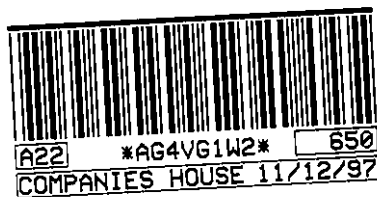


BROOKE MARINE SHIPBUILDERS LIMITED

Annual Report

for the year ended 31 March 1997

Registered Number: 2113314



BROOKE MARINE SHIPBUILDERS LIMITED

**Annual Report
for the year ended 31 March 1997**

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BROOKE MARINE SHIPBUILDERS LIMITED

Report of the directors for the year ended 31 March 1997

The directors present their report and the audited financial statements for the year ended 31 March 1997.

Principal activities

The principal activities of the Company are marketing of marine engineering and equipment related to craft in the Brooke Marine range.

Review of business and future developments

The profit and loss account is shown on page 6.

The group's parent company, The Hong Kong Parkview Group Limited has confirmed that it will provide financial support to FBM Marine Holdings (UK) Group ("the Group") and the directors have accordingly prepared the financial statements on the basis that the company is a going concern.

Dividends and results

The loss for the year after taxation amounted to £750 (1996: £750). The directors recommend that no dividend be paid and that the loss be taken to reserves.

Directors

The directors of the company at 31 March 1997, all of whom have been directors for the whole of the year ended on that date, except where stated, were

M. R. Keith
S. P. O'Neill
D. P. Parry (appointed 5 August 1996)

Mr. D. W. Border resigned from the Board on 5 August 1996.

BROOKE MARINE SHIPBUILDERS LIMITED

Report of the Directors for the year ended 31 March 1997

Insurance of Directors

The company maintains insurance for Brooke Marine Shipbuilders Limited's directors in respect of their duties as directors of the company.

Directors' interests in the shares of the company

No directors, who are not also directors of the parent company, had any interest, directly or indirectly, in the shares of the company, its ultimate holding company or any subsidiary thereof.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that year.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year 31 March 1997. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to re-appoint Coopers & Lybrand as the company's auditors will be proposed at the annual general meeting.

By order of the Board



Secretary

15 October 1997

**Report of the auditors to the members of
BROOKE MARINE SHIPBUILDERS LIMITED**

We have audited the financial statements on pages 6 to 12.

Respective responsibilities of directors and auditors

As described on page 4 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.

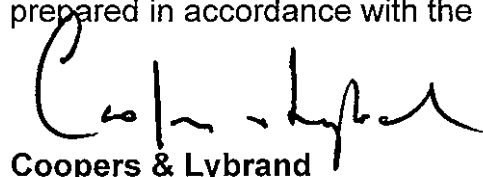
Basis of opinion

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 affairs of the company at 31 March 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and Registered Auditors

Southampton
2 December 1997

BROOKE MARINE SHIPBUILDERS LIMITED

Profit and loss account for the year ended 31 March 1997

	Notes	Year ended 31 March 1997	Year ended 31 March 1996
	-----	-----	-----
		£	£
Loss before taxation	2	(750)	(750)
Taxation	3	-	-
		-----	-----
Loss for the year		(750)	(750)
		=====	=====

All results are derived from the continuing activities of the company.

Movements on reserves are set out in Note 6.

The company has no recognised gains and losses other than the results above and therefore no separate statement of total recognised gains and losses has been presented.


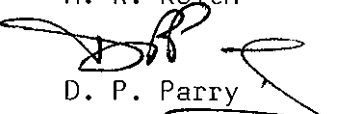
There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above , and their historical cost equivalents.

BROOKE MARINE SHIPBUILDERS LIMITED

Balance sheet at 31 March 1997

	Notes -----	At 31 March 1997 ----- £	At 31 March 1996 -----
Current liabilities			
Creditors: Amounts falling due within one year	4	(750)	750
Net current liabilities		<u>(750)</u> =====	<u>750</u> =====
Creditors: Amounts falling due after more than one year	4	<u>455,894</u>	<u>455,144</u>
Capital and reserves			
Called up share capital	5	2	2
Profit and loss account	6	(456,646)	(455,896)
Equity shareholders' funds	6	<u>(456,644)</u> -----	<u>(455,896)</u> -----
		<u>(750)</u> =====	<u>(750)</u> =====

The financial statements on pages 6 to 12 were approved by the Board of Directors on 15 October, 1997 and were signed on its behalf by


 M. R. Keith)
) Directors

 D. P. Parry)

BROOKE MARINE SHIPBUILDERS LIMITED

Notes to the financial statements for the year ended 31 March 1997

1. Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements have been prepared on the historical cost basis of accounting. The Hong Kong Parkview Group Ltd. has undertaken to give such financial assistance as is necessary to the FBM group of companies. On the strength of this assurance, the financial statements have been prepared on the basis that the company is a going concern.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied, license fees receivable and the value of long-term contract work done.

Deferred taxation

Provision is made, by the liability method, at the expected applicable rates for taxation deferred in respect of all timing differences between accounting and taxation treatment except when it is thought reasonably probable that the tax effects of such deferrals will continue for the foreseeable future.

Pension Scheme Arrangements

The company contributes to a group pension scheme operated by FBM Marine Limited. Contributions and pension costs are based on pension costs across the group as a whole. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the company benefits from the employees' services. The effects of variations from regular costs are spread over the expected remaining working lifetime of members of the scheme after making suitable allowances for future withdrawals.

BROOKE MARINE SHIPBUILDERS LIMITED

Notes to the Financial Statements for the year ended 31 March 1997

2. Turnover and loss on ordinary activities before taxation

- a. The company carried out one class of business, being shipbuilding, design, repairs and marine engineering.

	Year ended 31 March <u>1997</u> £	Year ended 31 March <u>1996</u> £
b. Loss before taxation is stated after charging:		
Auditors' remuneration:		
- Audit	750 =====	750 =====

Remuneration of the Company's auditors for provision of non audit services to the Company was Nil (1996: £NIL).

There were no employees of the Company and the directors did not receive emoluments in respect of their services to the Company.

BROOKE MARINE SHIPBUILDERS LIMITED

Notes to the financial statements for the year ended 31 March 1997

	Year ended 31 March <u>1997</u> £	Year ended 31 March <u>1996</u> £
3. Taxation		
Corporation Tax	-	-
	=====	=====

The Company has unutilised tax losses to carry forward of approximately £231,000 (1996 £230,000)

	At 31 March <u>1997</u> £	At 31 March <u>1996</u> £
4. Creditors		
Amounts falling due within one year		
Accruals	750	750
	=====	=====
Amounts falling due after more than one year		
Amounts owed to holding company	455,894	455,144
	=====	=====

The holding company has indicated that no repayment of these amounts will be sought within 12 months of the balance sheet date.

	At 31 March <u>1997</u> £	At 31 March <u>1996</u> £
5. Called up share capital		
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
	=====	=====
Allotted called up and fully paid		
2 ordinary shares at £1 each	2	2
	=====	=====

BROOKE MARINE SHIPBUILDERS LIMITED

**Notes to the financial statements
for the year ended 31 March 1997**

6. Reconciliation of movements in equity shareholders' funds and reserves

	Share Capital	Profit and Loss Account	Total Equity 31 March 1997	Shareholders Funds 31 March 1996
	£	£	£	£
At 1 April 1996	2	(455,896)	(455,894)	(455,144)
Loss for the year	-	(750)	(750)	(750)
At 31 March 1997	2	(456,646)	(456,644)	(455,894)
	=====	=====	=====	=====

7. Capital and Financial Commitments

There were no capital or financial commitments at 31 March 1997 (1996: £Nil).

8. Contingent liability

The company has a contingent liability with other group companies in respect of a group election for Value Added Tax.

As part of the FBM group's borrowing arrangements, the company has cross guaranteed the borrowings of its parent and fellow subsidiaries to the group's bankers.

BROOKE MARINE SHIPBUILDERS LIMITED

Notes to the financial statements for the year ended 31 March 1997

9. Pensions Obligations

The company participates in a group pension scheme operated by FBM Marine Limited. The pension scheme is of the defined benefit type and its assets are held in a separate trustee administered fund. The fund is valued every three years by a professionally qualified independent actuary, the rate of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. The latest actuarial assessment of the scheme was 1 April 1996. Particulars of the valuation are contained in the accounts of FBM Marine Holdings (UK) Limited.

There was no pension cost for the Company in this year or the previous year.

10. Immediate and Ultimate Holding Companies

Brooke Marine Shipbuilders Limited is a wholly owned subsidiary of FBM Marine Limited a company registered in England and Wales. The results of Brooke Marine Shipbuilders Limited and FBM Marine Limited are consolidated in the accounts of FBM Marine Holdings (UK) Limited. Copies of FBM Marine Holdings (UK) Limited's consolidated financial statements may be obtained from The Secretary, FBM Marine Holdings (UK) Limited, Cowes Shipyard, Cowes, Isle of Wight PO31 7DL.

The ultimate holding company is The Hong Kong Parkview Group Limited a company registered in Bermuda. Copies of The Hong Kong Parkview Group Limited's financial statements may be obtained from The Secretary, The Hong Kong Parkview Group Limited, 88 Tai Tam Reservoir Road, Hong Kong.