

9/25/05

Gibson Gas Tankers Limited

Report and Financial Statements

Year Ended

31 December 2004



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COMPANIES HOUSE 04/08/05

IBDO
BDO Stoy Hayward
Chartered Accountants

Gibson Gas Tankers Limited

Annual report and financial statements for the year ended 31 December 2004

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Directors

C.D. Spencer-Payne
A.C. Eitzen
J.E. Hughes
A.H. Rasmussen

Secretary and registered office

G.S. Rae, Carmelite, 50 Victoria Embankment, Blackfriars, London EC4Y 2LS

Company number

894207

Auditors

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

Gibson Gas Tankers Limited

Report of the directors for the year ended 31 December 2004

The directors present their report together with the audited group financial statements for the year ended 31 December 2004.

Results and dividends

The group profit and loss account is set out on page 5 and shows the loss for the year.

The directors do not recommend the payment of a dividend.

Principal activities, review of business and future developments

The group's principal activity is the owning, operation and management of liquid petroleum and chemical gas tankers.

The directors are disappointed with the results for the year, but the group intends to pursue its existing activities and has no immediate plans for developing other business activities.

Directors

The directors of the company during the year were:

S.J. Tidemand	(resigned 12 May 2004)
H. von Platen	(resigned 10 December 2004)
C.D. Spencer-Payne	
S.H. Runsbech	(resigned 12 May 2004)
A.C. Eitzen	(appointed 10 December 2004)
J.E. Hughes	(appointed 10 December 2004)
A.H. Rasmussen	(appointed 10 December 2004)

No director had any beneficial interest in the share capital of the company.

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 group and company and of the profit or loss of the group for that year. 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;
- 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Gibson Gas Tankers Limited

Report of the directors for the year ended 31 December 2004 (*Continued*)

Auditors

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This report was approved by the Board on 10 June 2005

By order of the board



G.S. Rae

Secretary

Gibson Gas Tankers Limited

Report of the independent auditors

To the shareholders of Gibson Gas Tankers Limited

We have audited the financial statements of Gibson Gas Tankers Limited for the year ended 31 December 2004 on pages 5 to 25 which have been prepared under the accounting policies set out on pages 10 to 11.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is 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 group 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 and other members of the group 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 group'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.

Gibson Gas Tankers Limited

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the group and the company as at 31 December 2004 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors*
Glasgow

10 June 2005

Gibson Gas Tankers Limited

Consolidated profit and loss account for the year ended 31 December 2004

	Note	2004 \$'000	2003 \$'000
Turnover	2	11,015	9,585
Cost of sales		13,745	12,849
		<u>(2,730)</u>	<u>(3,264)</u>
Gross loss			
Administrative expenses		1,376	1,190
		<u>(4,106)</u>	<u>(4,454)</u>
Exceptional items	6	(23)	(178)
		<u>(4,129)</u>	<u>(4,632)</u>
Group operating loss	3		
Other interest receivable and similar income	7	5	3
Interest payable and similar charges	8	(801)	(770)
		<u>(4,925)</u>	<u>(5,399)</u>
Loss on ordinary activities before and after taxation for the financial year			

All amounts relate to continuing activities.

The notes on pages 10 to 25 form part of these financial statements.

Gibson Gas Tankers Limited

Consolidated statement of total recognised gains and losses for the year ended 31 December 2004

	2004 \$'000	2003 \$'000
Loss for the financial year	(4,925)	(5,399)
Exchange translation differences on consolidation	(35)	-
Other reserve arising on consolidation	5,000	-
	<hr/>	<hr/>
Total recognised gains and losses for the financial year	40	(5,399)
	<hr/>	<hr/>

The notes on pages 10 to 25 form part of these financial statements.

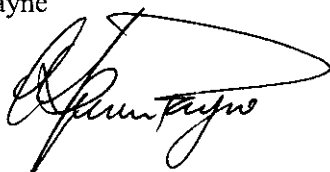
Gibson Gas Tankers Limited

Consolidated balance sheet at 31 December 2004

	Note	2004 \$'000	2004 \$'000	2003 \$'000	2003 \$'000
Fixed assets					
Tangible assets	11		28,115		32,714
Current assets					
Stocks	13	153		167	
Debtors	14	900		2,164	
Cash at bank and in hand		638		780	
		<u>1,691</u>		<u>3,111</u>	
Creditors: amounts falling due within one year	15	<u>2,067</u>		<u>7,799</u>	
Net current liabilities			<u>(376)</u>		<u>(4,688)</u>
Total assets less current liabilities			<u>27,739</u>		<u>28,026</u>
Creditors: amounts falling due after more than one year	16		<u>20,800</u>		<u>24,149</u>
			<u>6,939</u>		<u>3,877</u>
Capital and reserves					
Called up share capital	18		5,365		2,343
Share premium account	19		4,343		4,343
Other reserves	19		5,000		-
Profit and loss account	19		(7,769)		(2,809)
Equity shareholders' funds	20		<u>6,939</u>		<u>3,877</u>

The financial statements were approved by the Board on 10 June 2005.

C.D. Spencer-Payne
Director



The notes on pages 10 to 25 form part of these financial statements.

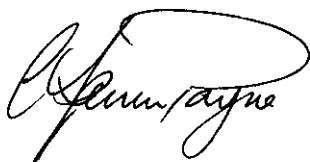
Gibson Gas Tankers Limited

Company balance sheet at 31 December 2004

	Note	2004 \$'000	2004 \$'000	2003 \$'000	2003 \$'000
Fixed assets					
Fixed asset investments	12		5		5
Current assets					
Debtors	14	25,570		22,573	
Cash at bank and in hand		3		1	
		<u>25,573</u>		<u>22,574</u>	
Creditors: amounts falling due within one year	15	51		229	
Net current assets			<u>25,522</u>		<u>22,345</u>
Total assets less current liabilities			<u>25,527</u>		<u>22,350</u>
Capital and reserves					
Called up share capital	18		5,365		2,343
Share premium account	19		4,343		4,343
Other reserves	19		377		377
Profit and loss account	19		15,442		15,287
Equity shareholders' funds	20		<u>25,527</u>		<u>22,350</u>

The financial statements were approved by the Board on 10 June 2005.

C.D. Spencer-Payne
Director



The notes on pages 10 to 25 form part of these financial statements.

Gibson Gas Tankers Limited

Cash flow statement for the year ended 31 December 2004

	Note	2004 \$'000	2004 \$'000	2003 \$'000	2003 \$'000
Net cash inflow from operating activities	25		1,351		868
Returns on investments and servicing of finance					
Interest received		5		3	
Interest paid		(801)		(769)	
Interest element of finance lease rentals		-		(1)	
Net cash outflow from returns on investments and servicing of finance			(796)		(767)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets			(1,218)		(490)
Cash outflow before financing			(663)		(389)
Financing					
Share capital issued		500		650	
Loans received		-		599	
Loans repaid		-		(800)	
Capital element of finance leases repaid		-		(10)	
Net cash inflow from financing			500		439
(Decrease)/increase in cash	26		(163)		50

The notes on pages 10 to 25 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention, on the going concern basis and combine the information given by the financial statements of Gibson Gas Tankers Limited and all of its subsidiary undertakings and are in accordance with applicable accounting standards.

Basis of preparation

The financial statements of the company and certain of its subsidiary undertakings have their reporting currency in US Dollars in consideration of the fact that the majority of the group's earnings and the valuation of its assets are made in US Dollars. Consequently, these financial statements have been prepared in US Dollars.

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

Company: Fixed assets have been translated at the rate ruling at date of acquisition. Assets and liabilities in non-US Dollar currencies have been retranslated at the rate ruling at the balance sheet date. Share capital and share premium have been retranslated at the rates ruling at 31 December 1990 or on date of issue if later.

Subsidiaries: The financial statements of subsidiary undertakings in non-US Dollar currencies are translated at the rate ruling at the balance sheet date. Exchange differences in the opening net investment in these subsidiary undertakings are dealt with through reserves.

As permitted by Section 230 of the Companies Act 1985, the company does not present its own profit and loss account.

The following principle accounting policies have been applied:

Depreciation

Depreciation is calculated to write off the cost of all tangible fixed assets over their expected useful lives and, in the case of ships, to estimated residual value, mainly as follows:

Ships	- over 25 years straight line
Motor vehicles	- 25% straight line
Office furniture and equipment	- 10% or 20% straight line
Computer equipment	- 20% or 33% straight line

Dry-docking expenses

Dry-docking expenses for each ship are capitalised as a fixed asset and amortised over the subsequent period until the next scheduled dry docking. This period is normally 2.5 years.

1 Accounting policies (*continued*)

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- the recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost represents purchase invoice cost.

Foreign currency

Assets and liabilities and trading results in foreign currencies are translated at the rates of exchange ruling at the end of the accounting period. Exchange differences in the opening net investments in the subsidiary undertakings and on the results for the period are dealt with through reserves.

Valuation of investments

Fixed asset investments are stated at cost less provision for permanent diminution in value. Current asset investments are stated at the lower of cost and net realisable value.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution schemes are charged to the profit and loss account in the year they become payable.

Gibson Gas Tankers Limited

Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)

2 Turnover

Turnover represents amounts receivable from worldwide ship operating.

3 Operating loss

	2004 \$'000	2003 \$'000
This is arrived at after charging:		
Depreciation of tangible fixed assets	5,815	5,311
Auditors' remuneration:		
Group - audit services	33	35
Group - non-audit services	11	17
Operating leases		
- land and buildings	60	53
- plant and machinery	8	4
	<u> </u>	<u> </u>
Exceptional items included in operating loss:		
Foreign exchange losses	23	178
	<u> </u>	<u> </u>
Depreciation includes \$NIL (2003 - \$3,000) charged on assets held under finance leases and hire purchase contracts.		

4 Employees

Staff costs of the group (including directors) consist of:

	2004 \$'000	2003 \$'000
Wages and salaries	3,781	3,416
Social security costs	81	57
Other pension costs	64	46
	<u> </u>	<u> </u>
	3,926	3,519
	<u> </u>	<u> </u>

4 Employees (continued)

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

	2004 Number	2003 Number
Administration	13	13
Seagoing	83	106
	<u> </u>	<u> </u>
	96	119
	<u> </u>	<u> </u>

5 Directors' remuneration

	2004 \$'000	2003 \$'000
Directors' emoluments	189	170
Company contributions to money purchase pension schemes	20	13
	<u> </u>	<u> </u>

There was 1 director in the company's defined contribution pension scheme during the year (2003 - 1).

6 Exceptional items

Exceptional items relate to exchange losses arising in the year.

7 Other interest receivable and similar income

	2004 \$'000	2003 \$'000
Bank deposits	5	3
	<u> </u>	<u> </u>

8 Interest payable and similar charges

	2004 \$'000	2003 \$'000
On loans and overdrafts	1	-
Loans (excluding loans from group companies)	776	705
Loans from group companies	24	64
Finance leases and hire purchase contracts	-	1
	<u> </u>	<u> </u>
	801	770
	<u> </u>	<u> </u>

9 Taxation on loss on ordinary activities

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2004 \$'000	2003 \$'000
Loss on ordinary activities before tax	(4,925)	(5,399)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30% (2003 - 30%)	(1,478)	(1,620)
Effect of:		
Expenses not deductible for tax purposes	(34)	2
Depreciation in excess of capital allowances	1,510	1,220
Short term timing differences	1	-
Losses unutilised	1	398
Current tax charge for period	-	-

10 Profit for the financial year

The company has taken advantage of the exemption allowed under section 230 of the Companies Act 1985 and has not presented its own profit and loss account in these financial statements. The group loss for the year includes a profit after tax and before dividends of \$154,000 (2003 - \$60,771 profit) which is dealt with in the financial statements of the parent company.

Gibson Gas Tankers Limited

Notes forming part of the financial statements for the year ended 31 December 2004 (*Continued*)

11 Tangible fixed assets

Group

	Ships	Deferred dry-docking expenses	Vehicles and equipment	Total
	\$'000	\$'000	\$'000	\$'000
<i>Cost</i>				
At 1 January 2004	74,235	3,276	228	77,739
Additions	-	1,152	66	1,218
Disposals	-	-	(42)	(42)
Fully amortised	-	(1,477)	-	(1,477)
	<u>74,235</u>	<u>2,951</u>	<u>252</u>	<u>77,438</u>
<i>Depreciation</i>				
At 1 January 2004	42,412	2,450	163	45,025
Provided for the year	4,983	783	49	5,815
Disposals	-	-	(40)	(40)
Fully amortised	-	(1,477)	-	(1,477)
	<u>47,395</u>	<u>1,756</u>	<u>172</u>	<u>49,323</u>
<i>Net book value</i>				
At 31 December 2004	<u>26,840</u>	<u>1,195</u>	<u>80</u>	<u>28,115</u>
At 31 December 2003	<u>31,823</u>	<u>826</u>	<u>65</u>	<u>32,714</u>

During the year, the directors reassessed the residual value of the group's ships. This resulted in an additional depreciation charge of \$943,486 which is included in the \$4,983,000 charge above.

Gibson Gas Tankers Limited

Notes forming part of the financial statements for the year ended 31 December 2004 (*Continued*)

12 Fixed asset investments

Group

	Other investments \$'000
<i>Cost</i>	
At 1 January 2004 and 31 December 2004	13
	—
<i>Provisions</i>	
At 1 January 2004 and 31 December 2004	13
	—
<i>Net book value</i>	
At 31 December 2003 and 31 December 2004	-
	==

Company

	Group undertakings \$'000	Other investments (other than loans) \$'000	Total \$'000
<i>Cost or valuation</i>			
At 1 January 2004 and 31 December 2004	836	13	849
	—	—	—
<i>Provisions</i>			
At 1 January 2004 and 31 December 2004	831	13	844
	—	—	—
<i>Net book value</i>			
At 31 December 2003 and 31 December 2004	5	-	5
	==	==	==

An option exists over the other investments which is exercisable at the purchaser's option. The investment has been valued at the option price of \$2.

Gibson Gas Tankers Limited

Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)

12 Fixed asset investments (continued)

Subsidiary undertakings, associated undertakings and other investments

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

	Country of incorporation or registration	Nature of business
George Gibson & Company Limited	Scotland*	Shipping
Galle Investments Limited	Bermuda*	Corporate holdings
Fort Shipping Limited	Sri Lanka	Crew management
Fort Shipping Offshore Private Limited	Sri Lanka	Crew management
Gas Shipping and Transport (Jersey) Limited	Jersey	Non-trading
Gibson Liquid Gas Limited	Scotland	Non-trading

* Direct subsidiary undertakings of Gibson Gas Tankers Limited.

13 Stocks

	Group 2004 \$'000	Group 2003 \$'000	Company 2004 \$'000	Company 2003 \$'000
Raw materials and consumables	153	167	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

14 Debtors

	Group 2004 \$'000	Group 2003 \$'000	Company 2004 \$'000	Company 2003 \$'000
Trade debtors	313	583	-	-
Amounts owed by group undertakings	-	-	25,570	22,573
Other debtors	390	1,421	-	-
Prepayments and accrued income	197	160	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	900	2,164	25,570	22,573
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

All amounts shown under debtors fall due for payment within one year.

Gibson Gas Tankers Limited

Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)

15 Creditors: amounts falling due within one year

	Group	Group	Company	Company
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Bank loans and overdrafts (secured)	346	3,325	-	-
Shareholders' loans	-	1,150	-	150
Trade creditors	737	2,494	-	-
Taxation and social security	28	19	28	19
Other creditors	407	379	-	-
Accruals and deferred income	549	432	23	60
	<u>2,067</u>	<u>7,799</u>	<u>51</u>	<u>229</u>

16 Creditors: amounts falling due after more than one year

	Group	Group	Company	Company
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
Bank loans	20,800	22,800	-	-
Shareholders' loans	-	1,349	-	-
	<u>20,800</u>	<u>24,149</u>	<u>-</u>	<u>-</u>

Maturity of debt:

Group	Loans and overdrafts	Loans and overdrafts
	2004	2003
	\$'000	\$'000
In one year or less, or on demand	<u>346</u>	<u>4,475</u>
In more than one year but not more than two years	-	3,000
In more than two years but not more than five years	10,200	21,149
In more than five years	<u>10,600</u>	<u>-</u>
	<u>20,800</u>	<u>24,149</u>

Gibson Gas Tankers Limited

Notes forming part of the financial statements for the year ended 31 December 2004 (*Continued*)

16 Creditors: amounts falling due after more than one year (*Continued*)

At 31 December 2004, the outstanding balance on the bank loan of \$20,800,000 was repayable by quarterly instalments commencing in March 2007, with the final instalment due in December 2010. However if excess cash flows arise, as defined in the loan agreement, accelerated quarterly payments may arise from March 2005. Interest is payable at 0.25% over LIBOR. The loan is secured over the fleet of ships owned and operated by George Gibson and Company Limited supported by a guarantee from Gibson Gas Tankers Limited.

17 Provision for liabilities and charges

Deferred taxation

	Group 2004 \$'000	Group 2003 \$'000	Company 2004 \$'000	Company 2003 \$'000
Accelerated capital allowances	(510)	1,000	-	-
Sundry timing differences	(3)	-	-	-
Losses	(6,251)	(5,561)	-	-
	<u>(6,764)</u>	<u>(4,561)</u>	<u>-</u>	<u>-</u>
Asset not recognised	(6,764)	(4,561)	-	-
	<u>(6,764)</u>	<u>(4,561)</u>	<u>-</u>	<u>-</u>

The policy for recognition of deferred tax assets and liabilities is disclosed in note 1.

18 Share capital

	2004 \$'000	Authorised 2003 \$'000	Allotted, called up and fully paid 2004 \$'000	2003 \$'000
<i>Equity share capital</i>				
3,216,365 Ordinary shares of £1 each	5,365	2,343	5,365	2,343
	<u>5,365</u>	<u>2,343</u>	<u>5,365</u>	<u>2,343</u>

	Ordinary shares of £1 each	
	Number	\$'000
In issue at 1 January 2004	1,534,993	2,343
Shares issued	1,681,372	3,022
	<u>3,216,365</u>	<u>5,365</u>
In issue at 31 December 2004	3,216,365	5,365

On 10 May 2004, in order to increase the capital base of the company, shareholder loans outstanding at the date of the transaction were converted into 1,420,956 ordinary £1 shares at par. A further 260,416 ordinary £1 shares were issued for cash on 9 December 2004.

Gibson Gas Tankers Limited

Notes forming part of the financial statements for the year ended 31 December 2004 *(Continued)*

19 Reserves

Group

	Share premium account \$'000	Other reserves \$'000	Profit and loss account \$'000
At 1 January 2004	4,343	-	(2,809)
Translation differences on foreign currency net investments in subsidiary undertakings	-	-	(35)
Loss for the year	-	-	(4,925)
Consolidation reserve	-	5,000	-
	<hr/>	<hr/>	<hr/>
At 31 December 2004	4,343	5,000	(7,769)
	<hr/>	<hr/>	<hr/>

Company

	Share premium account \$'000	Other reserves \$'000	Profit and loss account \$'000
At 1 January 2004	4,343	377	15,288
Profit for the year	-	-	154
	<hr/>	<hr/>	<hr/>
At 31 December 2004	4,343	377	15,442
	<hr/>	<hr/>	<hr/>

The cumulative amount of negative goodwill credited to reserves is US\$159,000. This negative goodwill has been eliminated as a matter of accounting policy and would be credited to the profit and loss account in the event of a subsequent disposal.

20 Reconciliation of movements in shareholder's funds

	Group 2004 \$'000	Group 2003 \$'000	Company 2004 \$'000	Company 2003 \$'000
Loss for the year	(4,925)	(5,399)	155	61
Other net recognised gains and losses relating to the year	4,965	-	-	-
New share capital subscribed	3,022	650	3,022	650
	<hr/>	<hr/>	<hr/>	<hr/>
Net additions to/(deductions from) shareholder's funds	3,062	(4,749)	3,177	711
Opening shareholder's funds	3,877	8,626	22,350	21,639
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholder's funds	6,939	3,877	25,527	22,350
	<hr/>	<hr/>	<hr/>	<hr/>

21 Contingent liabilities

- (a) George Gibson & Company Limited and Fort Shipping Limited have each employed members of the Merchant Navy Officers' Pension Fund. There was one active member employed by Fort Shipping Limited in year ended 31 December 2004. This scheme is a defined benefit scheme which at 31 December 2003 reflected an actuarial deficit of liabilities over assets totalling £194m. George Gibson and Company Limited and Fort Shipping Limited are only two of a number of participating employers in this fund. A court case in March 2005 determined that the companies are liable to contribute to this deficit however there is uncertainty as to the allocation amongst participating employers and the directors consider that no reliable estimate of the liability can be determined at this time.
- (b) 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.
- (c) The company has informed the directors of its subsidiary undertaking, George Gibson & Company Limited, that it will make available the finance necessary for its continued operation.
- (d) The company has guaranteed the borrowings of its subsidiary undertaking, George Gibson & Company Limited.

22 Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

The total pension contributions of the company paid for the year amounted to \$64,000 (2003 - \$46,000).

23 Commitments under operating leases

The group had annual commitments under non-cancellable operating leases as set out below:

	2004	2004	2003	2003
	Land and	Other	Land and	Other
	buildings	\$'000	buildings	\$'000
	\$'000		\$'000	
Operating leases which expire:				
In two to five years	24	8	53	8
	==	==	==	==

The company had annual commitments under non-cancellable operating leases as set out below:

	2004	2003
	Land and	Land and
	buildings	buildings
	\$'000	\$'000
Operating leases which expire:		
In two to five years	24	53
	==	==

24 Related party disclosures

Related party transactions and balances

**Fees paid to
related party**

\$'000

Lorentzen & Stemoco	22
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Lorentzen and Stemoco are broking agents through which Gibson Gas Tankers Limited places business. S.J.Tidemand, a director in Gibson Gas Tankers Limited until 12 May 2004, is a part owner of Lorentzen and Stemoco.

25 Reconciliation of operating loss to net cash inflow from operating activities

	2004	2003
	\$'000	\$'000
Operating loss	(4,129)	(4,632)
Depreciation of tangible fixed assets	5,815	5,311
Loss on sale of tangible fixed assets	2	-
Foreign exchange translation	(12)	-
Decrease/(increase) in stocks	14	(47)
Decrease/(increase) in debtors	1,264	(1,120)
(Decrease)/increase in creditors	(1,603)	1,356
	<hr/>	<hr/>
Net cash inflow from operating activities	1,351	868
	<hr/>	<hr/>

Gibson Gas Tankers Limited

Notes forming part of the financial statements for the year ended 31 December 2004 (Continued)

26 Reconciliation of net cash flow to movement in net debt

	2004 \$'000	2003 \$'000
(Decrease)/increase in cash	(163)	50
Cash inflow from changes in debt	-	211
	<hr/>	<hr/>
Movement in net debt resulting from cash flows	(163)	261
Shareholder loans capitalised	7,499	-
	<hr/>	<hr/>
Movement in net debt	7,336	261
Opening net debt	(27,844)	(28,105)
	<hr/>	<hr/>
Closing net debt	(20,508)	(27,844)
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27 Analysis of net debt

	At 1 January 2004 \$'000	Cash flow \$'000	Other changes \$'000	At 31 December 2004 \$'000
Cash at bank and in hand	780	(142)	-	638
Bank overdrafts	(325)	(21)	-	(346)
		<hr/>		
		(163)		
Debt due within one year	(4,150)	-	4,150	-
Debt due after one year	(24,149)	-	3,349	(20,800)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	(27,844)	(163)	7,499	(20,508)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

28 Ultimate parent company

At 31 December 2004, the directors regarded Eitzen Holding AS, a company incorporated in Norway, as the company's ultimate parent company.

Eitzen Holding AS is the parent undertaking of the largest and smallest group of which the company was a member, and for which group accounts are drawn up. Copies of Eitzen Holding AS accounts may be obtained from its registered office.