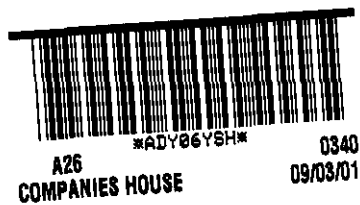


Co's House.

Company Registration No. 1685136 (England and Wales)

8/3/01
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SEAL SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000



SEAL SERVICES LIMITED

COMPANY INFORMATION

Directors	C J Knight R J Maher K D Williams
Secretary	J K Knight
Company number	1685136
Registered office	711 Banbury Avenue Slough Berkshire SL1 4LH
Auditors	Harwood Hutton One High Street Chalfont St Peter Gerrards Cross Buckinghamshire SL9 9QE
Business address	711 Banbury Avenue Slough Berkshire SL1 4LH
Bankers	National Westminster Bank Plc PO Box 1070 Slough Berkshire SL1 1AL

SEAL SERVICES LIMITED

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SEAL SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

The directors present their report and financial statements for the year ended 31 December 2000.

Principal activities and review of the business

The principal activity of the company continued to be that of plant and machinery maintenance specialists.

Results and dividends

The results for the year are set out on page 3.

Directors

The following directors have held office since 1 January 2000:

C J Knight
R J Maher
K D Williams

Directors' interests

and their beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 2000	1 January 2000
C J Knight	590	590
R J Maher	235	235
K D Williams	175	175

Charitable contributions

During the year the company made charitable donations of £410 (1999 : £922).

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Harwood Hutton be reappointed as auditors of the company will be put to the Annual General Meeting.

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.

On behalf of the board

C J Knight

Director

7 March 2001

SEAL SERVICES LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF SEAL SERVICES LIMITED

We have audited the financial statements on pages 3 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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.

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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Harwood Hutton



Registered Auditor

One High Street
Chalfont St Peter
Gerrards Cross
Buckinghamshire
SL9 9QE

SEAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

		2000		1999	
	Notes	£	£	£	£
Turnover	2				
Existing depots		4,899,366		4,499,775	
Depot opened during year		-		191,456	
			4,899,366		4,499,775
Change in stocks of finished goods and work in progress			(2,566)		7,666
			4,896,800		4,507,441
Raw materials and other consumables		1,578,878		1,602,149	
Staff costs		2,160,441		1,905,799	
Depreciation and amortisation		119,870		100,298	
Other operating charges		902,244		802,771	
			(4,761,433)		(4,411,017)
Operating profit	3				
Existing depots		135,367		178,213	
Depot opened during year		-		(81,789)	
			135,367		96,424
Interest payable and similar charges	4		(96,705)		(79,134)
Profit on ordinary activities before taxation			38,662		17,290
Tax on profit on ordinary activities	5		(17,533)		(7,876)
Profit on ordinary activities after taxation	14		21,129		9,414

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

SEAL SERVICES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	6		311,763		358,559
Investments	7		179		179
			<u>311,942</u>		<u>358,738</u>
Current assets					
Stocks	8	358,278		328,068	
Debtors	9	1,205,700		1,195,858	
Cash at bank and in hand		193		2,203	
		<u>1,564,171</u>		<u>1,526,129</u>	
Creditors: amounts falling due within one year	10	<u>(1,527,614)</u>		<u>(1,494,939)</u>	
Net current assets			<u>36,557</u>		<u>31,190</u>
Total assets less current liabilities			<u>348,499</u>		<u>389,928</u>
Creditors: amounts falling due after more than one year	11		<u>(128,742)</u>		<u>(191,300)</u>
			<u>219,757</u>		<u>198,628</u>
Capital and reserves					
Called up share capital	13		1,000		1,000
Share premium account	14		8,100		8,100
Profit and loss account	14		210,657		189,528
Shareholders' funds - equity interests	15		<u>219,757</u>		<u>198,628</u>

The financial statements were approved by the Board on 7th March 2001


C J Knight
Director

SEAL SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2000

	2000 £	1999 £
Net cash inflow from operating activities	333,139	179,369
Returns on investments and servicing of finance		
Interest paid	(92,665)	(78,201)
Interest element of finance lease rentals	(840)	(840)
Net cash outflow for returns on investments and servicing of finance	(93,505)	(79,041)
Taxation	(7,595)	(10,236)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(52,344)	(61,110)
Payments to acquire investments	-	(2)
Receipts from sales of tangible assets	22,050	6,250
Net cash outflow for capital expenditure	(30,294)	(54,862)
Net cash inflow before management of liquid resources and financing	201,745	35,230
Financing		
Other new long term loans	-	24,839
Other new short term loans	-	15,254
Repayment of long term bank loan	(8,333)	(7,998)
Repayment of other long term loans	(16,123)	-
Repayment of other short term loans	1,323	-
Capital element of hire purchase contracts	(65,568)	(69,940)
Capital element of finance lease contracts	(2,667)	(2,667)
Net cash outflow from financing	(91,368)	(40,512)
Increase/(decrease) in cash in the year	110,377	(5,282)

SEAL SERVICES LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2000

1	Reconciliation of operating profit to net cash inflow from operating activities	2000	1999
		£	£
	Operating profit	135,367	96,424
	Depreciation of tangible assets	119,870	100,298
	Profit on disposal of tangible assets	(14,541)	(393)
	Increase in stocks	(30,210)	(20,489)
	Increase in debtors	(9,842)	(252,325)
	Increase in creditors within one year	132,495	255,854
	Net cash inflow from operating activities	333,139	179,369

2	Analysis of net debt	1 January 2000	Cash flow	Other non-cash changes	31 December 2000
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	2,203	(2,010)	-	193
	Bank overdrafts	(172,130)	112,387	-	(59,743)
		<u>(169,927)</u>	<u>110,377</u>	<u>-</u>	<u>(59,550)</u>
	Debt:				
	Finance leases	(169,224)	68,235	(28,240)	(129,229)
	Debts falling due within one year	(23,901)	(1,450)	-	(25,351)
	Debts falling due after one year	(86,300)	24,584	-	(61,716)
		<u>(279,425)</u>	<u>91,369</u>	<u>(28,240)</u>	<u>(216,296)</u>
	Net debt	(449,352)	201,746	(28,240)	(275,846)

3	Reconciliation of net cash flow to movement in net debt	2000	1999
		£	£
	Increase/(decrease) in cash in the year	110,377	(5,282)
	Cash outflow from decrease in debt and lease financing	91,369	40,511
		<u>201,746</u>	<u>35,229</u>
	Change in net debt resulting from cash flows	201,746	35,229
	New finance lease	(28,240)	(117,027)
		<u>173,506</u>	<u>(81,798)</u>
	Movement in net debt in the year	173,506	(81,798)
	Opening net debt	(449,352)	(367,554)
	Closing net debt	(275,846)	(449,352)

SEAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold land and buildings	evenly over the life of the lease and over ten years.
Plant and machinery	20% per annum on cost.
Fixtures, fittings & equipment	20% per annum on cost.
Motor vehicles	20% per annum on cost.

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.7 Pensions

The company operates defined contribution pension schemes and contributions payable for the year are charged in the profit and loss account.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

SEAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

2 Turnover

Geographical market

	Turnover 2000 £	1999 £
United Kingdom	4,888,812	4,362,207
Russia	10,856	137,568
	<u>4,899,668</u>	<u>4,499,775</u>

3 Operating profit

Operating profit is stated after charging:

Depreciation of tangible assets

- existing depots

- depot opened during year

Operating lease rentals

- Plant and machinery

- Other assets

Auditors' remuneration

Other administration expenses incurred at depot opened during year

	2000 £	1999 £
	119,870	86,363
		13,935
	32,888	44,298
	248,719	227,551
	10,379	11,807
		67,854
	<u></u>	<u></u>

4 Interest payable

On bank loans and overdrafts

On other loans wholly repayable within 5 years

On loans repayable after 5 years

Lease finance charges and hire purchase interest

On amounts payable to factors

	2000 £	1999 £
	1,294	349
	3,200	93
	5,814	6,149
	19,538	17,823
	66,859	54,720
	<u>96,705</u>	<u>79,134</u>

5 Taxation

U.K. current year taxation

U.K. corporation tax at 20% (1999 - 20%)

Prior years

U.K. corporation tax

	2000 £	1999 £
	17,814	7,876
	(281)	-
	<u>17,533</u>	<u>7,876</u>

SEAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

6 Tangible fixed assets

	Short leasehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2000	79,200	351,077	267,869	160,362	858,508
Additions	11,257	21,311	30,901	17,114	80,583
Disposals	-	-	-	(23,829)	(23,829)
At 31 December 2000	90,457	372,388	298,770	153,647	915,262
Depreciation					
At 1 January 2000	46,360	208,169	179,653	65,767	499,949
On disposals	-	-	-	(16,320)	(16,320)
Charge for the year	8,313	46,019	33,671	31,867	119,870
At 31 December 2000	54,673	254,188	213,324	81,314	603,499
Net book value					
At 31 December 2000	35,784	118,200	85,446	72,333	311,763
At 31 December 1999	32,840	142,908	88,216	94,595	358,559

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Net book values				
At 31 December 2000	40,638	44,131	61,372	146,141
At 31 December 1999	68,582	58,133	82,762	209,477
Depreciation charge for the year				
31 December 2000	11,572	15,463	18,887	45,922
31 December 1999	16,966	16,073	21,173	54,212

SEAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

7 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2000 & at 31 December 2000	179

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Rapid Pump Maintenance Limited	England and Wales	Ordinary	100
Rapid Pumps Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Rapid Pump Maintenance Limited	2	-
Rapid Pumps Limited	2	-

8 Stocks and work in progress

	2000 £	1999 £
Raw materials and consumables	314,522	281,746
Work in progress	43,756	46,322
	<u>358,278</u>	<u>328,068</u>

SEAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

9 Debtors	2000 £	1999 £
Trade debtors	1,146,041	1,144,743
Other debtors	19,266	8,137
Prepayments and accrued income	40,393	42,978
	<u>1,205,700</u>	<u>1,195,858</u>

Factored debts outstanding at the balance sheet date amounted to £1,142,921 (1999 - £1,146,576).

10 Creditors: amounts falling due within one year	2000 £	1999 £
Bank loans and overdrafts	68,517	180,777
Net obligations under finance leases and hire purchase contracts	62,203	64,224
Trade creditors	459,359	503,504
Corporation tax	17,814	7,876
Other taxes and social security costs	239,782	157,655
Directors' current accounts	248	248
Other creditors	644,144	438,075
Accruals and deferred income	35,547	142,580
	<u>1,527,614</u>	<u>1,494,939</u>

The amounts advanced from factors, included in other creditors, at £623,593 (1999 - £418,102), are secured against the book debts of the company.

SEAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

11 Creditors: amounts falling due after more than one year	2000 £	1999 £
Bank loans	53,000	61,461
Other loans	8,716	24,839
Net obligations under finance leases and hire purchase contracts	67,026	105,000
	<u>128,742</u>	<u>191,300</u>
Analysis of loans		
Wholly repayable within five years	87,067	110,201
	<u>87,067</u>	<u>110,201</u>
Included in current liabilities	(25,351)	(23,901)
	<u>61,716</u>	<u>86,300</u>
Loan maturity analysis		
In more than one year but not more than two years	18,716	34,998
In more than two years but not more than five years	43,000	51,302
	<u>61,716</u>	<u>86,302</u>

The bank loan and overdraft are secured by a mortgage debenture in favour of National Westminster Bank plc over the assets of the company and by guarantees from the directors, as follows: C J Knight £88,500, R J Maher £35,250 and K D Williams £26,250.

The bank loan, which bears an interest rate of 3% above base, is repayable by instalments of £1,179 per month.

Net obligations under finance leases and hire purchase contracts

Repayable within one year	78,528	81,828
Repayable between one and five years	86,140	134,625
	<u>164,668</u>	<u>216,453</u>
Finance charges and interest allocated to future accounting periods	(35,439)	(47,229)
	<u>129,229</u>	<u>169,224</u>
Included in liabilities falling due within one year	(62,203)	(64,224)
	<u>67,026</u>	<u>105,000</u>

12 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £ 54,125 (1999 - £ 48,099). No contributions were payable to the fund at the year end.

SEAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

13 Share capital	2000 £	1999 £
Authorised		
1,000 Ordinary shares of £ 1 each	1,000	1,000
Allotted, called up and fully paid		
1,000 Ordinary shares of £ 1 each	1,000	1,000

14 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 January 2000	8,100	189,528
Retained profit for the year	-	21,129
Balance at 31 December 2000	8,100	210,657

15 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the financial year	21,129	9,414
Opening shareholders' funds	198,628	189,214
Closing shareholders' funds	219,757	198,628

16 Financial commitments

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2000 £	1999 £	2000 £	1999 £
Expiry date:				
Within one year	8,000	8,000	37,774	9,928
Between two and five years	17,500	-	74,712	94,185
In over five years	62,000	62,000	-	-
	87,500	70,000	112,486	104,113

SEAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2000

17 Directors' emoluments	2000 £	1999 £
Emoluments for qualifying services	309,910	286,898
Company pension contributions to money purchase schemes	33,139	27,567
	<u>343,049</u>	<u>314,465</u>

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 3 (1999 - 3).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	104,327	96,561
Company pension contributions to money purchase schemes	19,552	15,912
	<u>123,879</u>	<u>112,473</u>

18 Transactions with directors

K Williams has an interest in the ordinary share capital of Comet Pump and Engineering Limited. During the year the company made purchases on normal commercial terms of £27,363 and owed £4,677 at the balance sheet date which is included in trade creditors.

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2000 Number	1999 Number
Manual	40	39
Office and management	28	26
Sales	8	7
	<u>76</u>	<u>72</u>

Employment costs

	£	£
Wages and salaries	1,919,233	1,689,095
Social security costs	187,083	168,605
Other pension costs	54,125	48,099
	<u>2,160,441</u>	<u>1,905,799</u>

SEAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 DECEMBER 2000***

20 Control

The company was under the control of C J Knight, the majority shareholder, throughout the current and previous year.