



1246234

Halyard Offshore Limited

Directors' report and
financial statements

Year ended 31 December 1997





Halyard Offshore Limited

Directors' report and financial statements

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Halyard Offshore Limited

Directors and other information

Directors

B.A. Hall
M.D.C. Steeves
R.D. McFarlane (Resigned 5 November 1997)

Registered office

10 Bedford Street
London WC2E 9HE
United Kingdom

Secretary

M.V. Williams

Auditors

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2

Bankers

Barclays Bank Plc
50 Pall Mall
London SW1A 1QB

Company registration number

1246234

Halyard Offshore Limited

Directors' report

The directors present their annual report and audited financial statements of the company for the year ended 31 December 1997.

Principal activities, business review and future developments

The principal activities of the company are the provision of consultancy, marketing and management services to the oil and marine industries. In April 1997, the company began operating under the business name of Amossco Halyard.

The directors have no plans to change significantly the activities and operations of the company in the foreseeable future.

Results and dividends

The profit for the year after taxation was Stg£59,685. The directors do not recommend the payment of a dividend.

Directors

In accordance with Articles of Association the directors are not required to retire by rotation.

R.D. McFarlane resigned as a director on 5 November 1997.

S.M. Kittoe resigned as secretary on 1 June 1997. M.V. Williams was appointed secretary on 1 June 1997.

Interests of directors and secretary

The directors who held office at 31 December 1997 had no interests in the share capital of the company.

At 31 December 1997, M.D.C. Steeves held 176,246 (1996: 176,246) ordinary shares of IR5p each in the ultimate parent company, Aminex PLC, and also had options over 150,000 (1996:100,000) ordinary shares of IR5p each in Aminex PLC.

The interests of B.A. Hall in the shares of Aminex PLC, the ultimate parent company, are shown in that company's financial statements.

Group membership

The ultimate holding company is Aminex PLC, a company incorporated in the Republic of Ireland.

Halyard Offshore Limited

Directors' report *(continued)*

Post balance sheet events

There have been no events since the year end which require disclosure in the financial statements.

Health and safety of employees

It is company policy to ensure that a full health and safety programme is in force. The directors have reviewed this policy during the year and are satisfied that it is operating satisfactorily.

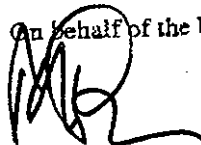
Payment of suppliers

The company's policy is to agree payment terms with individual suppliers and to abide by such terms.

Auditors

In accordance with Section 385 of the Companies Act 1985, the auditors, KPMG, Chartered Accountants, will continue in office.

On behalf of the board



M.D.C. Steeves
Director

30 October 1998

Halyard Offshore Limited

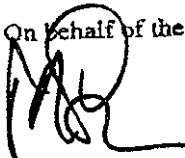
Statement of directors' responsibilities

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 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 books of account which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the board



M.D.C. Steeves
Director



Chartered Accountants

1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Auditors' report to the members of Halyard Offshore Limited

We have audited the financial statements on pages 6 to 14.

Respective responsibilities of directors and auditors in relation to the financial statements

As described on page 4, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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, applied consistently 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 at 31 December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants
Registered Auditors

30 October 1998





Halyard Offshore Limited

Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in England and Wales.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge for depreciation is calculated to write down cost or valuation of other tangible fixed assets to their estimated residual values by equal annual instalments over their expected useful lives which are as follows:

Long leasehold buildings	50 years
Plant and machinery	4 to 10 years
Office furniture	5 to 10 years

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at that date and the exchange differences are dealt with in the profit and loss account.

Leasing and hire purchase commitments

Tangible fixed assets acquired under finance leases are included in the balance sheet at their equivalent capital value and are depreciated over the shorter of the lease term and their useful life. The corresponding liabilities are recorded as a creditor and the interest element of the finance lease rentals is charged to the profit and loss account on a straight line basis. Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Taxation

The charge for taxation is based on the result for the year. Deferred taxation is accounted for in respect of timing differences between profit as computed for taxation purposes and profit as stated in the financial statements to the extent that such differences are expected to reverse in the foreseeable future.



Halyard Offshore Limited

Statement of accounting policies (*continued*)

Pensions

The company contributes to the cost of certain individual employee pension plans. Pension contributions are charged to the profit and loss account as incurred.

Turnover

Turnover represents net sales to customers and excludes value added tax.

Halyard Offshore Limited

Profit and loss account

for the year ended 31 December 1997

	<i>Note</i>	1997 Stg£	1996 Stg£
Turnover - continuing operations	1	993,871	127,594
Cost of sales		(697,762)	(9,160)
		<hr/>	<hr/>
Gross profit		296,109	118,434
Administrative expenses		(239,001)	(128,956)
		<hr/>	<hr/>
Operating profit/(loss) - continuing operations		57,108	(10,522)
Interest receivable		2,638	1,805
Interest payable and similar charges	3	(61)	(32)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation	4	59,685	(8,749)
Tax on profit/(loss) on ordinary activities	5	-	1,156
		<hr/>	<hr/>
Profit/(loss) for the financial year		59,685	(7,593)
Profit and loss account at beginning of year		26,386	33,979
		<hr/>	<hr/>
Profit and loss account at end of year		86,071	26,386
		<hr/>	<hr/>

Statement of total recognised gains and losses

for the year ended 31 December 1997

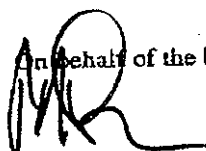
The company had no recognised gains or losses in the financial year or the previous financial year other than those dealt with in the profit and loss account.

Halyard Offshore Limited

Balance sheet at 31 December 1997

	Note	1997 Stg£	1996 Stg£
Fixed assets			
Tangible fixed assets	6	101,344	107,795
Current assets			
Debtors	7	106,514	65,594
Cash at bank and in hand		165,797	61,924
		<u>272,311</u>	<u>127,518</u>
Creditors: amounts falling due within one year	8	<u>(155,011)</u>	<u>(76,354)</u>
Net current assets		<u>117,300</u>	<u>51,164</u>
Total assets less current liabilities		<u>218,644</u>	<u>158,959</u>
Capital and reserves			
Called up share capital	9	29,818	29,818
Share premium account	10	102,755	102,755
Profit and loss account		86,071	26,386
Shareholders' funds - equity	13	<u>218,644</u>	<u>158,959</u>

On behalf of the board


M.D.C. Steeves
Director

Halyard Offshore Limited

Notes

forming part of the financial statements

1 Turnover

	1997 Stg£	1996 Stg£
<i>By geographical area</i>		
United Kingdom	32,096	20,909
Rest of Europe	90,014	91,854
Asia	-	14,831
Central America	871,761	-
	<u>993,871</u>	<u>127,594</u>

Turnover represents the amounts invoiced to customers for services provided, excluding value added tax.

2 Staff numbers and costs

	1997 Stg£	1996 Stg£
Wages and salaries	80,649	34,000
Social security costs	7,469	3,679
Pension costs	2,800	3,173
	<u>90,918</u>	<u>40,852</u>

The average number of employees during the year, including the directors, was 4 (1996:4).

3 Interest payable and similar charges

	1997 Stg£	1996 Stg£
Interest payable on bank overdraft and other loans wholly repayable within five years	61	32
	<u>61</u>	<u>32</u>

Halyard Offshore Limited

Notes (continued)

4 Statutory and other information	1997 Stg£	1996 Stg£
Depreciation	6,651	6,419
Auditors' remuneration	1,850	1,500
Rentals payable under operating leases	2,907	2,214
5 Tax on profit/(loss) on ordinary activities	1997 Stg£	1996 Stg£
Corporation tax credit	-	1,156

The charge to corporation tax has been reduced by the availability of losses forward.

6 Tangible fixed assets	Long Leasehold land and buildings Stg£	Fixtures and fittings Stg£	Office equipment Stg£	Total Stg£
<i>Cost</i>				
At beginning of year	96,244	12,994	13,584	122,822
Additions in year	-	-	200	200
At end of year	96,244	12,994	13,784	123,022
<i>Depreciation</i>				
At beginning of year	1,925	3,686	9,416	15,027
Charge for year	1,925	1,280	3,446	6,651
At end of year	3,850	4,966	12,862	21,678
<i>Net book value</i>				
At 31 December 1997	92,394	8,028	922	101,344
At 31 December 1996	94,319	9,308	4,168	107,795

Halyard Offshore Limited

Notes (continued)

7 Debtors

	1997 Stg£	1996 Stg£
Trade debtors	19,808	49,018
Amounts owed by parent undertaking	-	15,219
Amounts owed by fellow subsidiary undertakings	19,676	-
Other debtors	64,499	1,357
Prepayments and accrued income	2,531	-
	<u>106,514</u>	<u>65,594</u>

8 Creditors: amounts falling due within one year

	1997 Stg£	1996 Stg£
Amounts owed to fellow subsidiary undertaking	-	9,463
Amounts owed to parent undertaking	2,756	1,709
Tax and social security	1,078	1,063
Other creditors	36,750	57,736
Accruals and deferred income	114,427	6,383
	<u>155,011</u>	<u>76,354</u>

9 Called up share capital

	1997 Stg£	1996 Stg£
<i>Authorised</i>		
50,000 ordinary shares of Stg£1 each	<u>50,000</u>	<u>50,000</u>
<i>Alloted, called up and fully paid</i>		
29,818 ordinary shares of Stg£1 each	<u>29,818</u>	<u>29,818</u>

Halyard Offshore Limited

Notes (continued)

10 Share premium account	1997	1996
	Stg£	Stg£
Balance at beginning and end of year	102,755	102,755
	<hr/>	<hr/>
11 Reconciliation of shareholders' funds	1997	1996
	Stg£	Stg£
Shareholders' funds at beginning of year	158,959	166,552
Profit/(loss) for the financial year	59,685	(7,593)
	<hr/>	<hr/>
Shareholders' funds at end of year	218,644	158,959
	<hr/>	<hr/>

12 Cash flow statement

A cash flow statement has not been prepared under Financial Reporting Standard No 1. as the company is a wholly owned subsidiary of Aminex PLC which is itself registered within the European Community and has prepared a consolidated cash flow statement.

13 Pensions

The company contributes to the cost of certain individual employee pension plans. Annual contributions are based on a percentage of gross annual salary. The pension charge for the year to 31 December 1997 was Stg£2,800 (1996: Stg£3,173). There are no pension accruals or prepayments included in the financial statements at year end in respect of pension payments.

14 Commitments

Operating leases

Annual commitments exist under non cancellable operating leases as follows:

	1997	1996
	Stg£	Stg£
<i>Expiring:</i>		
Within one year	3,534	156
Between two and five years	-	1,883
	<hr/>	<hr/>
	3,534	2,039
	<hr/>	<hr/>

Halyard Offshore Limited

Notes *(continued)*

15 Ultimate parent undertaking

The company is a wholly owned subsidiary of Aminex PLC, a company incorporated in the Republic of Ireland. The smallest and largest group in which the results of Halyard Offshore Limited are consolidated is Aminex PLC. These financial statements are filed in Companies Office, Parnell House, 14 Parnell Square, Dublin 1.

16 Related party transactions

The company has availed of the exemption under Financial Reporting Standard No. 8 - Related Party Disclosures not to give details of related party transactions with group companies as it is a wholly owned subsidiary of Aminex PLC which is preparing consolidated financial statements which include this company, and such financial statements are publicly available.

17 Approval of the financial statements

These financial statements were approved by the board on 30 October 1998.