

**DREDGING U.K. LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1996**  
**REGISTERED NO. 2386356**



**WALKER TINDLE**  
**NEW EXCHANGE BUILDINGS**  
**QUEENS SQUARE**  
**MIDDLESBROUGH**

**AUDITORS' REPORT TO DREDGING U.K. LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO 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 1996.

**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 Sections 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 1996 and the abbreviated accounts on pages 3 to 5 have been properly prepared in accordance with that Schedule.

**Other information**

On *6 June 1997* ..... 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 1996, and our audit report was as follows:

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 1, 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.

**AUDITORS' REPORT TO DREDGING U.K. LIMITED PURSUANT TO PARAGRAPH  
24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985 (CONT)**

**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 1996 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.

*Walker Tindle*

.....  
Walker Tindle  
Chartered Accountants and  
Registered Auditors  
Middlesbrough

Date: *6 June 1997*  
.....


# DREDGING U.K. LIMITED

## ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 1996

	Note	1996 £	1995 £
<b>Current assets</b>			
Debtors		413814	436259
Cash at bank and in hand		2292	-
		<u>416106</u>	<u>436259</u>
<b>Creditors</b>			
Amounts falling due within one year		(244015)	(268520)
		<u>172091</u>	<u>167739</u>
<b>Net current assets</b>		<u>172091</u>	<u>167739</u>
<b>Capital and reserves</b>			
Called up share capital	3	10000	10000
Profit and loss account		162091	157739
		<u>172091</u>	<u>167739</u>
<b>Shareholders' funds</b>		<u>172091</u>	<u>167739</u>

In preparing these accounts the directors have made use of the exemptions conferred by Section A of Part I of Schedule 8 to the Companies Act 1985 and Section A of Part III of Schedule 8 to the Companies Act 1985, and have done so on the basis that, in their opinion, the company satisfies the criteria for exemption as a small company.

The accounts were approved by the board of directors on ..... *10 May 1997* ..... and are signed on its behalf by:

  
.....  
Mr P M Stephenson  
Director

The annexed notes form part of these abbreviated accounts.

# DREDGING U.K. LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

### 1. Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same financial statements.

#### Basis of preparation of financial statements

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

The effect of events in relation to the year ended 31 December 1996 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 December 1996 and of the results for the year ended on that date.

#### 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.

#### Cash flow statement

The company qualifies as a small company and advantage has therefore been taken of the exemption provided by the Financial Reporting Statement No 1 not to prepare a cash flow statement.

#### 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.

### 2. Creditors

At 31 December 1996, no liabilities were secured by company assets, (1995: £45316).

### 3. Share capital

	1996 £	1995 £
<b>Authorised</b> 10000 ordinary shares of £1 each	10000 <u>          </u>	10000 <u>          </u>
<b>Allotted, called up and fully paid</b> 10000 ordinary shares of £1 each	10000 <u>          </u>	10000 <u>          </u>

# DREDGING U.K. LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996 (CONT)

### 4. Related party transactions

During the year the company traded on a commercial and arms length basis with other group companies.

Details of transactions which occurred during the year and balances at the year end date are as follows:-

	1996 £	1995 £
Turnover	62000	860
Cost of sales	18804	-
Creditor	240627	183340

### 5. Guarantees

The company has entered into a guarantee for £60000 which expires on 30 December 1999.

### 6. Parent company

The ultimate parent company is Able UK Limited, a company registered in England.