

SIGNED

989531

BIBBY LINE LIMITED
(Consolidated)

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999



A44
COMPANIES HOUSE

A11
COMPANIES HOUSE

AC658611

0311
26/07/00

0450
20/07/00

BIBBY LINE LIMITED

ULTIMATE PARENT COMPANY

Bibby Line Group Limited

DIRECTORS

Michael James Bibby - Managing Director
John Stewart Whewell Hogarth
Jonathan Haymer
Peter Guy Walton Vickers
John Edward Harding
Nigel Howard Malpass

SECRETARY

Bibby Bros. & Co. (Management) Limited

REGISTERED OFFICE

105 Duke Street
Liverpool
L1 5JQ

Incorporated in England and Wales
Registered Number 989531

AUDITORS

PricewaterhouseCoopers
8 Princes Parade
St. Nicholas Place
Liverpool
L3 1QJ

BIBBY LINE LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given, that the Annual General Meeting of Bibby Line Limited will be held on 15 May 2000 at 105 Duke Street, Liverpool for the following purposes:

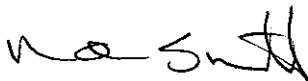
To consider the attached Directors' Report and Financial Statements for the year ended 31 December 1999.

To re-elect Directors.

To re-appoint PricewaterhouseCoopers as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix the remuneration of the Auditors.

To transact any other ordinary business.

By Order of the Board



Bibby Bros. & Co. (Management) Limited
Secretary
105 Duke Street
Liverpool
L1 5JQ

4 April 2000

Note:

A member of the Company entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.

BIBBY LINE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1999

The Directors present their Report together with the Audited Financial Statements for the year ended 31 December 1999.

ACTIVITIES OF THE GROUP

The principal activity of the Group continues to be the management and ownership of vessels.

GROUP RESULTS

The result of the Group for the year is set out in the Profit and Loss Account. The Directors do not recommend the payment of a dividend (1998 - £Nil).

DEVELOPMENT OF THE BUSINESS

The Company will seek investment opportunities and an increase in existing Group Undertakings' business with a view to implementing its policy of expansion.

YEAR 2000

The Company did not experience any significant Year 2000 issues. The Company is aware of the continuing risk from this issue but continues to rely on its preparatory work. Costs incurred were not significant.

DIRECTORS AND THEIR INTERESTS

The Directors during the year were:

S. P. Sherrard - Chairman - Resigned 31 December 1999
J. S. W. Hogarth
M. J. Bibby
J. Haymer
A. J. Palmer - Resigned 16 April 1999

Since the year end, P. G. W. Vickers, J. E. Harding and N. H. Malpass were appointed Directors of the Company on 17 February 2000.

The only interests of the Directors in shares of the Bibby Line Group companies were in shares of Bibby Line Group Limited.

BIBBY LINE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

DIRECTORS AND THEIR INTERESTS

The interests of Mr. M. J. Bibby and Mr. J. Haymer in the shares of Bibby Line Group Limited are disclosed in the Directors' Report of that company.

The interest of the other Director in the shares of Bibby Line Group Limited was as follows:-

	31 December 1999 Beneficial	1 January 1999 Beneficial
J. S. W. Hogarth £1,000 Ordinary Shares	1	1

STATEMENT OF 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 the Group and of the profit or loss of the Company and the Group 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 the Group 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.

BIBBY LINE LIMITED

DIRECTORS' REPORT FOR THE
YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

EMPLOYMENT POLICIES

The Group is committed to the continuing development of effective employee communication, consultation and involvement, including regular publication of company magazines.

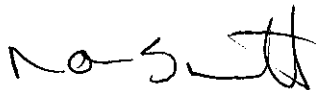
It is the Group's policy to promote the understanding and involvement of all employees in its business aims and performance.

The policy of the Group is to give full and fair consideration to applications for employment made by disabled persons. If any employee becomes disabled whilst employed by a Group company, every effort is made to find suitable continuing employment, with re-training as necessary. Disabled persons share equally in the opportunities available for training, career development and promotion.

AUDITORS

PricewaterhouseCoopers have expressed their willingness to continue in office as Auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

By Order of the Board



Bibby Bros. & Co. (Management) Limited
Secretary

4 April 2000

AUDITORS' REPORT TO THE MEMBERS OF BIBBY LINE LIMITED

We have audited the financial statements on pages 7 to 27 which have been prepared under the historical cost convention and the accounting policies set out on pages 9, 10 and 11.

Respective Responsibilities of Directors and Auditors

The Directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of Audit 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 affairs of the Company and the Group at 31 December 1999 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Liverpool

4 April 2000

BIBBY LINE LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31 DECEMBER 1999

	Note	1999 US\$000	1998 US\$000
Turnover	3	69,042	74,830
Cost of Sales		(63,161)	(67,879)
Gross Profit		5,881	6,951
Administration Expenses		(2,927)	(2,329)
Operating Profit		2,954	4,622
(Loss)/Profit on Disposal of Fixed Assets	4	(3,814)	12,947
Share of Operating Profit of Associated Undertakings	10	3,171	2,307
Profit on Ordinary Activities Before Interest		2,311	19,876
Interest Receivable and Similar Income	5	637	806
Interest Payable and Similar Charges	6	(11,052)	(10,827)
(Loss)/Profit on Ordinary Activities Before Taxation	7	(8,104)	9,855
Taxation Credit/(Charge)	8	2,158	(1,301)
(Loss)/Profit for the Financial Year	19	(5,946)	8,554

The turnover and profit on ordinary activities all derive from continuing activities.

STATEMENT OF TOTAL GROUP RECOGNISED GAINS AND
LOSSES FOR THE YEAR ENDED 31 DECEMBER 1999

	Note	1999 US\$000	1998 US\$000
(Loss)/Profit for the Financial Year		(5,946)	8,554
Currency Translation Differences on Foreign Currency Net Investments	19	71	(259)
Total Gains and (Losses) Recognised Since Last Annual Report		(5,875)	8,295

The notes on pages 9 to 27 form part of these financial statements.

BIBBY LINE LIMITED

BALANCE SHEETS AS AT
31 DECEMBER 1999

	Note	Parent 1999 US\$000	Company 1998 US\$000	Group 1999 US\$000	Group 1998 US\$000
FIXED ASSETS					
Tangible Assets	11	266	326	189,334	192,604
Investments	9, 10	4,578	5,097	4,972	7,428
		<u>4,844</u>	<u>5,423</u>	<u>194,306</u>	<u>200,032</u>
CURRENT ASSETS					
Stock	12	22	29	22	29
Debtors	13	190,361	195,239	10,372	17,354
Cash at Bank and in Hand		6,495	9,428	10,649	17,108
		<u>196,878</u>	<u>204,696</u>	<u>21,043</u>	<u>34,491</u>
Creditors (amounts falling due within one year)	14	(32,155)	(31,183)	(22,451)	(35,097)
		<u>164,723</u>	<u>173,513</u>	<u>(1,408)</u>	<u>(606)</u>
Net Current Assets/(Liabilities)					
Total Assets Less Current Liabilities		<u>169,567</u>	<u>178,936</u>	<u>192,898</u>	<u>199,426</u>
Creditors (amounts falling due after more than one year)	17	98,774	102,307	122,026	124,496
Convertible Intergroup Loan	16	30,982	30,982	30,982	30,982
Provisions for Liabilities and Charges	15	5	1	19,313	17,496
		<u>129,761</u>	<u>133,290</u>	<u>172,321</u>	<u>172,974</u>
CAPITAL AND RESERVES					
Called Up Share Capital	18	7,763	7,763	7,763	7,763
Profit and Loss Account	19	32,043	37,883	12,814	18,689
		<u>39,806</u>	<u>45,646</u>	<u>20,577</u>	<u>26,452</u>
Shareholders' Funds (Including Non-Equity Interests)	20				
		<u>169,567</u>	<u>178,936</u>	<u>192,898</u>	<u>199,426</u>

Approved by the Board on 4 April 2000


J. Haymer
Director

The notes on pages 9 to 27 form part of these financial statements.

BIBBY LINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements are drawn up in US Dollars. They have been prepared under the historical cost convention, as modified by the method used to translate the issued share capital to US Dollars, and in accordance with applicable Accounting Standards.

The US Dollar value of the issued share capital at 31 December 1995 was arrived at by converting from Sterling at the exchange rate ruling at 31 December 1995.

Compliance with SSAP 20 "Foreign Exchange Translation" requires a departure from the requirements of the Companies Act 1985 relating to unrealised gains on long term monetary items and an explanation is given in the Foreign Currencies policy below.

Consolidation

The Group financial statements consolidate the financial statements of the Parent Company and all its subsidiaries. The consolidated profit and loss account includes the Group's share of the results of associated undertakings as shown by their audited statements or unaudited management accounts. The investment in associated undertakings in the consolidated balance sheet consists of the Group's share of net tangible assets plus unamortised goodwill.

Goodwill

Goodwill arising on consolidation is considered separately for each acquisition. In cases where goodwill is considered to have continuing value it is amortised on a straight line basis over its useful economic life through the profit and loss account; the amortisation period is dependent upon the circumstances of each individual case and varies from 10 to 20 years. In other cases it is written off immediately against reserves.

Fixed Assets

Fixed assets are included at cost, less depreciation. Pre-delivery interest and financing expenses are included in cost.

Depreciation is provided on a straight line basis to write off the cost of tangible fixed assets over their expected useful economic lives. The rates of depreciation are as follows:

Vehicles	-	25%
Office Equipment	-	Varying rates between 25% and 33%
Computer Equipment	-	20%
Fleet	-	Between seven and thirty years

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Repairs Allowance

The fleet is surveyed in line with classification society and international requirements. Dry-docking is carried out on a minimum 30-month cycle and an allowance is made annually for a pro-rata proportion of the estimated dry-docking costs. Tank coating costs are written off over a seven year period from the date they are incurred.

Stock

Stock is stated at the lower of cost and net realisable value.

Floating Accommodation Vessels' Relocation and Refurbishment Costs

After a floating accommodation vessel completes a contract, the costs of relocation and refurbishment are normally written off over the life of that vessel's next contract. However, if the next contract is of a short term nature, the costs are written off to the profit and loss account in the year of expenditure.

Deferred Taxation

Provision for deferred taxation, resulting from accelerated tax depreciation allowances and other timing differences, is made where a corporation tax liability is expected to arise within the foreseeable future.

Foreign Currencies

Assets and liabilities in foreign currencies are converted into US Dollars at the approximate rates ruling at the year end with exchange differences being taken to the profit and loss account for the year.

In accordance with Statement of Standard Accounting Practice No. 20, monetary items denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and exchange gains and losses are taken to the profit and loss account. The inclusion in the profit and loss account of unrealised translation gains on long term monetary items is a departure from the requirements of the Companies Act 1985 and is necessary for the financial statements to give a true and fair view in accordance with applicable Accounting Standards.

Pension Costs

The cost of providing pensions is charged against profit on a systematic basis with any pension surpluses and deficits allocated over the expected remaining service lives of current employees.

Operating Leases

Lease rentals are charged to the profit and loss account on a straight line basis over the lease terms.

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Cash Flow Statement

A statement of Group cash flows has been included in the consolidated accounts presented by the ultimate parent undertaking. Accordingly, no statement is presented within these accounts.

Related Party Transactions

Under Financial Reporting Standard 8, the Company is exempt from disclosing related party transactions with fellow group undertakings, as more than 90% of the voting rights are controlled by the ultimate parent undertaking, Bibby Line Group Limited.

Transactions between Bibby Line Group Limited and its related parties and a statement of substantial shareholdings in Bibby Line Group Limited are included in that company's consolidated financial statements.

2. CHANGE IN PRESENTATION

The Company has changed the presentation of costs incurred in relation to dry-docking on the grounds that the Directors believe that the new presentation more fairly reflects the substance of accounting for dry-docking costs.

The policy in relation to the accounting for dry-docking costs is disclosed in Note 1 - Tangible Fixed Assets.

The profit and loss account is charged costs of maintaining ships to a seaworthy standard on an accrual basis. Under the previous presentation these costs were included in provisions. Under the new treatment these costs are shown as repairs allowance in fixed assets.

There is no impact on the profit and loss account.

3. TURNOVER

Turnover, which is derived from international business, is the freight and charter hire earned plus service revenues.

BIBBY LINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

4. (LOSS)/PROFIT ON DISPOSAL OF FIXED ASSETS

	1999 US\$000	1998 US\$000
Profit on Disposal of Tangible Assets	111	22,109
Loss on Disposal of Tangible Assets by Associated Undertaking	(3,925)	(2,496)
Profit on Redemption of Preference Shares in Associated Undertakings	-	118
Goodwill Written Off on Termination of Botany Bay Parcel Tanker International Pool	-	(6,784)
	<u>(3,814)</u>	<u>12,947</u>

The profit on sale of tangible assets arose on the disposal of the Gas Carrier M.V. Staffordshire and results in a deferred tax charge of US\$4,001,000.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Parent Company		Group	
	1999 US\$000	1998 US\$000	1999 US\$000	1998 US\$000
Income From Fixed Asset Investments Excluding Associated Undertakings	-	-	20	51
Other Interest Receivable	407	606	617	755
	<u>407</u>	<u>606</u>	<u>637</u>	<u>806</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Parent Company		Group	
	1999 US\$000	1998 US\$000	1999 US\$000	1998 US\$000
On Bank Loans, Overdrafts and Other Loans	7,127	6,573	9,035	8,167
On Bank Loans, Overdrafts and Other Loans of Associated Undertakings	-	-	2,017	2,378
To Group Undertakings	-	281	-	282
	<u>7,127</u>	<u>6,854</u>	<u>11,052</u>	<u>10,827</u>

BIBBY LINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION
is stated after charging (crediting) the following amounts:-

	Group	
	1999	1998
	US\$000	US\$000
Staff Costs		
Wages and Salaries	19,369	17,768
Social Security Costs	617	615
Other Pension Costs	417	429
Depreciation on Owned Assets (Note 11)	17,052	13,294
Amortisation of Goodwill - Associated		
Undertakings (Note 9)	-	6,900
Auditors' Fees and Expenses	69	71
Exchange Losses	145	68
Hire of Plant and Machinery	2,674	2,501
Operating Lease Costs	279	288

Included within the Auditors' fees and expenses are fees paid by the parent company of US\$46,809 (1998 - US\$46,500).

8. TAXATION CREDIT/ (CHARGE)

	Parent Company		Group	
	1999	1998	1999	1998
	US\$000	US\$000	US\$000	US\$000
Charge for Group Relief in				
Respect of Joint Venture	-	-	-	(220)
Provision for Foreign Taxes	-	-	803	(256)
Deferred Tax Charge (Note 15)	(4)	(16)	(1,831)	(4,500)
Receipt of Group Relief	677	1,448	3,638	2,623
(Over Provision)/Under Provision				
for Receipt of Group Relief in				
Previous Year	3	(10)	(759)	(512)
Share of Associated Undertakings'				
Taxation	-	-	307	1,564
	<u>676</u>	<u>1,422</u>	<u>2,158</u>	<u>(1,301)</u>

Receipt for Group relief represents the consideration to be received from other Group undertakings for the surrender of losses.

The tax charges in 1999 and 1998 have been decreased by the effect of the Group's accounting policy of only providing for deferred taxation if a liability is expected to arise in the foreseeable future (see Note 15).

BIBBY LINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

9. INVESTMENTS

	Subsidiary Undertakings US\$000	Associated Undertakings US\$000	Other Investments US\$000	Total US\$000
Parent Company				
At 1 January 1999	3,838	1,257	2	5,097
Disposals	(517)	-	(2)	(519)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1999	<u>3,321</u>	<u>1,257</u>	<u>-</u>	<u>4,578</u>

Details of shares held in subsidiary and associated undertakings are given in Note 27.

	Associated Undertakings US\$000	Other US\$000	Total US\$000
Group			
At 1 January 1999	7,417	11	7,428
Disposals	-	(1)	(1)
Goodwill Amortised in Year			
Share of Undistributed Profits Plus			
Exchange Differences	(2,455)	-	(2,455)
	<hr/>	<hr/>	<hr/>
At 31 December 1999	<u>4,962</u>	<u>10</u>	<u>4,972</u>

10. INCOME FROM INTERESTS IN ASSOCIATED UNDERTAKINGS

The Group's share is set out below:

	1999 US\$000	1998 US\$000
Turnover	16,149	20,127
	<hr/>	<hr/>
Operating Profit	3,171	2,307
Loss on Disposal of Fixed Assets	(3,925)	(2,496)
Income From Interests in Associated Undertakings	-	20
Net Interest Payable	(2,018)	(2,398)
	<hr/>	<hr/>
Group's Share of Loss on Ordinary Activities Before Taxation	<u>(2,772)</u>	<u>(2,567)</u>

BIBBY LINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

10. INCOME FROM INTERESTS IN ASSOCIATED UNDERTAKINGS (Continued)

Two of the Group's associated undertakings' last audited published financial statements were prepared to 30 June 1999. From this date unaudited management accounts have been used to calculate the Group's share of these companies' net loss on ordinary activities before taxation, which amounted to US\$3,647,000 (1998 - loss US\$154,000).

Investments - Group

	Shares US\$000	Share of Retained Profits US\$000	Total US\$000
At 1 January 1999	6,035	1,382	7,417
Share of Undistributed Reserves	-	(2,223)	(2,223)
Exchange Differences	-	(232)	(232)
	<hr/>	<hr/>	<hr/>
At 31 December 1999	<u>6,035</u>	<u>(1,073)</u>	<u>4,962</u>

Net Assets

Associated undertakings are represented by net assets as follows:

	1999 US\$000	1998 US\$000
Tangible Fixed Assets	51,195	62,425
Fixed Assets Investments	684	273
	<hr/>	<hr/>
	51,879	62,698
Current Assets	21,127	17,903
Creditors (amounts falling due within one year)	(15,325)	(13,384)
	<hr/>	<hr/>
Net Current Assets	5,802	4,519
	<hr/>	<hr/>
Total Assets Less Current Liabilities	57,681	67,217
Other Borrowings	(45,457)	(49,462)
Deferred Taxation	417	(419)
Preference Shares	(2,500)	(2,501)
Other Provisions	(216)	-
	<hr/>	<hr/>
Net Assets	<u>9,925</u>	<u>14,835</u>
	<hr/>	<hr/>
The Group's Share of which is:	<u>4,962</u>	<u>7,417</u>

Details of transactions with associated undertakings are given in the financial statements of Bibby Line Group Limited.

BIBBY LINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

11. TANGIBLE ASSETS

Parent Company

	Vehicles & Equipment US\$000
Cost	
At 1 January 1999	337
Additions	9
Disposals	-
	<hr/>
At 31 December 1999	346
	<hr/>
Depreciation	
At 1 January 1999	11
Charge for the Year	69
Disposals	-
	<hr/>
At 31 December 1999	80
	<hr/>
Net Book Amount	
At 31 December 1999	266
	<hr/> <hr/>
At 31 December 1998	326
	<hr/> <hr/>

BIBBY LINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

11. TANGIBLE ASSETS (Continued)

Group	Leasehold Improvements US\$000	Equipment & Vehicles US\$000	Fleet US\$000	Total US\$000
Cost				
At 1 January 1999	55	1,419	267,673	269,147
Additions	1	141	11,365	11,507
Disposals	-	(215)	-	(215)
Exchange Differences	(8)	(34)	-	(42)
At 31 December 1999	<u>48</u>	<u>1,311</u>	<u>279,038</u>	<u>280,397</u>
Depreciation				
At 1 January 1999	21	640	73,539	74,200
Charge for the Year	10	211	14,879	15,100
Disposals	(3)	(166)	-	(169)
Exchange Differences	(1)	(19)	-	(20)
At 31 December 1999	<u>27</u>	<u>666</u>	<u>88,418</u>	<u>89,111</u>
Repairs Allowance				
At 1 January 1999	-	-	2,343	2,343
Charge for the Year	-	-	938	938
Utilised in the Year	-	-	(1,329)	(1,329)
At 31 December 1999	<u>-</u>	<u>-</u>	<u>1,952</u>	<u>1,952</u>
Net Book Amount				
At 31 December 1999	<u>21</u>	<u>645</u>	<u>188,668</u>	<u>189,334</u>
At 31 December 1998	<u>34</u>	<u>779</u>	<u>191,791</u>	<u>192,604</u>

Included in the cost of the fleet is pre-delivery interest of US\$7,006,000 (1998 - US\$6,416,000). US\$590,000 was capitalised in 1999 (1998 - US\$2,049,000).

12. STOCK

	Parent Company		Group	
	1999	1998	1999	1998
	US\$000	US\$000	US\$000	US\$000
Consumables	<u>22</u>	<u>29</u>	<u>22</u>	<u>29</u>

BIBBY LINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

13. DEBTORS

	Parent Company		Group	
	1999	1998	1999	1998
	US\$000	US\$000	US\$000	US\$000
Trade Debtors	1,680	1,499	4,419	4,666
Amounts Owed by Group				
Undertakings	186,085	191,411	-	10,208
Amounts Owed by Associated				
Undertakings	107	37	107	102
Group Tax Relief	677	-	3,635	-
Other Debtors	-	-	280	80
Prepayments and Accrued Income	1,812	2,292	1,931	2,298
	<u>190,361</u>	<u>195,239</u>	<u>10,372</u>	<u>17,354</u>

14. CREDITORS

(Amounts falling due within one year)

	Parent Company		Group	
	1999	1998	1999	1998
	US\$000	US\$000	US\$000	US\$000
Bank Overdraft	-	-	15	-
Finance Loans (Note 17)	10,933	9,600	12,722	13,950
Trade Creditors	1,882	3,331	3,554	5,218
Amounts Owed to Group				
Undertakings	16,951	16,396	2,756	10,670
Amounts Owed to Associated				
Undertakings	-	-	78	867
Taxation and Social Security	226	120	226	1,153
Accruals and Deferred Income	2,163	1,736	3,100	3,239
	<u>32,155</u>	<u>31,183</u>	<u>22,451</u>	<u>35,097</u>

BIBBY LINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

15. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Taxation US\$000
Parent Company	
At 1 January 1999	1
Credit in the Year	4
	<hr/>
At 31 December 1999	5
	<hr/> <hr/>

	Deferred Taxation US\$000	Other US\$000	Total US\$000
Group			
At 1 January 1999	17,482	14	17,496
Charged/(Credited) in the Year	1,831	(14)	1,817
	<hr/>	<hr/>	<hr/>
At 31 December 1999	19,313	-	19,313
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The amounts of deferred taxation provided and unprovided are as follows:

	Provided		Unprovided	
	1999	1998	1999	1998
	US\$000	US\$000	US\$000	US\$000
Accelerated Capital Allowances	19,061	17,281	12,707	11,521
Other Timing Differences	252	201	168	134
	<hr/>	<hr/>	<hr/>	<hr/>
	19,313	17,482	12,875	11,655
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

16. CONVERTIBLE INTERGROUP LOAN

	Parent Company and Group	
	1999	1998
	US\$000	US\$000
Convertible Unsecured Loan From Bibby Line Group Limited	30,982	30,982
	<hr/> <hr/>	<hr/> <hr/>

Bibby Line Group Limited have the right to convert the whole or any part of the loan into fully paid US Dollar Ordinary Shares of US\$1 each, at the rate of US\$1 of US Dollar Ordinary Share Capital for every US\$1.5526 of the loan, at any time until 2 January 2021.

BIBBY LINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999 (CONTINUED)17. CREDITORS (Amounts falling due
after more than one year)

	Parent Company		Group	
	1999	1998	1999	1998
	US\$000	US\$000	US\$000	US\$000
Finance Loans (see below)	98,774	102,307	122,026	124,496

US Dollar ship finance loans, secured by statutory mortgages on certain vessels of the fleet and carrying interest at up to 1½ per cent above US Dollar LIBOR, are repayable by instalments over periods to 2007 as follows:-

	Parent Company		Group	
	1999	1998	1999	1998
	US\$000	US\$000	US\$000	US\$000
Finance Loans Repayable:				
Within One Year	10,933	9,600	12,722	13,950
Between One and Two Years	12,508	12,508	13,808	18,244
Between Two and Five Years	65,592	39,216	87,543	50,116
After Five Years	20,674	50,583	20,675	56,136
	109,707	111,907	134,748	138,446

18. CALLED UP SHARE CAPITAL

	Authorised		Allotted & Fully Paid	
	1999	1998	1999	1998
	US\$000	US\$000	US\$000	US\$000
4,996,102 Ordinary Equity Shares of £1 each	7,757	7,757	7,757	7,757
20,000,000 Ordinary Equity Shares of US\$1 each	20,000	20,000	-	-
3,548 10% Non-Cumulative First Preference Shares of £1 each	5	5	5	5
350 6% Non-Cumulative Partici- pating Preference Shares of £1 each	1	1	1	1
	27,763	27,763	7,763	7,763

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

18. CALLED UP SHARE CAPITAL (Continued)

The rights attaching to the non-equity shares are as follows:

(1) **Non-Cumulative First Preference Shares**

- (a) The right to be paid out of the profits of the Company available for dividend and resolved to be distributed in respect of any financial year a fixed non-cumulative preferential dividend at a rate of 10% per annum in priority to any payment to the holders of any other class of shares but no other right to participate in the profits of the Company.
- (b) The right to participate pari passu with the Ordinary Shares (but subject to prior rights of the Participating Preference Shares) in the assets of the Company in the proportion which the amount paid on the First Preference Shares bears to eighty times the amount paid up on the Ordinary Shares.
- (c) No right to receive notice of or attend or vote at any General Meeting except in the case of a meeting which is to consider the winding up or reducing the capital of the Company.

(2) **Non-Cumulative Participating Preference Shares**

- (a) The right to be paid out of the profits of the Company available for dividend and resolved to be distributed in respect of any financial year a fixed non-cumulative preferential dividend at a rate of 6% per annum ranking after payment of the dividend on the First Preference Shares and in priority to any payment to the holders of any other class of shares.
- (b) The right to participate with the holders of the Ordinary Shares in the profits of the Company remaining available for distribution and resolved to be distributed in respect of any financial year after payment of the fixed preferential dividends on the First Preference Shares and the Participating Preference Shares and dividends at the rate of £2,000 per annum to the holders of the Ordinary Shares in the proportion which the amount paid up on the Participating Preference Shares bears to forty times the amount paid up on the Ordinary Shares in issue.
- (c) The shares may be redeemed at par at any time after 31 March 1990.
- (d) The right in a winding up or reduction of capital to repayment of capital in priority to any repayment of capital on any other class of shares.
- (e) No right to receive notice of or attend or vote at any General Meeting except in the case of a meeting which is to consider the winding up or reducing the capital of the Company.

BIBBY LINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

19. PROFIT AND LOSS ACCOUNT

	Parent Company US\$000	Group US\$000
At 1 January 1999	37,883	18,689
Retained Loss for the Year	(5,840)	(5,946)
Exchange Differences Arising on Consolidation	-	71
	<hr/>	<hr/>
At 31 December 1999	<u>32,043</u>	<u>12,814</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Parent Company		Group	
	1999 US\$000	1998 US\$000	1999 US\$000	1998 US\$000
(Loss)/Profit for the Financial Year	(5,840)	(3,815)	(5,946)	8,554
Exchange Differences Arising on Consolidation	-	-	71	(259)
	<hr/>	<hr/>	<hr/>	<hr/>
Net (Reduction)/Addition to Shareholders' Funds	(5,840)	(3,815)	(5,875)	8,295
Opening Shareholders' Funds	45,646	49,461	26,452	18,157
	<hr/>	<hr/>	<hr/>	<hr/>
Closing Shareholders' Funds	<u>39,806</u>	<u>45,646</u>	<u>20,577</u>	<u>26,452</u>

The share of Shareholders' funds attributable to non-equity shareholders is US\$6,052 (1998 - US\$6,052).

BIBBY LINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

21. PARENT COMPANY'S PROFIT AND LOSS ACCOUNT

	Note	1999 US\$000	1998 US\$000
Turnover	3	10,197	11,814
Cost of Sales		(5,402)	(7,217)
		<hr/>	<hr/>
Gross Profit		4,795	4,597
Administration Expenses		(4,074)	(3,589)
		<hr/>	<hr/>
Operating Profit		721	1,008
Profit on Sale of Fixed Assets and Investments - Liquidation of Subsidiary Undertaking		(517)	3
		<hr/>	<hr/>
Profit on Ordinary Activities Before Interest		204	1,011
Interest Receivable and Similar Income	5	407	606
Interest Payable and Similar Charges	6	(7,127)	(6,854)
		<hr/>	<hr/>
Loss on Ordinary Activities Before Taxation		(6,516)	(5,237)
Taxation Credit	8	676	1,422
		<hr/>	<hr/>
Loss for the Financial Year	19	<u>(5,840)</u>	<u>(3,815)</u>

The Company has no recognised gains or losses in 1999 or 1998 other than those dealt with in the profit and loss account.

BIBBY LINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

22. EMOLUMENTS OF DIRECTORS

	1999 US\$000	1998 US\$000
Aggregate Emoluments	<u>316</u>	<u>450</u>

Retirement benefits are accruing to two (1998 - two) directors under a defined benefit scheme.

Highest Paid Director

	1999 US\$000	1998 US\$000
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive schemes	<u>187</u>	<u>251</u>
Defined Benefit Pension Scheme: Accrued pension at end of year	<u>16</u>	<u>12</u>

23. PARTICULARS OF EMPLOYEES

	1999 Number	1998 Number
The average number of employees during the year was:		
Administration	153	148
Marine Staff	336	308
	<u>489</u>	<u>456</u>

BIBBY LINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

24. OPERATING LEASE COMMITMENTS

	1999		1998	
	Property US\$000	Other US\$000	Property US\$000	Other US\$000
The Group has the following annual commitments under operating leases which expire:				
Within One Year	-	22	-	13
Between two and five years	14	2,692	313	63
After five years	-	-	36	2,629
	<u>14</u>	<u>2,714</u>	<u>349</u>	<u>2,705</u>

25. CAPITAL COMMITMENTS

	Parent Company		Group	
	1999 US\$000	1998 US\$000	1999 US\$000	1998 US\$000
Capital expenditure for which contracts have been placed but which are not otherwise provided for in these Financial Statements	-	-	7,673	13,405

Included in the above is an order for a mobile jack-up rig being built by Arab Heavy Industries in UAE which was delivered in February 2000.

26. CONTINGENT LIABILITIES

At the year end the Company had contingent liabilities of US\$12,930,290 (1998 - US\$16,925,696) in respect of guarantees given to the Group's bankers.

BIBBY LINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

27. SUBSIDIARY AND ASSOCIATED UNDERTAKINGS

	Percentage of Equity Share Capital Held	Country of Incorporation	Type of Business
Subsidiary Undertakings			
Bayton Shipping (SA) (Pty) Limited *	75	South Africa	Dormant
Bibby Bulk Carriers Limited	100	United Kingdom	Shipping
Bibby Chemical Carriers Limited	100	United Kingdom	Shipping
Bibby Freighters Limited	100	United Kingdom	Shipping
Bibby Gas Carrier Limited	100	United Kingdom	Shipping
Bibby International Services Group Limited	100	United Kingdom	Supply of Ships Crew
Bibby International Services Limited *	100	Cayman Islands	Ship Management
Bibby International Services (Cayman Islands) Limited *	100	Cayman Islands	Supply of Ships Crew
Bibby International Services (IOM) Limited *	100	Isle of Man	Ship Management
Bibby Marinor Limited	100	United Kingdom	Shipping
Bibby Maritime Limited	100	United Kingdom	Shipping
Bibby Navigation Limited	100	United Kingdom	Shipping
Bibby Nominees (UK) Limited	100	United Kingdom	Shipping
Bibby Offshore (Qatar) Limited	100	United Kingdom	Shipping
Bibby Pool Partner Limited	100	United Kingdom	Shipping
Bibby Tankers Limited *	100	United Kingdom	Shipping
Bibby (Time Charter) Limited	100	United Kingdom	Shipping
Bibby Transport Limited	100	United Kingdom	Shipping
Bibby Travel Limited	100	United Kingdom	Dormant
Britain Steamship Company Limited	100	United Kingdom	Shipping
Herculanum Shipping Limited	100	United Kingdom	Shipping
Huskisson Shipping Limited	100	United Kingdom	Shipping
Lamport Investments Limited *	75	Isle of Man	Shipping
Langton Shipping Limited	100	United Kingdom	Shipping
Rumford Tankers Limited	100	United Kingdom	Shipping

* Denotes interest not held directly by Bibby Line Limited.

Associated Undertakings			
Barton Shipping Group Limited *	50	United Kingdom	Shipping
Bibby-Harrison Management Services Limited	50	United Kingdom	Ship Management
Botany Bay Shipping Group Pty Limited *	50	Australia	Shipping
Offshore Design Engineering Limited	50	United Kingdom	Technical Services

* Denotes interest not held directly by Bibby Line Limited.

BIBBY LINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

28. PENSION COSTS

The Company is a member of the Group's defined benefit pension scheme operated for its employees. The assets of the scheme are held in a separate trustee administered fund.

The pension costs for the year were US\$128,666 (1998 - US\$148,491). Payments made to the pension fund are made by Bibby Line Group Limited and recharged to Group undertakings.

In addition, other pension costs of US\$329,521 (1998 - US\$380,452) were paid to non-Bibby schemes.

Details of the actuarial valuation of the Group's scheme is included in the notes to the financial statements of Bibby Line Group Limited.

29. ULTIMATE PARENT UNDERTAKING

The Company is a wholly owned subsidiary undertaking of Bibby Line Group Limited, the ultimate parent company, a company registered in England. Bibby Line Group Limited is the parent undertaking of the largest and smallest group which consolidates these financial statements and of which the Company is a member.

Copies of the financial statements of Bibby Line Group Limited may be obtained from the Company Secretary, Bibby Line Group Limited, 105 Duke Street, Liverpool L1 5JQ.