

**Brooke Marine Shipbuilders Limited**

Financial statements for the year ended  
31 March 2002 together with directors'  
and auditors' reports

Registered number: 2113314



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Directors and advisers

**Directors**

TWM Liu

MS Easton (resigned 31 May 2002)

A Marsh

WA Cramond

**Secretary**

RS Martin

**Registered Office**

2 Cavendish Square

London

W1G 0PX

**Auditors**

Deloitte & Touche

Edinburgh

**Directors' report**

For the year ended 31 March 2002

**Financial statements**

The directors present their report and audited financial statements for the year ended 31 March 2002.

**Principal activity**

The principal activity of the company is the marketing of marine engineering and equipment related to craft in the Brooke Marine range. The company did not trade during the current or prior years.

The directors have confirmed that FBM Babcock Marine, a fellow group undertaking, which at 31 March 2002 was due £458,664, will not seek repayment of the sums due for at least 12 months from the date of signing the accounts and the directors have accordingly prepared the financial statements on the basis that the company is a going concern.

**Results and dividends**

The profit for the year after taxation amounted to £Nil (2001 - £Nil). The directors recommend that no dividend be paid (2001 - £nil).

**Directors and their interests**

The directors of the company who served during the year were:

TWM Liu

MS Easton (resigned 31 May 2002)

A Marsh

WA Cramond

None of the directors had any beneficial interest in the company's shares. At 31 March 2002 Mr. M S Easton was also a director of the ultimate parent company, Babcock International Group plc, and his interests in the shares and share options of that company are disclosed in that company's financial statements. The interests of TWM Liu are disclosed in the financial statements of FBM Babcock Marine Limited.

The interests of the other directors in the shares of the company's ultimate parent company are shown in the financial statements of FBM Babcock Marine Holdings (UK) Ltd.

## Directors' report (continued)

**Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

**Auditors**

*In the UK, an agreement for the partners and personnel of Arthur Andersen to join Deloitte & Touche has now been concluded. Arthur Andersen has resigned as auditors. The Board has subsequently appointed Deloitte & Touche as auditors. It is the intention of the Board to review the appointment during the forthcoming year.*

By order of the Board



TWM Liu  
Director

2 Cavendish Square  
London  
W1G 0PX

16 October 2002

**Independent auditors' report****To the shareholders of Brooke Marine Shipbuilders Limited**

We have audited the financial statements of Brooke Marine Shipbuilders Limited for the year ended 31 March 2002 which comprise the balance sheet and the related notes numbered 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the directors' report. 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**

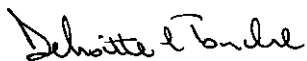
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, 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.

Independent auditors' report (continued)

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 March 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche**  
**Chartered Accountants and Registered Auditors**  
Edinburgh

16 October 2002

## Balance sheet

31 March 2002

	Note	2002 £	2001 £
<b>Current liabilities</b>			
<b>Creditors: amounts falling due within one year</b>	3	<u>(1,000)</u>	<u>(1,000)</u>
<b>Net current liabilities</b>		(1,000)	(1,000)
<b>Creditors: amounts falling due after more than one year</b>	4	<u>(458,644)</u>	<u>(458,644)</u>
<b>Net liabilities</b>		<u>(459,644)</u>	<u>(459,644)</u>
<b>Capital and reserves</b>			
Called up share capital	5	2	2
Profit and loss account	6	<u>(459,646)</u>	<u>(459,646)</u>
<b>Equity shareholders deficit</b>	6	<u>(459,644)</u>	<u>(459,644)</u>

These financial statements were approved by the Board of Directors on 16 October 2002 and were signed on its behalf by:



TWM Liu

Director

The accompanying notes are an integral part of this balance sheet.



**Notes to the financial statements**

For the year ended 31 March 2002

**1 Accounting policies**

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been applied consistently throughout the year and the preceding year, is set out below.

*a) Basis of accounting*

The financial statements have been prepared on the historical cost basis of accounting.

*b) Cash flow statement*

The company has taken advantage of the exemption under Financial Reporting Standard No. 1 (revised), and has not produced a cash flow statement as its ultimate holding company produces a consolidated cash flow statement that includes the cash flows of the company and is publicly available.

*c) Taxation*

UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws enacted or substantially enacted by the balance sheet date.

**2 Profit and loss account**

The company did not trade during the current or preceding period and has made neither profit nor loss, nor any other recognised gain or loss. As a consequence, no profit and loss account has been prepared.

Audit fees in respect of the company were borne by other group companies.

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

**3 Creditors: amounts falling due within one year**

	2002 £	2001 £
Accruals	<u>1,000</u>	<u>1,000</u>

**4 Creditors: amounts falling due after more than one year**

	2002 £	2001 £
Amounts owed to group undertaking	<u>458,644</u>	<u>458,644</u>

The amount due to the holding company is unsecured and the group undertaking has indicated that no repayment of these amounts will be sought within 12 months of the balance sheet date.

Notes to the financial statements (continued)

**5 Called up share capital**

	2002 £	2001 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2

**6 Reconciliation of equity shareholders' deficit**

	Share capital £	Profit and loss account £	Total equity shareholders' deficit £
At 1 April 2001 and 31 March 2002	2	(459,646)	(459,644)

**7 Contingent liability**

The company is registered for VAT purposes in a group of undertakings which shares a common registration number. As a result, it has jointly guaranteed the VAT liability of the group and failure by other members of the group to meet their VAT liabilities would give rise to additional liabilities for the company. The directors are of the opinion that no additional liability is likely to arise.

**8 Related party transactions**

Details of balances owed to other group companies are disclosed in note 4. There were no other related party transactions during the year.

**9 Immediate and ultimate parent company**

Brooke Marine Shipbuilders Limited is a wholly owned subsidiary of FBM Babcock Marine Limited, a company incorporated in England and Wales. The company's ultimate parent company is Babcock International Group PLC, a company registered in England and Wales. The only group in which the results of the company are consolidated is that headed by Babcock International Group PLC.

Copies of Babcock International Group PLC financial statements are available from the following address:

The Company Secretary  
Babcock International Group PLC  
2 Cavendish Square  
London  
W1G OPX