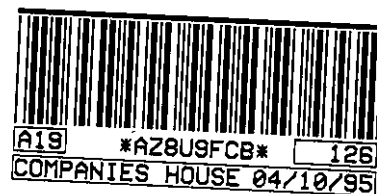


DREDGING U.K. LIMITED

ABBREVIATED ACCOUNTS AND AUDITORS REPORT  
FOR THE YEAR ENDED  
31 DECEMBER 1994

COMPANY NUMBER 2386356

G.R. Walker & Company  
Chartered Accountants.



**SPECIAL REPORT OF THE AUDITORS  
TO THE DIRECTORS OF DREDGING U.K. LIMITED  
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8  
OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 5 together with the full financial statements of Dredging U.K. Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1994.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled under section 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 December 1994, and the abbreviated accounts on pages 3 to 5 have been properly prepared in accordance with that schedule.

**Other information**

On *..24..April..1995.* we reported, as auditors of Dredging U.K. Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1994, and our report was as follows:

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's director is 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.

**SPECIAL REPORT OF THE AUDITORS  
TO THE DIRECTORS OF DREDGING U.K. LIMITED  
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8  
OF THE COMPANIES ACT 1985**

**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 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with those provisions of the Companies Act 1985 that are applicable to small companies.

*G.R. Walker & Co.*.....

G.R. Walker & Company,  
Chartered Accountants and  
Registered Auditors,  
Hartlepool.

*20 June 1995*

## DREDGING U.K. LIMITED

ABBREVIATED BALANCE SHEET  
AS AT  
31 DECEMBER 1994

	Note	£	1994 £	£	1993 £
<b>Current assets</b>					
Stocks			-		18000
Debtors	2		432278		517328
Cash at bank and in hand			-		418
			<u>432278</u>		<u>535746</u>
<b>Creditors: amounts falling due within one year</b>					
	3		(264605)		(369998)
<b>Net assets</b>			<u>167673</u>		<u>165748</u>
<b>Capital and reserves</b>					
Called up share capital	4		10000		10000
Profit & loss account			157673		155748
<b>Total shareholders' funds</b>			<u>167673</u>		<u>165748</u>

The directors have taken advantage of the exemptions conferred on small companies by the Companies Act 1985, Schedule 8, Part III.A. In the opinion of the directors the company qualifies as a small company and is entitled to make use of the exemptions.

The directors have taken advantage, in the preparation of the accounts, of the special exemptions applicable to small companies under Schedule 8 Part 1 of the Companies Act 1985. In the opinion of the directors the company qualifies as a small company and is entitled to make use of the special exemptions.

The financial statements were approved by the board of directors on

21st APRIL 1995 and are signed on its behalf by:

.....

.....  
Director  
P M Stephenson

**DREDGING U.K. LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 1994****1. Accounting policies**

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

**Basis of accounting**

The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover is the total amount receivable by the company in the ordinary course of business for goods supplied and services provided excluding VAT and trade discounts.

**Cash flow statement**

A cash flow statement is not included in the financial statements on the grounds that the company is a small company as defined by sections 246 to 249 of the Companies Act 1985.

**Stocks**

Stocks are stated at the lower of cost or net realisable value, cost being the cost incurred in bringing the stock to its present location and condition and net realisable value being based on estimated selling price less further costs expected to be incurred in completion and disposal, as follows:

Raw materials and consumables	- purchase cost on a first in, first out basis.
Work in progress	- cost of direct materials and labour plus attributable overheads based on the normal level of activity

**Amounts recoverable on contracts**

Amounts recoverable on contracts are included in debtors, and are valued at cost plus attributable profit, less provision for foreseeable losses.

**Taxation**

The charge for taxation is based on the result for the accounting period as adjusted for disallowable items, and for timing differences arising from the recognition for tax purposes of certain items of income and expenditure in a different accounting period from that which they are recognised in the financial statements.

Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

## DREDGING U.K. LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 1994**2. Debtors**

There are no amounts included in debtors falling due after more than one year (1993: fnil).

**3. Creditors**

There is no security held in respect of any of the creditors (1993: fnil).

**4. Share capital**

	1994	1993
	£	£
<b>Authorised</b>		
10000 ordinary shares of £1 each	10000	10000
	<u>10000</u>	<u>10000</u>
<b>Allotted, called up and fully paid</b>		
10000 ordinary shares of £1 each	10000	10000
	<u>10000</u>	<u>10000</u>

**5. Directors' interests in contracts**

During the year the company traded with members of the group and companies related through common ownership. Turnover includes £30000 in respect of these companies. A management charge of £11900 is included in administrative expenses.

**6. Ultimate parent company**

The ultimate parent company is Able UK Limited which is incorporated in Great Britain and registered in England.