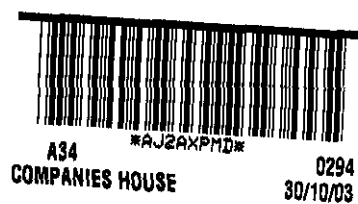


LANGHAM OVERSEAS LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002



LANGHAM OVERSEAS LIMITED

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for the Year Ended 31st December 2002**

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LANGHAM OVERSEAS LIMITED

COMPANY INFORMATION

for the Year Ended 31st December 2002

DIRECTORS:

J M Langham
I E Langham

SECRETARY:

W T Cowley

REGISTERED OFFICE:

Binghams Melcombe
Dorchester
Dorset
DT2 7PZ

REGISTERED NUMBER:

1430559

AUDITORS:

Duncan & Toplis
Chartered Accountants &
Registered Auditor
3 Castlegate
Grantham
Lincs
NG31 6SF

LANGHAM OVERSEAS LIMITED

REPORT OF THE DIRECTORS for the Year Ended 31st December 2002

The directors present their report with the financial statements of the company for the year ended 31st December 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of having an interest in shares in an overseas company which was engaged in the manufacture and sale of marine propellers.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The loss for the year before tax was £334 (2001 - £305), and it is proposed to transfer £334 to accumulated losses as set out in the profit and loss account on page 5. There have been no events since the balance sheet date which materially affect the position of the company.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2002.

DIRECTORS

The directors during the year under review were:

J M Langham
I E Langham

The beneficial interests of the directors holding office on 31st December 2002 in the issued share capital of the company were as follows:

	31.12.02	1.1.02
Ordinary £1 shares		
J M Langham	14	14
I E Langham	14	14

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 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;
- 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.

LANGHAM OVERSEAS LIMITED

**REPORT OF THE DIRECTORS
for the Year Ended 31st December 2002**

AUDITORS

The company has elected under Section 386, Companies Act 1985, to dispense with the obligation to appoint auditors annually.

ON BEHALF OF THE BOARD:

W T Cowley
W T Cowley - Secretary

Date: 24 October 2003

LANGHAM OVERSEAS LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF LANGHAM OVERSEAS LIMITED

We have audited the financial statements of Langham Overseas Limited for the year ended 31st December 2002 on pages five to eight. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 auditors' 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

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

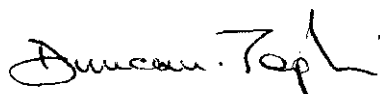
Basis of audit opinion

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 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 31st December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Duncan & Toplis
Chartered Accountants &
Registered Auditor
3 Castlegate
Grantham
Lincs
NG31 6SF

Date: 27 October 2003

LANGHAM OVERSEAS LIMITED**PROFIT AND LOSS ACCOUNT****for the Year Ended 31st December 2002**

		2002	2001
	Notes	<u>£</u>	<u>£</u>
TURNOVER		-	-
Administrative expenses		<u>334</u>	<u>305</u>
OPERATING LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(334)	(305)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(334)	(305)
Deficit brought forward		<u>(189,504)</u>	<u>(189,199)</u>
DEFICIT CARRIED FORWARD		<u><u>£(189,838)</u></u>	<u><u>£(189,504)</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current and previous years.

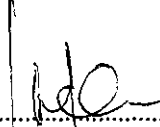
LANGHAM OVERSEAS LIMITED

BALANCE SHEET

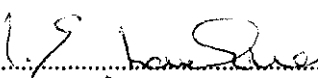
31st December 2002

		2002	2001
	Notes	£	£
CURRENT ASSETS:			
Cash at bank		107	107
CREDITORS: Amounts falling due within one year	5	<u>189,845</u>	<u>189,511</u>
NET CURRENT LIABILITIES:		<u>(189,738)</u>	<u>(189,404)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>£(189,738)</u>	<u>£(189,404)</u>
CAPITAL AND RESERVES:			
Called up share capital	6	100	100
Profit and loss account		<u>(189,838)</u>	<u>(189,504)</u>
SHAREHOLDERS' FUNDS:	7	<u>£(189,738)</u>	<u>£(189,404)</u>

ON BEHALF OF THE BOARD:



 J M Langham - Director



 I E Langham - Director

Approved by the Board on 24 October 2003

LANGHAM OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31st December 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

The company is dependent on the support of its creditors for its continued existence. The company's only creditor has pledged its continued support for the company and accordingly the directors have prepared the accounts on the going concern basis.

2. STAFF COSTS

There were no staff costs for the year ended 31st December 2002 nor for the year ended 31st December 2001.

The average monthly number of employees during the year was as follows:

	2002	2001
Administrative	<u>2</u>	<u>2</u>

3. OPERATING LOSS

The operating loss is stated after charging:

	2002 £	2001 £
Auditors' remuneration	<u>305</u>	<u>305</u>
Directors' emoluments	<u>-</u>	<u>-</u>

4. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2002 nor for the year ended 31st December 2001.

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Amounts owed to group undertaking	188,321	188,321
Accrued expenses	<u>1,524</u>	<u>1,190</u>
	<u>189,845</u>	<u>189,511</u>

The loan is from Langham Industries Limited, a company in which Mr. J. M. Langham and Mrs. I. E. Langham are directors and shareholders.

LANGHAM OVERSEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the Year Ended 31st December 2002**

6. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value: £1	2002 £	2001 £
500,000	Ordinary		<u>500,000</u>	<u>500,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	2002 £	2001 £
100	Ordinary		<u>100</u>	<u>100</u>

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Loss for the financial year	<u>(334)</u>	<u>(305)</u>
Net reduction of shareholders' funds	(334)	(305)
Opening shareholders' funds	<u>(189,404)</u>	<u>(189,099)</u>
Closing shareholders' funds	<u>(189,738)</u>	<u>(189,404)</u>
Equity interests	<u>(189,738)</u>	<u>(189,404)</u>

8. ULTIMATE PARENT COMPANY

The ultimate controlling party of is the J. M. Langham family.