

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001



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BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

COMPANY INFORMATION

Directors	R Briggs D E Grant 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

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7
Notes to the financial statements	8 - 14

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2001

The directors present their report and financial statements for the year ended 31 March 2001.

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.

Directors

The following directors have held office since 1 April 2000:

R Briggs	
D E Grant	
R B Middleton	(Resigned 31 March 2001)
N W F McArthur	(Resigned 31 March 2001)
J McMurtrie	

Directors' interests

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

	Ordinary shares of £ 1 each	
	31 March 2001	1 April 2000
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.

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.

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2001

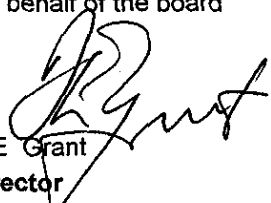
Directors' responsibilities

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.

On behalf of the board



D E Grant
Director

28 March 2002

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

We have audited the financial statements of Briggs Marine Environmental Services Limited for the year ended 31 March 2001 on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of 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 Auditing 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.

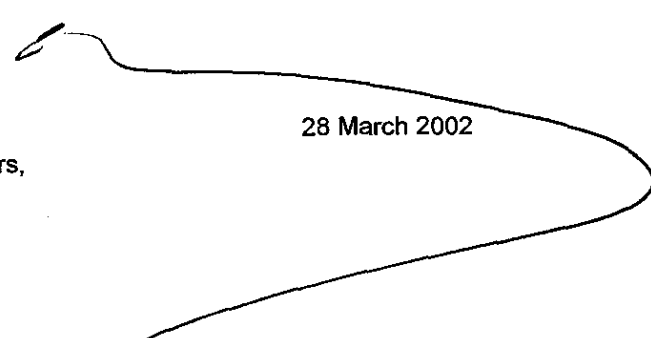
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 March 2001 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.

28 March 2002


BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2001

	Notes	2001 £	2000 £
Turnover	2	10,637,288	7,075,153
Cost of sales		(7,199,562)	(4,902,248)
Gross profit		3,437,726	2,172,905
Administrative expenses		(3,034,996)	(1,892,227)
Operating profit	3	402,730	280,678
Interest payable and similar charges	4	(2,699)	(4,908)
Profit on ordinary activities before taxation		400,031	275,770
Tax on profit on ordinary activities	5	(148,150)	(61,091)
Profit on ordinary activities after taxation	13	251,881	214,679

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.

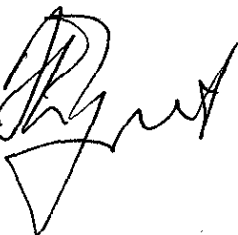
BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

BALANCE SHEET AS AT 31 MARCH 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	6	659,139		509,833	
Investments	7	813		813	
		<u>659,952</u>		<u>510,646</u>	
Current assets					
Stocks	8	465,135		513,806	
Debtors	9	3,551,230		2,881,300	
Cash at bank and in hand		48,946		43,467	
		<u>4,065,311</u>		<u>3,438,573</u>	
Creditors: amounts falling due within one year	10	<u>(3,079,649)</u>		<u>(2,555,486)</u>	
Net current assets			985,662		883,087
Total assets less current liabilities			<u>1,645,614</u>		<u>1,393,733</u>
Capital and reserves					
Called up share capital	12	10,000		10,000	
Profit and loss account	13	1,635,614		1,383,733	
Shareholders' funds - equity interests	14	<u>1,645,614</u>		<u>1,393,733</u>	

The financial statements were approved by the Board on 28 March 2002

D E Grant
Director



BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2001

	2001	2000
	£	£
Net cash outflow from operating activities	(53,567)	(478,853)
Returns on investments and servicing of finance		
Interest paid	(2,699)	(4,908)
Net cash outflow for returns on investments and servicing of finance	(2,699)	(4,908)
Taxation	(41,359)	(52,119)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(313,467)	(297,198)
Payments to acquire investments	-	(813)
Net cash outflow for capital expenditure	(313,467)	(298,011)
Net cash outflow before management of liquid resources and financing	(411,092)	(833,891)
Decrease in cash in the year	(411,092)	(833,891)

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2001

1	Reconciliation of operating profit to net cash outflow from operating activities	2001	2000		
		£	£		
	Operating profit	402,730	280,678		
	Depreciation of tangible assets	80,837	59,731		
	Loss on disposal of tangible assets	83,324			
	Decrease in stocks	48,671	196,475		
	(Increase)/decrease in debtors	(720,487)	356,671		
	Increase/(decrease) in creditors within one year	51,358	(1,372,408)		
	Net cash outflow from operating activities	(53,567)	(478,853)		
2	Analysis of net debt	1 April 2000	Cash flow	Other non- 31 March 2001	
				cash changes	
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	43,467	5,479	-	48,946
	Bank overdrafts	(1,072,388)	(416,571)	-	(1,488,959)
		(1,028,921)	(411,092)	-	(1,440,013)
	Net debt	(1,028,921)	(411,092)	-	(1,440,013)
3	Reconciliation of net cash flow to movement in net debt	2001	2000		
		£	£		
	Decrease in cash in the year	(411,092)	(833,891)		
	Movement in net debt in the year	(411,092)	(833,891)		
	Opening net debt	(1,028,921)	(195,030)		
	Closing net debt	(1,440,013)	(1,028,921)		

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

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 2001

3	Operating profit	2001	2000
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	80,837	59,731
	Loss on disposal of tangible assets	83,324	-
	Auditors' remuneration	-	970
		<u> </u>	<u> </u>
4	Interest payable	2001	2000
		£	£
	On bank loans and overdrafts	-	2,005
	On other loans wholly repayable within 5 years	2,699	2,903
		<u> </u>	<u> </u>
		2,699	4,908
		<u> </u>	<u> </u>
5	Taxation	2001	2000
		£	£
	Domestic current year tax		
	U.K. corporation tax	116,778	60,544
	Adjustment for prior years	31,372	547
		<u> </u>	<u> </u>
	Current tax charge	148,150	61,091
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	400,031	275,770
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2000 : 30.00%)	120,009	82,731
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	16,894	3,150
	Depreciation	24,251	17,919
	Capital allowances	(44,376)	(42,968)
	Adjustments to previous periods	31,372	547
	Other tax adjustments	-	(288)
		<u> </u>	<u> </u>
		28,141	(21,640)
		<u> </u>	<u> </u>
	Current tax charge	148,150	61,091
		<u> </u>	<u> </u>

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

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 2000	39,611	2,000	429,896	206,097	9,083	686,687
Additions	-	-	257,719	5,255	50,493	313,467
Disposals	-	-	(54,205)	(112,513)	(9,083)	(175,801)
At 31 March 2001	39,611	2,000	633,410	98,839	50,493	824,353
Depreciation						
At 1 April 2000	111	-	72,390	98,144	6,209	176,854
On disposals	-	-	(18,641)	(67,627)	(6,209)	(92,477)
Charge for the year	-	-	57,966	10,248	12,623	80,837
At 31 March 2001	111	-	111,715	40,765	12,623	165,214
Net book value						
At 31 March 2001	39,500	2,000	521,695	58,074	37,870	659,139
At 31 March 2000	39,500	2,000	357,506	107,953	2,874	509,833

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

7 Fixed asset investments

	Loans in participating interests £
Cost	
At 1 April 2000 & at 31 March 2001	813

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

0

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	2001 £	2000 £
Work in progress	292,544	186,617
Finished goods and goods for resale	172,591	327,189
	465,135	513,806

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

9 Debtors	2001	2000
	£	£
Trade debtors	1,157,440	1,997,883
Amounts owed by parent and fellow subsidiary undertakings	2,207,458	618,990
Corporation tax	80,031	130,588
Other debtors	106,301	133,839
	<u>3,551,230</u>	<u>2,881,300</u>
	<u><u>3,551,230</u></u>	<u><u>2,881,300</u></u>

10 Creditors: amounts falling due within one year	2001	2000
	£	£
Bank loans and overdrafts	1,488,959	1,072,388
Trade creditors	411,751	207,915
Amounts owed to parent and fellow subsidiary undertakings	53,598	53,631
Corporation tax	116,778	60,544
Other taxes and social security costs	50,832	86,247
Other creditors	500,149	746,476
Accruals and deferred income	457,582	328,285
	<u>3,079,649</u>	<u>2,555,486</u>
	<u><u>3,079,649</u></u>	<u><u>2,555,486</u></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 £26,066 (2000 £12,894).

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 2001

12 Share capital	2001	2000
	£	£
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 2000		1,383,733
Retained profit for the year		251,881
		<u> </u>
Balance at 31 March 2001		1,635,614
		<u> </u>
14 Reconciliation of movements in shareholders' funds	2001	2000
	£	£
Profit for the financial year	251,881	214,679
Opening shareholders' funds	1,393,733	1,179,054
	<u> </u>	<u> </u>
Closing shareholders' funds	1,645,614	1,393,733
	<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	2001	2000
	£	£
Emoluments for qualifying services	180,902	152,570
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2000 - 4).

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

17 Employees

Number of employees

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

	2001 Number	2000 Number
Production & sales	42	43
Management & administration	10	10
	<u>52</u>	<u>53</u>

Employment costs

	£	£
Wages and salaries	1,499,905	1,438,269
Social security costs	119,822	126,388
Other pension costs	26,066	12,894
	<u>1,645,793</u>	<u>1,577,551</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.

During the year the company has paid rent of £176,580 for the warehouse in Baku to Briggs Commercial Limited Pension Scheme. There are no amounts outstanding at the year end.

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.