

1246234

# Halyard Offshore Limited

Directors report and  
financial statements

**Year ended 31 December 2004**



# Halyard Offshore Limited

## Director's report and financial statements

<i>Contents</i>	<i>Page</i>
Director and other information	1
Director's report	2
Statement of director's responsibilities	3
Independent auditors' report to directors of Halyard Offshore Limited	4 - 5
Statement of accounting policies	6 - 7
Profit and loss account	8
Balance sheet	9
Notes forming part of the financial statements	10 - 13

# Halyard Offshore Limited

## Director and other information

<b>Director</b>	B. A. Hall
<b>Registered office</b>	10 Bedford Street London WC2E 9HE United Kingdom
<b>Secretary</b>	M.V. Williams
<b>Auditors</b>	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2 Ireland
<b>Bankers</b>	Barclays Bank Plc 54 Lombard Street London EC3V 9EX
<b>Company registration number</b>	1246234

# Halyard Offshore Limited

## Director's report

The director presents his report and audited financial statements for the year ended 31 December 2004.

### Principal activities, business review and future developments

The company's principal activities are the provision of consultancy, marketing and management services to the oil and marine industry. The company operates under the business name of Amossco Halyard.

### Results and dividends

The profit and loss account for the year is set out on page 8. The director does not recommend the payment of a dividend.

### Group structure

The company is a wholly owned subsidiary of Amossco Limited. The ultimate holding company at 31 December 2004 was Aminex PLC, a company incorporated in the Republic of Ireland.

### Payment of suppliers

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

### Director

The director of the company during the year was Mr. B.A. Hall.

Mr. Hall had no beneficial interest in the share capital of the Company. The interests of Mr. B.A. Hall in the shares of Aminex PLC, the ultimate holding company, are shown in that company's financial statements.

### Political and Charitable Donations

The company made no political contributions during the year. Donations to UK charities amounted to £Nil (2003: £Nil).

### Auditors

In accordance with section 384 of the Companies Act, 1985, resolution is to be proposed at the Annual General Meeting for the re-appointment of KPMG, Chartered Accountants, as auditors of the company.

By order of the board



Director

27 October 2005

# Halyard Offshore Limited

## Directors' report (*continued*)

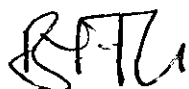
### Statement of director's responsibilities

Company law requires the director to prepare in accordance with applicable United Kingdom law and accounting standards, 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 director is 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He has general responsibility for taking such steps as are reasonable to safeguard the assets of the company, and to detect fraud and other irregularities.

By order of the board



*Director*

## **Independent auditors' report to the members of Halyard Offshore Limited**

We have audited the financial statements on pages 6 to 13.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act, 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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.

### **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 director 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.

Independent auditors' report to the members of Halyard Offshore Limited *(continued)*

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the affairs of the company loss at 31 December 2004 and of the loss of the company for the year then ended and have been properly prepared in accordance with the Companies Acts, 1985.

KPMG  
*Chartered Accountants*  
*Registered Auditors*

27 October 2005

# 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 company's financial statements.

### **Basis of preparation**

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

### **Cash flow statement**

The company has availed itself of the exemption in Financial Reporting Standard 1 Cash Flow Statements (FRS1) from the preparation of a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Aminex PLC and the company is included in consolidated financial statements.

### **Financial support**

The company has suffered recurring negative cash flows and losses from operations. At the year end the company was supported by loans from companies within the Aminex PLC group of companies.

The financial forecasts of the Amosco Holdings Limited group of companies for the period to 31 October 2006 prepared by the directors indicate that further negative flows and losses from operations may be suffered. The shareholders, Aminex PLC, have indicated that, following their review of the group's cash flow projections to 31 October 2006, they are willing to provide financial support to Amosco Holdings Limited and its subsidiary companies at least until 31 October 2006. The financial statements have been prepared on the going concern basis which assumes that adequate support will be available from the group's shareholders and other companies in the group.

### **Turnover**

Turnover represents the invoiced fair value of goods and services exclusive of Value Added Tax delivered to third party customers during the year.

### **Depreciation**

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties, freehold land and certain buildings, evenly over their expected useful lives. It is calculated at the followings rates:

Fixtures and fittings	-	10% - 25%
-----------------------	---	-----------

Provisions for impairment are made as appropriate.



# Halyard Offshore Limited

## Statement of accounting policies (*continued*)

### **Foreign currency**

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

### **Leased assets**

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

### **Pensions**

The company contributes to the cost of certain individual employee pension plans. Annual contributions are based on a percentage of gross annual salary. Pension contributions are charged to the profit and loss account on an accruals basis.

### **Taxation**

Corporation tax is provided at current rates on the results for the year.

Full provision, without discounting, is made for all timing differences at the balance sheet date in accordance with Financial Reporting Standard No. 19: Deferred Tax (FRS 19). Provision is made at the tax rates that are expected to apply in the period in which the timing differences are expected to reverse.

Deferred tax assets are recognised to the extent that they are regarded as recoverable. These are regarded as recoverable to the extent that, on the basis of all available evidence, it is regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

# Halyard Offshore Limited

## Profit and loss account

for the year ended 31 December 2004

	<i>Note</i>	<b>2004</b> £	<b>2003</b> £
<b>Turnover - continuing operations</b>	<i>1</i>	<b>39,135</b>	<b>112,795</b>
Cost of sales		<b>(1,383)</b>	-
		<hr/>	<hr/>
<b>Gross profit</b>		<b>37,752</b>	<b>112,795</b>
Administrative expenses – including exceptional credit of £23,199 (2003: £760) (Note 2)		<b>(61,028)</b>	<b>(116,088)</b>
		<hr/>	<hr/>
<b>Operating loss</b>	<i>4</i>	<b>(23,276)</b>	<b>(3,293)</b>
Interest receivable and other income	<i>5</i>	-	4
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		<b>(23,276)</b>	<b>(3,289)</b>
Tax on loss on ordinary activities	<i>6</i>	-	-
		<hr/>	<hr/>
<b>Loss for the financial year after taxation</b>		<b>(23,276)</b>	<b>(3,289)</b>
Profit and loss account at beginning of year		<b>(117,298)</b>	<b>(114,009)</b>
		<hr/>	<hr/>
<b>Profit and loss account at end of year</b>		<b>(140,574)</b>	<b>(117,298)</b>
		<hr/>	<hr/>

The company had no recognised gains or losses other than the loss for the financial year and the preceding financial year as presented above and accordingly, no statement of total recognised gains and losses has been presented.

By order of the board



Director

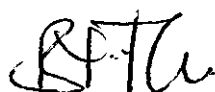
# Halyard Offshore Limited

## Balance sheet

as at 31 December 2004

	Note	£	2004 £	£	2003 £
<b>Fixed assets</b>					
Tangible fixed assets	7		881		1,177
<b>Current assets</b>					
Debtors	8	6,179		28,303	
Cash at bank and in hand		3,825		2,213	
		10,004		30,516	
<b>Creditors: amounts falling due within one year</b>	9	(18,886)		(16,418)	
<b>Net current (liabilities)/assets</b>			(8,882)		14,098
<b>Net (liabilities)/assets</b>			(8,001)		15,275
<b>Capital and reserves</b>					
Called up share capital	10		29,818		29,818
Share premium account	11		102,755		102,755
Profit and loss account	11		(140,574)		(117,298)
<b>Shareholders' (deficit)/funds - equity</b>			(8,001)		15,275

By order of the board



Director

# Halyard Offshore Limited

## Notes

*forming part of the financial statements*

### 1 Turnover

Turnover is wholly attributable to the principal activity of the company which are the provision of consultancy, marketing and management services to the oil and marine industry.

	2004 £	2003 £
<i>Analysis by geographical market</i>		
United Kingdom	31,635	51,770
Middle East	7,500	61,025
	<hr/>	<hr/>
	39,135	112,795
	<hr/>	<hr/>

### 2 Exceptional item

	2004 £	2003 £
Write back of provision against intercompany balances	23,199	760
	<hr/>	<hr/>

### 3 Staff numbers and costs

The average number of employees (including directors) during the year was 1 (2003:1).

The remuneration of Mr. B.A. Hall is disclosed in the financial statements of Aminex PLC.

### 4 Operating loss

	2004 £	2003 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	296	218
Auditors remuneration	2,500	2,500
Directors' emoluments	-	-
	<hr/>	<hr/>

### 5 Interest receivable and similar income

	2004 £	2003 £
Bank deposits	-	4
	<hr/>	<hr/>

# Halyard Offshore Limited

## Notes (continued)

### 6 Taxation on loss on ordinary activities

	2004 £	2003 £
<i>Current tax</i>		
<i>Current tax charge</i>	-	-

The effective tax rate for the year is different to the standard rate of corporation tax in the UK. The differences are explained below:

	2004 £	2003 £
Loss on ordinary activities before tax	(23,276)	(3,289)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30% (2003: 30%)	(6,983)	(987)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(6,945)	(74)
Depreciation for year in excess of capital allowances	31	(1,093)
Losses for which no benefit has been recognised	13,897	2,154
<b>Current tax charge for the year</b>	-	-

The company has not recognised any deferred tax assets due to uncertainty of future profits.

### 7 Tangible assets

	Office equipment £
<i>Cost</i>	
At 1 January and 31 December 2004	1,477
<i>Depreciation</i>	
At 1 January 2004	300
Provided for the year	296
At 31 December 2004	596
<i>Net book value</i>	
At 31 December 2004	881
At 31 December 2003	1,177

# Halyard Offshore Limited

## Notes (continued)

### 8 Debtors

	2004 £	2003 £
Other debtors	434	664
Trade debtors	5,745	27,237
Amounts owed by group undertakings	-	402
	<hr/>	<hr/>
	6,179	28,303
	<hr/>	<hr/>

All amounts fall due within one year.

### 9 Creditors: amounts falling due within one year

	2004 £	2003 £
Trade creditors	-	179
Amounts owed to group undertakings	13,300	11,500
Other creditors	119	1,227
Accruals and deferred income	5,467	3,512
	<hr/>	<hr/>
	18,886	16,418
	<hr/>	<hr/>

### 10 Share capital

	2004 £	Authorised 2003 £	Allotted, called up and full paid 2004 £	2003 £
<i>Equity share capital</i>				
Ordinary shares of £1 each	50,000	50,000	29,818	29,818
	<hr/>	<hr/>	<hr/>	<hr/>

# Halyard Offshore Limited

Notes (continued)

## 11 Reserves

	Share premium account £	Profit and loss account £
At 1 January 2004	102,755	(117,298)
Loss for the year	-	(23,276)
	<hr/>	<hr/>
<b>At 31 December 2004</b>	<b>102,755</b>	<b>(140,574)</b>
	<hr/>	<hr/>

## 12 Reconciliation of movements in shareholders (deficit)/funds

	2004 £	2003 £
Loss for financial year	(23,276)	(3,289)
Opening shareholder funds	15,275	18,564
	<hr/>	<hr/>
Closing shareholders (deficit)/funds	(8,001)	15,275
	<hr/>	<hr/>

## 13 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by Aminex PLC on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

## 14 Post balance sheet events

No significant events have taken place since the year end that would result in adjustment to financial statements or inclusion of a note thereto.

## 15 Ultimate parent company and parent undertaking of larger group

The company is a 100% subsidiary of Amossco Limited, a company incorporated in the United Kingdom. The company's ultimate parent undertakings at the balance sheet date was Aminex PLC, a company incorporated in the Republic of Ireland. Aminex PLC is the largest group in which the financial statements of the company are consolidated. The financial statements of Aminex PLC are filed at the Companies Registration Office, Parnell House, 14 Parnell Square, Dublin 1.

## 16 Approval of financial statements

These financial statements were approved by the directors on 27 October 2005.

*The following notes do not form part  
of the audited financial statements*



# Halyard Offshore Limited

## Detailed profit and loss account *for the year ended 31 December 2004*

	2004 £	2003 £
<b>Turnover</b>	<b>39,135</b>	112,795
Cost of sales	(1,383)	-
	<hr/>	<hr/>
<b>Gross profit</b>	<b>37,752</b>	112,795
Administrative expenses	(61,028)	(116,088)
	<hr/>	<hr/>
<b>Operating loss</b>	<b>(23,276)</b>	(3,293)
Interest receivable and other income	-	4
	<hr/>	<hr/>
<b>Loss on ordinary activities</b>	<b>(23,276)</b>	(3,289)
	<hr/>	<hr/>

# Halyard Offshore Limited

## Detailed profit and loss account *(continued)* for the year ended 31 December 2004

	2004 £	2003 £
<b>Administrative expenses</b>		
Equipment hire	-	1,027
Depreciation – equipment	296	218
Auditors' remuneration	2,500	2,500
Provision against intercompany balance	(23,199)	(760)
Employee costs recharged – selling	53,757	43,421
Benefits	268	2,268
Reports and renewals	-	129
Motor expenses	-	2,530
Travel and accommodation	-	9
Entertaining	48	165
Sundry	-	1,165
General office	9,615	3,216
Communications	18	67
Printing publications and stationery	-	148
Management fees	-	(304)
Bank charges	302	(156)
Realised foreign exchange loss/ (gain)	464	1,100
Unrealised foreign exchange loss	2,460	1,309
Employee costs recharged – administrative	14,499	53,668
Provision for doubtful debts	-	4,368
	<hr/>	<hr/>
	61,028	116,088
	<hr/>	<hr/>