272,366

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

7 Fixed asset investments

	Unlisted investments £
Cost	
At 1 April 1999	-
Additions	813
At 31 March 2000	<u>813</u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Participating interests			
Maritim Miljo-Beredskap A.S	Norway	Ordinary	33

Other significant interests

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Maritim Miljo-Beredskap A.S	16,154	7,481

The investment is included at cost. The directors are of the opinion that the valuation of the shares are not less than the cost.

The profit and loss and reserves figures have been taken from draft accounts for the year to 31 July 2000.

8 Stocks and work in progress	2000 £	1999 £
Work in progress	186,617	210,021
Finished goods and goods for resale	327,189	500,260
	<u>513,806</u>	<u>710,281</u>

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

9 Debtors	2000	1999
	£	£
Trade debtors	1,997,883	2,427,762
Amounts owed by parent and fellow subsidiary undertakings	618,990	582,514
Corporation tax	130,588	138,126
Other debtors	133,839	97,107
	<u>2,881,300</u>	<u>3,245,509</u>
10 Creditors: amounts falling due within one year	2000	1999
	£	£
Bank loans and overdrafts	1,072,388	243,446
Trade creditors	207,915	689,032
Amounts owed to parent and fellow subsidiary undertakings	53,631	594,170
Corporation tax	60,544	59,110
Other taxes and social security costs	86,247	46,493
Other creditors	746,476	1,167,298
Accruals and deferred income	328,285	297,969
	<u>2,555,486</u>	<u>3,097,518</u>

The bank overdraft is secured by means of a standard security over office and warehouse premises at Aberdeen and a floating charge over the assets of the company.

11 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 £ 12,894 (1999 £20,986).

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 the employee's working lives with the company. 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 7.9% and 5.4.% of earnings respectively.

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

12 Share capital	2000 £	1999 £
Authorised		
10,000 Ordinary shares of £ 1 each	10,000	10,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
10,000 Ordinary shares of £ 1 each	10,000	10,000
	<u> </u>	<u> </u>

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 1999	1,169,054
Retained profit for the year	214,679
	<u> </u>
Balance at 31 March 2000	1,383,733
	<u> </u>

14 Reconciliation of movements in shareholders' funds	2000 £	1999 £
Profit for the financial year	214,679	122,529
Opening shareholders' funds	1,179,054	1,056,525
	<u> </u>	<u> </u>
Closing shareholders' funds	1,393,733	1,179,054
	<u> </u>	<u> </u>

15 Contingent liabilities

The company's bankers hold a floating charge over the assets of the company which also serves to guarantee the borrowings of the parent company Briggs Commercial Limited and the other members of the group.

16 Directors' emoluments	2000 £	1999 £
Emoluments for qualifying services	152,570	164,008
Company pension contributions to money purchase schemes	-	10,498
	<u> </u>	<u> </u>
	152,570	174,506
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (1999 - 4).

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2000 Number	1999 Number
Production & sales	43	70
Management & administration	10	10
	<u>53</u>	<u>80</u>

Employment costs

	£	£
Wages and salaries	1,438,269	1,860,819
Social security costs	126,388	161,345
Other pension costs	12,894	20,986
	<u>1,577,551</u>	<u>2,043,150</u>

18 Control

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

Briggs Commercial Limited prepares group financial statements and copies can be obtained from Companies House, 37 Castle Terrace, Edinburgh

19 Related party transactions

The company is exempt from disclosing the transactions with the other members of the group as it is a wholly owned subsidiary and group accounts are prepared.

No provisions have been made against any of the debts due from the related parties identified nor have any amounts been written off in the year in respect of debts due to or from related parties.