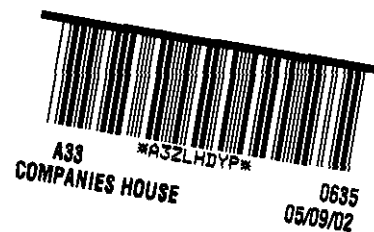


FALMOUTH OIL SERVICES LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2001

Company Registration Number 2856486



dnp

The David Naish Partnership
CHARTERED ACCOUNTANTS

FALMOUTH OIL SERVICES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

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FALMOUTH OIL SERVICES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors C J Walters
P Baines (resigned 23 August 2002)

Company secretary D K Hines-Randle

Registered office The Docks
Falmouth
Cornwall

Auditors The David Naish Partnership
Chartered Accountants
& Registered Auditors
Lawrence House
Lower Bristol Road
Bath

Bankers National Westminster
15 High Street
Bath

FALMOUTH OIL SERVICES LIMITED**THE DIRECTORS' REPORT****YEAR ENDED 31 DECEMBER 2001**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year continued to be the provision of bunkering services to marine vessels through the operation of a bonded oil terminal at Falmouth. The company also operates a maritime agency and a fully licensed slop reception facility, as part of an all inclusive service to vessels calling at Falmouth.

BUSINESS REVIEW

The balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £2,372,808.

On 19 October 2001, the company acquired the trade, fixed assets and stock of Metal Surgery (Wessex) Limited, a supplier of marine and engineering maintenance expertise.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year were as follows:

C J Walters

P Baines (resigned 23 August 2002)

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the financial statements of the parent company.

FIXED ASSETS

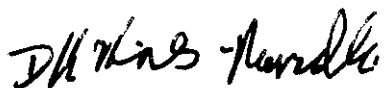
In the opinion of the directors, there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 8.

AUDITORS

A resolution to re-appoint The David Naish Partnership as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors

D K Hines-Randle
Company Secretary



Approved by the directors on 2 September 2002

FALMOUTH OIL SERVICES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2001

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

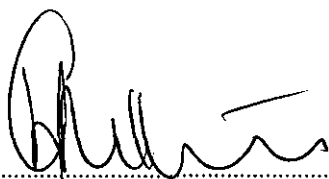
select suitable accounting policies, as described on pages 8 to 9, and then apply them consistently;

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; and

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. The directors 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.

A handwritten signature in black ink, appearing to read 'C J Walters', is written over a horizontal dotted line.

C J Walters
Director

FALMOUTH OIL SERVICES LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER
YEAR ENDED 31 DECEMBER 2001

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 9.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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 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.

We read the directors' report 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.

FUNDAMENTAL UNCERTAINTY

In forming our opinion, we have considered the disclosures made in note 1 of these financial statements concerning the depreciation rate used for the companies major fixed assets - leasehold property and plant and machinery.

The nature of the company's operations is such that the determination of the appropriate useful lives of a number of the companies fixed assets is subjective and the reasonableness of the directors assumptions will only be apparent at some time in the future. Should the remaining useful lives be significantly different then the depreciation charge would be incorrect. Our report is not qualified in this respect.

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 2001 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

The David Naish Partnership

Lawrence House
Lower Bristol Road
Bath

The David Naish Partnership
Chartered Accountants
& Registered Auditors

3rd Sept 2002

FALMOUTH OIL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2001

	Note	2001	2000 <i>restated</i>
		£	£
TURNOVER			
Continuing operations		6,241,414	6,218,161
Acquisitions		<u>39,596</u>	<u>-</u>
		6,281,010	6,218,161
Cost of sales	3	<u>(5,133,436)</u>	<u>(5,242,442)</u>
GROSS PROFIT		1,147,574	975,719
Net operating expenses	3	<u>884,086</u>	<u>731,743</u>
OPERATING PROFIT:	5		
Continuing operations		265,634	243,976
Acquisitions		<u>(2,146)</u>	<u>-</u>
		263,488	243,976
Interest receivable		456	21,912
Interest payable	7	<u>(97,003)</u>	<u>(124,097)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		166,941	141,791
Tax on profit on ordinary activities		-	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		166,941	141,791
Balance brought forward		<u>1,205,867</u>	<u>1,064,076</u>
Balance carried forward		<u>1,372,808</u>	<u>1,205,867</u>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

FALMOUTH OIL SERVICES LIMITED

BALANCE SHEET

31 DECEMBER 2001

	Note	2001	2000 <i>restated</i>
		£	£
FIXED ASSETS			
Tangible assets	8	3,960,457	3,620,489
Investments	9	<u>10,105</u>	<u>10,105</u>
		3,970,562	3,630,594
CURRENT ASSETS			
Stocks	10	90,845	91,362
Debtors	11	907,088	1,076,026
Cash at bank		<u>96,732</u>	<u>109,550</u>
		1,094,665	1,276,938
CREDITORS: Amounts falling due within one year	12	<u>(1,826,768)</u>	<u>(1,818,526)</u>
NET CURRENT LIABILITIES		(732,103)	(541,588)
TOTAL ASSETS LESS CURRENT LIABILITIES		3,238,459	3,089,006
CREDITORS: Amounts falling due after more than one year	13	<u>(865,651)</u>	<u>(883,139)</u>
		2,372,808	2,205,867
CAPITAL AND RESERVES			
Called-up equity share capital	17	1,000,000	1,000,000
Profit and Loss Account		<u>1,372,808</u>	<u>1,205,867</u>
SHAREHOLDER'S FUNDS	18	2,372,808	2,205,867

These financial statements were approved by the directors on the 2 September 2002 and are signed on their behalf by:



C J Walters
Director

FALMOUTH OIL SERVICES LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2001

	Note	2001	2000 <i>restated</i>
		£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	19	498,370	379,851
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		456	21,912
Interest paid		(94,728)	(119,992)
Interest element of hire purchase		(2,275)	(4,105)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(96,547)	(102,185)
TAXATION		1,422	-
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(624,377)	(613,919)
Receipts from sale of fixed assets		37,166	212,792
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(587,211)	(401,127)
ACQUISITIONS AND DISPOSALS			
CASH OUTFLOW BEFORE FINANCING		(183,966)	(123,461)
FINANCING			
Repayment of bank loans		12,433	20,383
Capital element of hire purchase		(7,183)	90,956
Net inflow from other long-term creditors		18,000	45,823
NET CASH INFLOW FROM FINANCING		23,250	157,162
(DECREASE)/INCREASE IN CASH	20	(160,716)	33,701

The notes on pages 8 to 16 form part of these financial statements.

FALMOUTH OIL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES

Basis of accounting

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

The company is exempt under s248 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- 50 years
Plant & Machinery	- between 4 and 50 years
Barges	- 10 years

Capital expenditure funded from grants received is capitalised. The amount capitalised is then reduced by the amount of the grant received. The directors consider that this treatment, although not in accordance with Financial Reporting Standard 15, reflects a more true and fair disclosure of the transaction.

The directors have carefully considered the remaining useful lives of the assets and concluded that it is appropriate to write off assets over the periods disclosed above. The directors acknowledge that the company's operations are of such a nature that the reasonableness of the directors assumptions will only be apparent at some time in the future.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Pension costs

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

FALMOUTH OIL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES (*continued*)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Gains and losses on translation are included in the profit and loss account.

2. PRIOR YEAR ADJUSTMENT

The comparative figures for turnover and cost of sales have both been reduced by £90,236 to remove internally invoiced transactions between divisions of the company. No profit or loss has been recognised on these transactions therefore no adjustment is required to the company's opening reserves.

3. ANALYSIS OF COST OF SALES AND NET OPERATING EXPENSES

	Continuing Operations £	Acquired Operations £	Total £
YEAR ENDED 31 DECEMBER 2001			
Cost of sales	<u>5,105,838</u>	<u>27,598</u>	<u>5,133,436</u>
Administrative expenses	876,430	14,144	890,574
Other operating income (Note 4)	(6,488)	-	(6,488)
Net operating expenses	<u>869,942</u>	<u>14,144</u>	<u>884,086</u>
YEAR ENDED 31 DECEMBER 2000 <i>RESTATED</i>			
Cost of sales	<u>5,242,442</u>	-	<u>5,242,442</u>
Administrative expenses	738,643	-	738,643
Other operating income (Note 4)	(6,900)	-	(6,900)
Net operating expenses	<u>731,743</u>	-	<u>731,743</u>

4. OTHER OPERATING INCOME

	2001 £	2000 <i>restated</i> £
Rent receivable	<u>6,488</u>	<u>6,900</u>

5. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2001 £	2000 <i>restated</i> £
Directors' emoluments	-	-
Depreciation	249,171	200,809
Profit on disposal of fixed assets	(1,928)	(369)
Auditors' remuneration		
- as auditors	<u>12,000</u>	<u>13,700</u>

FALMOUTH OIL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

6. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2001	2000 <i>restated</i>
	No.	No.
Number of distribution staff	30	30
Number of administrative staff	8	7
Number of sales staff	2	2
	<u>40</u>	<u>39</u>

The aggregate payroll costs of the above were:

	2001	2000 <i>restated</i>
	£	£
Wages and salaries	634,591	598,023
Social security costs	57,897	71,170
Other pension costs	10,623	17,657
	<u>703,111</u>	<u>686,850</u>

The company operates a defined contribution 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 £18,567 (2000 £17,657) including contributions in respect of employees.

Contributions totalling £3,434 (2000 £5,918) were payable to the fund at 31 December 2001 and are included in creditors.

7. INTEREST PAYABLE

	2001	2000 <i>restated</i>
	£	£
Interest payable on bank borrowing	62,724	61,380
Finance charges	2,275	4,105
Other similar charges payable	32,004	58,612
	<u>97,003</u>	<u>124,097</u>

FALMOUTH OIL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

8. TANGIBLE FIXED ASSETS

	Leasehold Property	Plant & Machinery	Barges	
	£	£	£	£
COST				
At 1 January 2001	537,690	3,821,318	127,772	4,486,780
Additions	-	624,377	-	624,377
Disposals	-	(95,119)	-	(95,119)
At 31 December 2001	<u>537,690</u>	<u>4,350,576</u>	<u>127,772</u>	<u>5,016,038</u>
DEPRECIATION				
At 1 January 2001	9,290	787,283	69,718	866,291
Charge for the year	1,401	241,765	6,005	249,171
On disposals	-	(59,881)	-	(59,881)
At 31 December 2001	<u>10,691</u>	<u>969,167</u>	<u>75,723</u>	<u>1,055,581</u>
NET BOOK VALUE				
At 31 December 2001	<u>526,999</u>	<u>3,381,409</u>	<u>52,049</u>	<u>3,960,457</u>
At 31 December 2000	<u>528,400</u>	<u>3,034,035</u>	<u>58,054</u>	<u>3,620,489</u>

Hire purchase agreements

Included within the net book value of £3,960,457 is £210,422 (2000 - £189,856) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £36,214 (2000 - £20,304).

9. INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2001 and 31 December 2001	<u>15,000</u>
AMOUNTS WRITTEN OFF	
At 1 January 2001 and 31 December 2001	<u>4,895</u>
NET BOOK VALUE	
At 31 December 2001	<u>10,105</u>
At 31 December 2000	<u>10,105</u>

FALMOUTH OIL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

9. INVESTMENTS *(continued)*

Subsidiary undertaking	Country of incorporation	Principle activity	Class and percentage of shares held
Tamlyn Shipping Limited	England and Wales	Dormant	100% ordinary
Falcon Oil Services Limited	England and Wales	Dormant	100% ordinary

Financial information in respect of the above companies is as follows:

	Aggregate amount of capital and reserves	Result for the year
Tamlyn Shipping Limited	10,105	-
Falcon Oil Services Limited	(24,532)	-

In the directors' opinion the investments in, and amounts due from, the company's subsidiary undertakings are worth at least the amount at which they are stated in the balance sheet.

10. STOCKS

	2001	2000 <i>restated</i>
	£	£
Raw materials	<u>90,845</u>	<u>91,362</u>

Stock consists of fuel oil, lubricating oil and waste oil.

11. DEBTORS

	2001	2000 <i>restated</i>
	£	£
Trade debtors	559,051	691,992
Other debtors	109,937	198,545
Prepayments and accrued income	238,100	185,489
	<u>907,088</u>	<u>1,076,026</u>

12. CREDITORS: Amounts falling due within one year

	2001	2000 <i>restated</i>
	£	£
Bank loans and overdrafts	207,783	33,103
Trade creditors	745,153	950,296
Amounts owed to group undertakings	292,677	508,933
Hire purchase agreements	64,642	50,686
Other creditors	76,974	51,803
Accruals and deferred income	439,539	223,705
	<u>1,826,768</u>	<u>1,818,526</u>

FALMOUTH OIL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

13. CREDITORS: Amounts falling due after more than one year

	2001	2000 <i>restated</i>
	£	£
Bank loans and overdrafts	736,226	750,575
Hire purchase agreements	65,602	86,741
Other creditors	63,823	45,823
	<u>865,651</u>	<u>883,139</u>

The bank has given various bonds, guarantees and indemnities totalling £280,000. These together with the bank loan is secured by a mortgage debenture dated 24 April 1999 over the fixed and floating assets of the company, limited to £230,000 and a personal guarantee of £80,000 from C J Walters dated 20 December 1999.

14. CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows:

	2001	2000 <i>restated</i>
	£	£
In one year or less, or on demand	207,783	33,103
Between one and two years	18,754	33,103
In five years or more	753,295	763,295
	<u>979,832</u>	<u>829,501</u>

15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2001	2000 <i>restated</i>
	£	£
Amounts payable within 1 year	64,642	50,686
Amounts payable between 1 and 2 years	65,602	86,741
	<u>130,244</u>	<u>137,427</u>

FALMOUTH OIL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

16. RELATED PARTY TRANSACTIONS

Garraf Limited, the holding company, charged a management fee of £103,000 (2000 £66,000). The amount outstanding at the year end was £299,604 (2000 £389,813) of which £103,000 (2000 £66,000) is included within accruals. The company also owed £7,151 (2000 £7,151) to its dormant subsidiary Tamlyn Shipping Limited.

The company made waste oil sales totalling £233,296 (2000 £204,241) to Docolon Holdings Limited, a company in which Garraf Limited owns 24% (2000 24%) of the issued share capital. During the year the company paid tank cleaning fees of £Nil (2000 £31,702) to Docolon Holdings Limited.

During the year the company paid consultancy fees of £12,000 (2000 £Nil) to Strickland Clarke Limited, a company of which P Baines is a director. Strickland Clarke Limited and Falmouth Oil Services Limited are both ultimately controlled by R Baines. Falmouth Oil Services Limited owed £4,117 (2000 £Nil) at the year end. All transactions were entered into on normal commercial terms.

Creditors due after one year includes £717,472 (2000 £717,472) of overdrafts assigned to the shareholders of Garraf Limited. £239,175 (2000 £239,157) of this balance is owed to the director C J Walters and £478,297 (2000 £478,297) to Zilva Corporation (see note 22).

Creditors due after more than one year includes £35,823 (2000 £45,823) of working capital loans from the shareholders of Garraf Limited. A repayment of £10,000 was made to the director C J Walters during the year. Repayments made to the other shareholders are disclosed in the accounts of Garraf Limited.

During the year the Zilva corporation advanced funds to Falmouth Oil Services Limited. At 31 December 2001, Zilva Corporation was owed £88,922 (2000 £177,969).

17. SHARE CAPITAL**Authorised share capital:**

	2001	2000 <i>restated</i>
	£	£
1,000,000 Ordinary shares of £1.00 each	1,000,000	1,000,000
1,000,000 Preference shares of £1.00 each	1,000,000	1,000,000
	<u>2,000,000</u>	<u>2,000,000</u>

Allotted, called up and fully paid:

	2001	2000 <i>restated</i>
	£	£
Ordinary share capital	<u>1,000,000</u>	<u>1,000,000</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2001	2000 <i>restated</i>
	£	£
Profit for the financial year	166,941	141,791
Opening shareholder's equity funds	2,205,867	2,064,076
Closing shareholder's equity funds	<u>2,372,808</u>	<u>2,205,867</u>

FALMOUTH OIL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

**19. RECONCILIATION OF OPERATING PROFIT TO
NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2001	2000 <i>restated</i>
	£	£
Operating profit	263,488	243,976
Depreciation	249,171	200,809
Profit on disposal of fixed assets	(1,928)	(369)
Decrease/(Increase) in stocks	517	(22,198)
Decrease/(Increase) in debtors	168,938	(294,613)
(Decrease)/Increase in creditors	(181,816)	252,246
	<u>498,370</u>	<u>379,851</u>
Net cash inflow from operating activities	<u>498,370</u>	<u>379,851</u>

20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2001		2000	
	£	£	£	£
(Decrease)/Increase in cash in the period	(160,716)		33,701	
Net cash inflow from bank loans	(12,433)		(20,383)	
Cash outflow in respect of hire purchase	7,183		(90,956)	
Net cash inflow from other long-term creditors	<u>(18,000)</u>		<u>(45,823)</u>	
	<u>(183,966)</u>			(123,461)
Change in net debt	<u>(183,966)</u>			(123,461)
Net debt at 1 January 2001	<u>(857,378)</u>			(733,919)
Net debt at 31 December 2001	<u>(1,041,344)</u>			<u>(857,378)</u>

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2001	Cash flows	At 31 Dec 2001
	£	£	£
Net cash:			
Cash in hand and at bank	109,550	(12,818)	96,732
Overdrafts	-	(147,898)	(147,898)
	<u>109,550</u>	<u>(160,716)</u>	<u>(51,166)</u>
Debt:			
Debt due within 1 year	(33,103)	(26,782)	(59,885)
Debt due after 1 year	(796,398)	(3,651)	(800,049)
Hire purchase agreements	(137,427)	7,183	(130,244)
	<u>(966,928)</u>	<u>(23,250)</u>	<u>(990,178)</u>
Net debt	<u>(857,378)</u>	<u>(183,966)</u>	<u>(1,041,344)</u>

22. ULTIMATE PARENT COMPANY

The parent company is Garraf Limited and the ultimate holding company at the year end was Zilva Corporation (incorporated in the Bahamas). Since 23 August 2002 the ultimate parent company has been Garraf Limited (note 23).

FALMOUTH OIL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

23. ULTIMATE CONTROLLING PARTY

At the year end the company was ultimately controlled by Mr R Baines. Since 23 August 2002 the company has been ultimately controlled by the director C J Walters, who undertook day to day control of the business throughout the year.