



BDO Stoy Hayward
Chartered Accountants

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GIBSON GAS TANKERS LIMITED

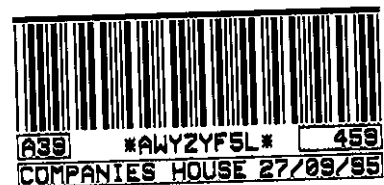
**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

**for the year ended
31 December 1994**

Company Number 894207

BDO Stoy Hayward firms also in the South East, Ayr, Bacup, Belfast, Birmingham, Bristol, Bury St. Edmunds, Cardiff, Edinburgh, Glasgow, Leeds, Manchester, Newcastle-upon-Tyne, Newmarket, Norwich, Nottingham, Peterborough, Poole, Rochdale, Saltcoats, Sheffield, Southampton, Stranraer, Sunderland and Wolverhampton.

BDO Stoy Hayward – South East Firm
Offices in London, Bromley, Chelmsford, Epsom, Newbury, Reading, Richmond, Ware and Wembley



DIRECTORS

T.R. Lowry (Chairman)
W.H.G. Mathison

SECRETARY

G.S. Rae

REGISTERED OFFICE

Carmelite
50 Victoria Embankment
Blackfriars
London EC4Y 2LS

AUDITORS

BDO Stoy Hayward
Ballantine House
168 West George Street
Glasgow G2 2PT

GIBSON GAS TANKERS LIMITED**DIRECTORS' REPORT****for the year ended 31 December 1994**

FINANCIAL STATEMENTS

The directors present their report and the financial statements of the company for the year ended 31 December 1994.

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

- (1) select suitable accounting policies and then apply them consistently;
- (2) make judgements and estimates that are reasonable and prudent;
- (3) 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 maintaining 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.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity is ship owning and operating.

During the year, ship operations were carried out by a subsidiary undertaking.

RESULTS AND DIVIDENDS

The profit for the year after taxation was US\$5,489,719.

The directors do not recommend the payment of a dividend, and the profit for the year has been transferred to reserves.

FIXED ASSETS

Details of movements in fixed assets during the year are set out in notes 6 and 7 to the financial statements.

FUTURE DEVELOPMENTS

All ship owning activities have been transferred to a subsidiary undertaking as from 31 December 1994.

GIBSON GAS TANKERS LIMITED

DIRECTORS' REPORT
for the year ended 31 December 1994

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year, none of whom had a beneficial interest in the share capital, were as follows:

T.R. Lowry (Chairman)
W.H.G. Mathison

Neither director at 31 December 1994 had any interest in the share capital of any other group undertakings at that date.

AUDITORS

The auditors, BDO Binder Hamlyn, changed their name on 1 October 1994 to BDO Stoy Hayward and, accordingly, have signed their audit report in their new name. BDO Stoy Hayward offer themselves for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report was approved by the Board on 21 April 1995.



G.S. RAE
Secretary

AUDITORS' REPORT
to the members of Gibson Gas Tankers Limited

We have audited the financial statements on pages 5 to 12 which have been prepared on the basis of the accounting policies set out on pages 7 and 8.

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 statements and to report our opinion to you.

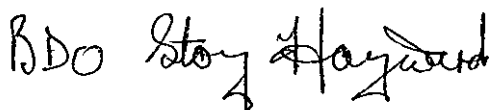
Basis of opinion

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 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
Registered Auditors

21 April 1995

GIBSON GAS TANKERS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1994

	Notes	1994 US\$	1993 US\$
Turnover	2	593,213	652,398
Cost of sales		<u>(676,664)</u>	<u>(652,398)</u>
Gross loss		(83,451)	-
Exceptional items		3,284	(274,332)
Administrative expenses		<u>(3,238)</u>	<u>(3,085)</u>
Operating loss	3	(83,405)	(277,417)
Loss on disposal of tangible fixed assets		<u>(201,109)</u>	<u>-</u>
Loss on ordinary activities before taxation		(284,514)	(277,417)
Tax on loss on ordinary activities	5	<u>5,774,233</u>	<u>419,249</u>
Profit for the year transferred to reserves	12	<u>5,489,719</u>	<u>141,832</u>

All trading represents operations which ceased on 31 December 1994.

Recognised gains and losses

There are no recognised gains and losses other than the profit on ordinary activities after tax shown above.

GIBSON GAS TANKERS LIMITED

BALANCE SHEET

as at 31 December 1994

	Notes	US\$	1994 US\$	1993 US\$
FIXED ASSETS				
Tangible assets	6		-	10,516,281
Investments	7		<u>2,453,271</u>	<u>2,465,619</u>
			<u>2,453,271</u>	<u>12,981,900</u>
CURRENT ASSETS				
Debtors	8	21,249,850		8,068,088
Cash at bank and in hand		<u>152</u>		<u>105</u>
		21,250,002		8,068,193
CREDITORS: amounts falling due within one year	9	<u>(8,145,620)</u>		<u>(10,163,960)</u>
Net current assets/(liabilities)			<u>13,104,382</u>	<u>(2,095,767)</u>
Total assets less current liabilities			15,557,653	10,886,133
PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred taxation	10		-	(818,199)
			<u>15,557,653</u>	<u>10,067,934</u>
CAPITAL AND RESERVES				
Called up share capital	11		193,000	193,000
Share premium account	12		4,342,500	4,342,500
Other reserves	12		376,500	376,500
Profit and loss account	12		<u>10,645,653</u>	<u>5,155,934</u>
Equity shareholders' funds			<u>15,557,653</u>	<u>10,067,934</u>

The financial statements on pages 5 to 12 were approved by the Board on 21 April 1995.

T.R. LOWRY..........Director

W.H.G. MATHISON..........Director

GIBSON GAS TANKERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994**

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of preparation

The financial statements of the company are presented in US Dollars in consideration of the fact that the majority of its earnings and the valuation of its assets are made in US Dollars.

The translation of the financial statements from Sterling to US Dollars has been prepared as follows:

Fixed assets have been translated at the rate ruling at date of acquisition. Non-US Dollar current assets and liabilities have been translated at the rate ruling at the balance sheet date. Share capital and share premium have been translated at the rate ruling at 31 December 1990.

Depreciation

Depreciation is calculated to write off the cost of ships over their anticipated useful lives to estimated scrap value on a straight line basis over 15 to 25 years.

Deferred taxation

Provision is made for deferred taxation only to the extent that, in the opinion of the directors, a liability is expected to arise in the foreseeable future.

Unutilised advance corporation tax payable on dividends is set-off against deferred taxation in the balance sheet, to the extent that it can be recovered on the reversal of timing differences. Advance corporation tax not foreseeably recoverable is written off to the profit and loss account.

Foreign currencies

Assets and liabilities in foreign currencies are translated at the rate ruling at the balance sheet date or at remittance rates where applicable. Realised profits and losses are included in the profit and loss account as they arise.

GIBSON GAS TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

Group accounts

The company has not prepared group accounts as it is exempt from the requirement to do so by Section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Anchor Holdings PLC, a company registered in England and Wales, and is included in the consolidated accounts of that company.

2. TURNOVER

Turnover represents amounts receivable for ship hires and ship operating. All turnover was generated within the United Kingdom.

3. OPERATING LOSS

Operating loss before exceptional items is stated after charging:

	1994 US\$	1993 US\$
Depreciation: owned fixed assets	676,664	652,398
Auditors' remuneration	<u>3,129</u>	<u>2,960</u>
Exceptional items included in operating loss:	US\$	US\$
Accelerated depreciation on ship	-	333,091
Foreign exchange losses/(gains)	115,076	(58,759)
Release of provision against Stock Incentive Scheme	<u>(118,360)</u>	<u>-</u>

4(a) DIRECTORS

Emoluments	1994 US\$	1993 US\$
The emoluments of directors of the company were:		
Remuneration as executives (including pension contributions and benefits-in-kind)	<u>122,381</u>	<u>103,636</u>

Bandings

Fees and other emoluments disclosed above (excluding pension contributions) include amounts paid to:

The chairman	nil	nil
The highest-paid director	<u>111,254</u>	<u>96,120</u>

Directors' emoluments have been translated at the rate ruling at the year end.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

4(b) STAFF COSTS

Persons engaged in the company's business are employed by a subsidiary undertaking.

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	1994 US\$	1993 US\$
Based on the loss for the year:		
Deferred taxation at 33%	(2,879,228)	(221,376)
Group relief at 33%	-	165,519
	(2,879,228)	(55,857)
Adjustments in respect of prior years:		
Corporation tax	(404,537)	-
Deferred taxation	47,007	(363,392)
Group relief	(2,537,475)	-
	(5,774,233)	(419,249)

Provision was made in prior years for payment in respect of group relief. The adjustment in respect of prior years group relief represents payments which has been waived.

6. TANGIBLE FIXED ASSETS

	Ships US\$
Cost	
1 January 1994	29,344,475
Additions	326,603
Disposals - third party	(6,626,849)
- inter-group	(23,044,229)
31 December 1994	-
Depreciation	
1 January 1994	18,828,194
Charge for the year	676,664
Disposals - third party	(6,348,734)
- inter-group	(13,156,124)
31 December 1994	-
Net book value	
31 December 1994	-
31 December 1993	10,516,281

7. INVESTMENTS

	1994 US\$	1993 US\$
Subsidiary undertakings	2,440,620	2,452,968
Other investments	12,651	12,651
	<u>2,453,271</u>	<u>2,465,619</u>

GIBSON GAS TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

7. INVESTMENTS continued

Investment in subsidiary undertakings	Shares US\$
Cost	
1 January 1994	2,913,628
Disposals/repayments	(12,348)
31 December 1994	<u>2,901,280</u>
Provision	
1 January 1994 and 31 December 1994	<u>460,660</u>
Net book value	
31 December 1994	<u>2,440,620</u>
31 December 1993	<u>2,452,968</u>

Details of the principal subsidiary undertakings, all of which are wholly-owned, at the balance sheet date are as follows:

Name of company and business	Class of shares	Country of incorporation or registration
Anchor Orient Holdings Limited Corporate holdings	Ordinary	* Jersey
George Gibson and Company Limited Shipping	Ordinary	* Scotland
Runciman Shipping Limited Staff administration	Ordinary	* England
Galle Investments Limited Corporate holdings	Ordinary	* Bermuda
Orient Management Limited Shore terminal management	Ordinary	* Jersey
Fort Shipping Limited Shipping	Ordinary	Sri Lanka
Fort Shipping Offshore Private Limited Shipping	Ordinary	Sri Lanka
Gas Shipping and Transport (Jersey) Limited Shipping	Ordinary	Jersey

* Direct subsidiary undertakings of Gibson Gas Tankers Limited.

(a) Ten subsidiary undertakings which were not material at the end of the financial year have been omitted from the above list.

(b) The directors consider, that the aggregate value of the interest in subsidiary undertakings consisting of shares in and amounts due by subsidiary undertakings, is not less than the aggregate of the amounts at which those assets are stated in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

7. INVESTMENTS continued

Other investments

Cost

1 January 1994 and 31 December 1994

US\$

12,651

8. DEBTORS

1994

US\$

1993

US\$

Amounts owed by parent undertaking and fellow
subsidiary undertakings

2,537,475

-

Amounts owed by subsidiary undertakings

18,711,225

8,067,001

Taxation recoverable

1,1501,08721,249,8508,068,088

9. CREDITORS: amounts falling due within one year

1994

US\$

1993

US\$

Amounts owed to parent undertaking and fellow
subsidiary undertakings

6,175,677

7,913,996

Amounts owed to subsidiary undertakings

1,807,167

1,595,114

Corporation tax

159,647

533,531

Accruals and deferred income

3,129121,3198,145,62010,163,960

10. DEFERRED TAX

Deferred tax provided in the financial statements, and the total potential tax liability including the amounts for which provision has been made, are as follows:

	Provided		Potential	
	1994	1993	1994	1993
	US\$	US\$	US\$	US\$
Accelerated capital allowances	-	2,722,798	-	2,722,798
ACT available for offset	-	(1,904,599)	-	(1,904,599)
	<u>-</u>	<u>818,199</u>	<u>-</u>	<u>818,199</u>

GIBSON GAS TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

11. SHARE CAPITAL

Authorised and allotted
share capital

	Authorised		Allotted, called up and fully paid	
	1994	1993	1994	1993
	Number	Number	US\$	US\$
£1 Ordinary	<u>100,000</u>	<u>100,000</u>	<u>193,000</u>	<u>193,000</u>

12. RESERVES

	Share premium US\$	Other reserves US\$	Profit and loss account US\$
1 January 1994	4,342,500	376,500	5,155,934
Retained profit for the year	-	-	<u>5,489,719</u>
31 December 1994	<u>4,342,500</u>	<u>376,500</u>	<u>10,645,653</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1994 US\$	1993 US\$
Profit for the year	5,489,719	141,832
Opening shareholders' funds	<u>10,067,934</u>	<u>9,926,102</u>
	<u>15,557,653</u>	<u>10,067,934</u>

14. CONTINGENT LIABILITIES

- (a) The company is a party to a value added tax group election and is jointly and severally liable for the value added tax of the members of the group.
- (b) Uncalled share capital by a subsidiary undertaking amounted to U.S.\$7,000 (1993 - U.S.\$7,000).

15. ULTIMATE PARENT COMPANY

The directors regard Anchor Holdings PLC, a company registered in England and Wales, as the company's ultimate parent company.

Anchor Holdings PLC is the parent undertaking of the largest group of which the company is a member, and for which group accounts are drawn up. The smallest such group is Anchor Line PLC. Both companies are registered in England and Wales. Copies of their accounts may be obtained from the Registrar of Companies.