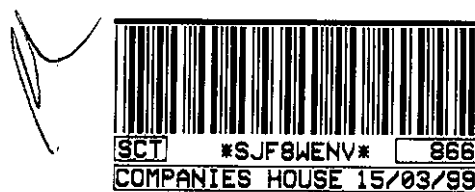


Deutag Overseas (Curacao) N.V.
Annual report
for the year ended 30 September 1997

Registered no: F000612



Deutag Overseas (Curacao) N.V.



**Annual report
for the year ended 30 September 1997**

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Profit and loss account for the year ended 30 September 1997

		1997 £	1996 £
Operating profit		693,266	4,719,031
Interest receivable		168,958	122,195
		<u>862,224</u>	<u>4,841,226</u>
Interest payable		16,184	31,985
		<u>846,040</u>	<u>4,809,241</u>
Profit on ordinary activities before taxation	2	846,040	4,809,241
Tax on profit on ordinary activities		445,000	1,650,510
		<u>401,040</u>	<u>3,158,751</u>
Profit on ordinary activities after taxation		401,040	3,158,751
Balance brought forward		3,158,731	2,303,507
		<u>3,559,771</u>	<u>5,462,238</u>
Dividends	3	3,158,731	2,303,507
		<u>401,040</u>	<u>3,158,731</u>
Balance carried forward		<u>401,040</u>	<u>3,158,731</u>

All items dealt with in arriving at the operating profit for 1997 and 1996 relate to continuing operations.


The company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

Balance sheet at 30 September 1997

	Notes	1997 £	1996 £
Fixed assets			
Intangible assets	4	65,466	77,784
Tangible assets	5	224,070	392,169
		<u>289,536</u>	<u>469,953</u>
Current assets			
Stocks	6	1,805,607	490,486
Debtors	7	12,015,968	13,107,947
Cash at bank and in hand		338,049	2,028,956
		<u>14,159,624</u>	<u>15,627,389</u>
Creditors: amounts falling due within one year	8	14,036,885	12,927,376
Net current assets		<u>122,739</u>	<u>2,700,013</u>
Net assets		<u>412,275</u>	<u>3,169,966</u>
Capital and reserves			
Called up share capital	9	11,235	11,235
Profit and loss account		401,040	3,158,731
Equity shareholders funds	10	<u>412,275</u>	<u>3,169,966</u>

The financial statements on pages 1 to 8 were approved by the board of directors on 30 October 1998 and were signed on its behalf by:


K. G. Schneider
Director

Cash flow statement for the year ended 30 September 1997

	Notes	1997 £	1996 £
Net cash inflow from continuing operating activities	11	<u>2,883,479</u>	<u>4,730,370</u>
Returns on investments and servicing of finance			
Interest received		168,958	122,195
Interest paid		<u>(16,184)</u>	<u>(31,985)</u>
Net cash inflow from returns on investments and servicing of finance		<u>152,774</u>	<u>(2,213,297)</u>
Taxation			
United Kingdom corporation tax paid		<u>(1,635,531)</u>	<u>(950,632)</u>
Capital expenditure			
Purchase of tangible fixed assets		(77,429)	(32,835)
Sale of tangible fixed assets		155,631	219,713
Purchase of intangible fixed assets		<u>(11,100)</u>	<u>(76,031)</u>
Net cash inflow from capital expenditure		<u>67,102</u>	<u>110,847</u>
Equity dividends paid		<u>(3,158,731)</u>	<u>(2,303,507)</u>
Increase/(decrease) in cash	12	<u><u>(1,690,907)</u></u>	<u><u>1,677,288</u></u>

Notes to the financial statements for the year ended 30 September 1997

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The Company has taken advantage of certain of the exemptions from disclosure that are set out in the Oversea Companies (Accounts) (Modifications and Exemptions) Order 1990. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Tangible and intangible fixed assets

The cost of tangible and intangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets and intangible fixed assets, less their estimated residual values, using both the straight line and reducing balance basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Freehold buildings	2
Plant and machinery	10 - 33
Motor vehicles	10 - 33
Office equipment	10 - 33
Computer software	33

Finance and operating leases

Operating and finance leases are recorded by charging the full amount of instalments payable in the accounting period to the profit and loss account. The amounts payable under finance leases are not material.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

2 Profit on ordinary activities before taxation

	1997 £	1996 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
(Loss)/profit on disposal of tangible fixed assets	(4,876)	121,491
Gain/(loss) on exchange	(111,106)	103,418
Directors emoluments	-	-
Other pension costs	1,183,792	1,273,063
Depreciation charge for the year:		
Intangible fixed assets	23,418	20,934
Tangible fixed assets	85,021	82,084
Auditors' remuneration	22,000	19,000
Hire of plant and machinery - operating leases	3,053,824	2,563,033

3 Dividends

At the annual general meeting of shareholders held in 1997, a dividend of £3,158,731 was declared and paid.

4 Intangible fixed assets

	Computer software £
Cost	
At 1 October 1996	160,820
Additions	11,100
At 30 September 1997	171,920
Depreciation	
At 1 October 1996	83,036
Charge for year	23,418
At 30 September 1997	106,454
Net book value	
At 30 September 1997	65,466
At 30 September 1996	77,784

5 Tangible fixed assets

	Heritable land and buildings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
Cost					
At 1 October 1996	324,508	1,622,768	453,173	24,184	2,424,633
Additions	-	-	77,429	-	77,429
Disposals	(178,940)	(220,842)	(8,479)	-	(408,261)
At 30 September 1997	145,568	1,401,926	522,123	24,184	2,093,801
Depreciation					
At 1 October 1996	50,759	1,575,387	382,134	24,184	2,032,464
Charge for year	4,402	18,805	61,814	-	85,021
Disposals	(18,473)	(220,842)	(8,439)	-	(247,754)
At 30 September 1997	36,688	1,373,350	435,509	24,184	1,869,731
Net book value					
At 30 September 1997	108,880	28,576	86,614	-	224,070
At 30 September 1996	273,749	47,381	71,039	-	392,169

6 Stocks

	1997 £	1996 £
Raw materials and consumables	153,832	142,153
Work in progress	1,651,775	348,333
	1,805,607	490,486

7 Debtors

	1997 £	1996 £
Trade debtors	11,159,060	12,019,235
Other debtors	707,362	1,048,317
Prepayments and accrued income	128,150	40,395
Amounts owed by group undertakings	21,396	-
	12,015,968	13,107,947

8 Creditors: amounts falling due within one year

	1997 £	1996 £
Trade creditors	7,366,684	6,576,899
Amounts owed to group undertakings	3,296,814	1,967,632
Corporation tax	451,398	1,641,929
Other taxation and social security	342,841	387,854
Accruals and deferred income	2,579,148	2,353,062
	<u>14,036,885</u>	<u>12,927,376</u>

9 Called up share capital

	1997 £	1996 £
Authorised 1,000 shares of US\$100 each		
Allotted, called up and fully paid 200 shares of US\$100 each	<u>11,235</u>	<u>11,235</u>

10 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial year	401,040	3,158,731
Dividends	(3,158,731)	(2,303,507)
Opening shareholders' funds	<u>3,169,966</u>	<u>2,314,742</u>
Closing shareholders' funds	<u>412,275</u>	<u>3,169,966</u>

11 Reconciliation of operating profit to net cash inflow from operating activities

	1997 £	1996 £
Operating profit	693,266	4,719,031
Depreciation on intangible and tangible fixed assets	108,439	103,018
Loss/(gain) on sale of tangible fixed assets	4,876	(121,491)
(Increase)/decrease in stocks	(1,315,121)	(192,637)
Decrease/(increase) in trade debtors	860,175	(1,935,021)
Decrease/(increase) in other debtors	340,955	(557,918)
Decrease/(increase) in prepayments and accrued income	(87,755)	226,609
(Increase)/decrease in amount owed by group undertakings	(21,396)	21,055
Increase in trade creditors	789,785	3,911,548
Increase/(decrease) in amounts owed to group undertakings	1,329,182	358,492
(Decrease)/increase in other tax and social security	(45,013)	6,124
(Decrease)/increase in accruals and deferred income	226,086	(1,808,440)
Net cash inflow from operating activities	<u>2,883,479</u>	<u>4,730,370</u>

12 Movements in net funds

	1997 £	1996 £
Cash at bank and in hand		
At 1 October	2,028,956	351,668
Net cash (outflow)/inflow	(1,690,907)	1,677,288
At 30 September	<u>338,049</u>	<u>2,028,956</u>

13 Capital commitments

	1997 £	1996 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	-

14 Financial commitments

At 30 September 1997 the company had annual commitments under non-cancellable operating leases as follows:-

operating leases as follows:-				
		1997		1996
	Land and buildings £	Other £	Land and buildings £	Other £
Expiring within one year	-	-	-	27,833
Expiring between two and five years inclusive	-	19,716	-	22,432
Expiring in over five years	222,500	-	222,500	-
	<u>222,500</u>	<u>19,716</u>	<u>222,500</u>	<u>50,265</u>

15 Pension and similar obligations

The company's pension scheme is a defined contribution scheme. The amount charged in the accounts is the total of contributions payable to the scheme in the period, as disclosed in note 2.