

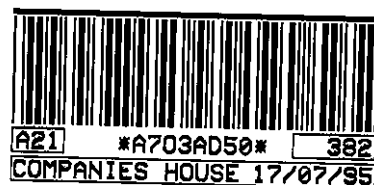
**INTERMARINE OFFSHORE SERVICES LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 1993**

**Registered Number : 2657940**



**SPAIN BROTHERS**  
CHARTERED ACCOUNTANTS



# **INTERMARINE OFFSHORE SERVICES LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31ST DECEMBER 1993**

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# **INTERMARINE OFFSHORE SERVICES LIMITED**

## **COMPANY INFORMATION** **FOR THE YEAR ENDED 31ST DECEMBER 1993**

Incorporated in England and Wales on 28th October 1991.

### **DIRECTORS**

R.A. Govier Esq.  
M.P. Cloyd Esq.

### **SECRETARY**

R.A. Govier Esq.

### **REGISTERED OFFICE**

20 Castle Road,  
Sandgate,  
Folkestone,  
Kent.  
CT20 3AG

### **AUDITORS**

Spain Brothers & Co.,  
Chartered Accountants,  
29 Manor Road,  
Folkestone,  
Kent.  
CT20 2SE

### **COMPANY NUMBER**

2657940

# **INTERMARINE OFFSHORE SERVICES LIMITED**

## **REPORT OF THE DIRECTORS** **FOR THE YEAR ENDED 31ST DECEMBER 1993**

The directors present their report together with the audited financial statements for the year ended 31st December 1993.

### **PRINCIPAL ACTIVITY**

The Company owns and leases one offshore oilfield service vessel and turnover is derived from this. The company commenced trading on 13th December 1991.

The Company transacts its business primarily in U.S. Dollars which is reflected in the financial statements.

### **DIRECTORS**

The directors who served during the year were:-

R.A. Govier Esq.	
S.J.A. Tolson Esq.	(Resigned 2nd July 1993)
M.P. Cloyd Esq.	

M.P. Cloyd Esq. holds all of the share capital of this Company's ultimate holding company, InterMarine Incorporated.

### **DIRECTOR'S 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 year. In preparing these 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;
- follow applicable accounting standards, 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 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.

# **INTERMARINE OFFSHORE SERVICES LIMITED**

## **REPORT OF THE DIRECTORS** **FOR THE YEAR ENDED 31ST DECEMBER 1993 (continued)**

### **AUDITORS**

A resolution was passed at the Company's Annual General Meeting to dispense with the obligation to appoint an auditor annually.

In preparing this report, the directors have taken advantage of the special exemption available to small companies on the grounds that the Company is a small Company.

This report was approved by the Board on 19th June 1995.

By Order of the Board



R.A. Govier Esq.  
Secretary

20 Castle Road,  
Sandgate,  
Folkestone,  
Kent.  
CT20 3AG

19th June 1995

# **REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF**

## **INTERMARINE OFFSHORE SERVICES LIMITED**

We have audited the financial statements set out on pages 4 to 7 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 2, 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 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 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.

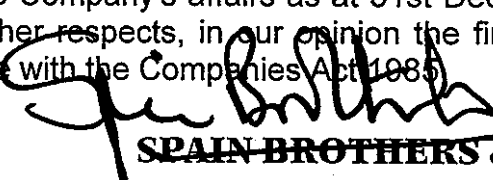
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

### **FUNDAMENTAL UNCERTAINTY**

In forming our opinion, we have considered the adequacy of the disclosure made in the financial statements (note 4) concerning the discussions still in progress with the Inspector of Taxes and the possible outcome of the application of Section 770 ICTA 1988. The future settlement of these discussions could increase substantially the Company's income liable to United Kingdom Corporation Tax giving rise potentially to a significant taxation liability which in turn could jeopardise the whole commercial trading arrangements of the company.

### **OPINION**

In view of the effect that the outcome of the discussions with the Inspector of Taxes on these financial statements might have, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the Company's affairs as at 31st December 1993 or of its loss for the year then ended. In all other respects, in our opinion the financial statements have been properly prepared in accordance with the Companies Act 1985.

  
**SPAIN BROTHERS & CO.**  
**Chartered Accountants**  
**Registered Auditors**

29 Manor Road,  
Folkestone,  
Kent.  
CT20 2SE

19th June 1995

# **INTERMARINE OFFSHORE SERVICES LIMITED**

## **PROFIT AND LOSS ACCOUNT** **FOR THE YEAR ENDED 31ST DECEMBER 1993**

**Note**

	<b><u>31.12.93</u></b>	<b><u>28.10.91 to 31.12.92</u></b>
1. <b><u>TURNOVER</u></b>	36,500	37,900
Administrative Expenses	(72,000)	(78,000)
3. <b><u>(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</u></b>	(35,500)	(40,100)
4. Tax on (Loss) on Ordinary Activities	-	-
<b><u>(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</u></b>	(35,500)	(40,100)
<b><u>DEFICIT BROUGHT FORWARD</u></b>	(40,100)	-
<b><u>DEFICIT AT 31ST DECEMBER 1993 CARRIED FORWARD</u></b>	(\$75,600)	(\$40,100)

### **CONTINUING OPERATIONS**

None of the Company's activities were acquired or discontinued during the above two financial years.

### **TOTAL RECOGNISED GAINS AND LOSSES**

The Company has no recognised gains or losses other than the loss for the above two financial years.

The notes on pages 6 to 7 form part of these financial statements.

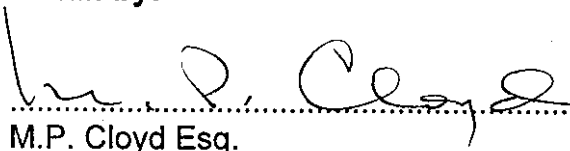
# INTERMARINE OFFSHORE SERVICES LIMITED

## **BALANCE SHEET** **AS AT 31ST DECEMBER 1993**

<u>Note</u>	<u>31.12.93</u>	<u>31.12.92</u>
5. <b><u>FIXED ASSETS</u></b>	210,000	282,000
<b><u>CURRENT ASSETS</u></b>		
Cash at Bank and in Hand	1,000	1,000
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>	211,000	283,000
6. <b><u>CREDITORS</u></b> Amounts falling due after more than one year	(286,596)	(323,096)
	<u>(\$75,596)</u>	<u>(\$40,096)</u>
<b><u>CAPITAL AND RESERVES</u></b>		
7. Share Capital	4	4
Profit and Loss Account	(75,600)	(40,100)
	<u>(\$75,596)</u>	<u>(\$40,096)</u>

The directors have taken advantage in preparing these financial statements of the special exemptions applicable to small companies on the grounds that the Company is a small company.

Approved by the Board of Directors on 19th June 1995 and signed on their behalf by:-

 Directors  
M.P. Cloyd Esq.

The notes on pages 6 to 7 form part of these financial statements.



# INTERMARINE OFFSHORE SERVICES LIMITED

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31ST DECEMBER 1993**

### **1. ACCOUNTING POLICIES**

The Company's financial statements are prepared in accordance with the United Kingdom Statements of Standard Accounting Practice and Financial Reporting Standards. The principal accounting policies adopted are as follows :-

#### Cash Flow Statement

The Company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a Cash Flow Statement.

#### Turnover

Turnover comprises amounts derived from the leasing of an offshore oilfield service vessel.

#### Foreign Currencies

The financial statements have been prepared in U.S. Dollars as this is the currency in which all of the transactions of the Company are carried out.

#### Depreciation

Depreciation is provided on all other tangible fixed assets at annual rates calculated to write off the cost of each asset evenly over its expected useful life as follows:-

Vessel	20% on Cost
--------	-------------

### **2. SEGMENTAL ANALYSIS**

100% of turnover is attributable to geographical markets outside the United Kingdom.

### **3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

Loss on Ordinary Activities before Taxation  
is stated after charging:-

Depreciation of Owned Tangible Fixed Assets

**31.12.93**

**\$72,000**

**31.12.92**

**\$78,000**

### **4. TAXATION**

Since filing the financial statements for the period ended 31st December 1992 discussions have been taking place with the Inspector of Taxes in the United Kingdom as to whether section 770 ICTA 1988 should apply to the results of the Company. The effect of the application of this provision would be that the Company's income for United Kingdom Corporation Tax purposes could be increased substantially and consequently could give rise to a liability to Corporation Tax of a potentially significant amount, the ultimate effect of which would be to jeopardise the whole commercial trading arrangements of the Company.

No decision has been reached at the date of this report with the Inspector of Taxes and therefore the effect of any outcome cannot be reflected in the financial statements.

# INTERMARINE OFFSHORE SERVICES LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1993 (continued)

### 5. TANGIBLE FIXED ASSETS

#### Cost

At 1st January 1993

At 31st December 1993

#### Depreciation

At 1st January 1994

Charge for the Year

At 31st December 1993

#### Net Book Value

At 31st December 1993

At 31st December 1992

<u>Vessel</u>	<u>TOTAL</u>
360,000	360,000
\$360,000	\$360,000
78,000	78,000
72,000	72,000
\$150,000	\$150,000
\$210,000	\$210,000
\$282,000	\$282,000

### 6. CREDITORS - Amounts falling due after more than one year

Amounts Owed to Group Undertaking

<u>31.12.93</u>	<u>31.12.92</u>
\$286,596	\$323,096

### 7. SHARE CAPITAL

#### Authorised

1000 Ordinary Shares of £1 each

#### Issued and Fully Paid

2 Ordinary Shares of £1 each

<u>31.12.93</u>	<u>31.12.92</u>
£1,000	£1,000
\$4	\$4

### 8. PARENT UNDERTAKING

The Company is a wholly owned subsidiary of InterMarine De Panama S.A. which in turn is a wholly owned subsidiary of InterMarine Incorporated which is incorporated in the United States of America.