

**SIGNED**

**BIBBY BULK CARRIERS LIMITED**  
**FINANCIAL STATEMENTS FOR THE**  
**YEAR ENDED 31 DECEMBER 2001**

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## BIBBY BULK CARRIERS LIMITED

### PARENT UNDERTAKING

Bibby Line Limited

### ULTIMATE PARENT UNDERTAKING

Bibby Line Group Limited

### DIRECTORS

John Stewart Whewell Hogarth  
Michael James Bibby  
Jonathan Haymer  
Jonathan Osborne

### SECRETARY

Bibby Bros. & Co. (Management) Limited

### REGISTERED OFFICE

105 Duke Street  
Liverpool  
L1 5JQ

Incorporated in England and Wales  
Registered No. 1036027

### AUDITORS

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

### FLEET

TONNES  
DEADWEIGHT

'Cheshire'

Gas Carrier

29,171

BIBBY BULK CARRIERS LIMITED

NOTICE OF MEETING

Notice is hereby given, that the Annual General Meeting of the Company will be held on 24 May 2002 at 105 Duke Street, Liverpool for the following purposes:

To consider the attached Directors' Report and Financial Statements for the year ended 31 December 2001.


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.

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

By order of the Board

A handwritten signature in dark ink, appearing to read 'no Smith', followed by a stylized flourish or cross at the end.

Bibby Bros. & Co. (Management) Limited  
Secretary

3 April 2002

## BIBBY BULK CARRIERS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

The Directors present their Report together with the Audited Financial Statements for the year ended 31 December 2001.

#### ACTIVITIES

The principal activity is the ownership and operation of ships.

#### TRADING RESULT

The result for the year is set out in the Profit and Loss account. The company has traded profitably during the year. The directors consider the financial position of the company at 31 December 2001 to be satisfactory given the continued financial support of the parent undertaking.

The results for the year were enhanced by a refinement of the group's depreciation policy on the tanker fleet to more accurately reflect the expected trading life of these vessels and to bring the group more in line with its competitors.

The directors do not anticipate any major changes in the company's trading position in the foreseeable future.

The directors do not recommend a dividend in respect of the year.

#### DIRECTORS AND THEIR INTERESTS

The names of the persons who were Directors of the Company during the year were:

J. S. W. Hogarth  
M. J. Bibby  
J. Haymer  
J. Osborne - Appointed 1 December 2001

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

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 interests of the other Directors in the shares of Bibby Line Group Limited were as follows:-

	31 December 2001 Beneficial	1 January 2001 Beneficial
J. S. W. Hogarth £1,000 Ordinary Shares	1	1

## BIBBY BULK CARRIERS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

#### 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 of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

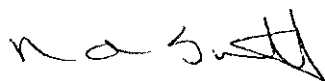
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

#### 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

3 April 2002

## BIBBY BULK CARRIERS LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIBBY BULK CARRIERS LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the notes to the financial statements.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and 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 issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions 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. The other information comprises only the directors' report.

#### **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 judgments 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 at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**PricewaterhouseCoopers**

**Chartered Accountants and Registered Auditors**  
Liverpool

3 April 2002

BIBBY BULK CARRIERS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED 31 DECEMBER 2001

	Note	2001 US\$	2000 US\$
Turnover	2	5,897,784	5,784,937
Cost of Sales		<u>(3,809,459)</u>	<u>(4,347,585)</u>
Gross Profit		2,088,325	1,437,352
Administration Expenses		<u>(172,144)</u>	<u>(166,496)</u>
Profit on Ordinary Activities Before Taxation	3	1,916,181	1,270,856
Taxation (Charge)/Credit	4	<u>(169,900)</u>	<u>391,500</u>
Profit for the Financial Year			
Transferred to Reserves	11	<u>1,746,281</u>	<u>1,662,356</u>

There are no recognised gains or losses in 2001 or 2000 other than those dealt with in the profit and loss account.

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


The notes on pages 8 to 13 form part of these financial statements.

BIBBY BULK CARRIERS LIMITED

BALANCE SHEET AS AT  
31 DECEMBER 2001

	Note	2001 US\$	2000 US\$
FIXED ASSETS:			
Tangible Assets	5	15,785,455	17,192,037
Investment in Subsidiary Undertakings	6	<u>          -</u>	<u>          155</u>
		<u>15,785,455</u>	<u>17,192,192</u>
CURRENT ASSETS:			
Debtors	7	480,100	-
Creditors (Amounts Falling Due Within One Year)	8	<u>(20,421,137)</u>	<u>(23,744,055)</u>
Net Current Liabilities		<u>(19,941,037)</u>	<u>(23,744,055)</u>
Total Assets Less Current Liabilities		<u>(4,155,582)</u>	<u>(6,551,863)</u>
Provision For Liabilities & Charges	9	<u>2,586,000</u>	<u>1,936,000</u>
CAPITAL AND RESERVES:			
Called Up Share Capital	10	6,210	6,210
Profit & Loss Account	11	<u>(6,747,792)</u>	<u>(8,494,073)</u>
Deficit of Shareholders' Funds (Including Non-Equity Interests)	12	<u>(6,741,582)</u>	<u>(8,487,863)</u>
		<u>(4,155,582)</u>	<u>(6,551,863)</u>

Approved by the Board on 3 April 2002

  
J. Haymer  
Director

The notes on pages 8 to 13 form part of these financial statements.



## BIBBY BULK CARRIERS LIMITED

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

#### 1. ACCOUNTING POLICIES

##### **Accounting Basis**

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

The US Dollar value of the issued share capital is arrived at by converting from Sterling at the exchange rate ruling at the date the accounts were first presented in \$US.

##### **Going Concern**

The financial statements are presented on a going concern basis as the shareholders have informed the Board that it is their present intention to continue to support the operations of the Company for the foreseeable future.

##### **Fixed Assets**

Fixed assets are included at cost less depreciation. The US dollar value of the vessel is arrived at by converting from sterling at the exchange rate ruling at the date the accounts were first presented in US\$. Subsequent additions are stated at cost.

Depreciation is provided on a straight line basis to write off the cost of the vessel over its useful economic life. During the year the group changed its estimate of the useful economic lives of its gas and chemical carrier fleet from 20 to 25 years as detailed in the directors report. The effect of this change is to reduce the depreciation charge for the year by US\$759,532.

##### **Repairs Allowance**

The fleet is surveyed in line with classification society and international requirements. Drydocking is carried out on a minimum 30-month cycle and an allowance is made annually for a pro-rata proportion of the estimated drydocking costs. The costs of the drydock are capitalised when incurred and the carrying amount representing the cost of the benefits consumed is retired from both cost and the allowance.

##### **Fleet Insurance**

The vessel is fully insured outside of the Group.

##### **Deferred Taxation**

Provision for deferred taxation, resulting from accelerated tax depreciation allowances, is made where a corporation tax liability might 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.

Trading transactions denominated in foreign currencies are translated into US Dollars at the exchange rate ruling on the date of the transaction or at an average rate for the year where appropriate.

# BIBBY BULK CARRIERS LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

### 1. ACCOUNTING POLICIES (Continued)

#### Cash Flows

A statement of Group cash flows has been included in the consolidated accounts presented by the ultimate parent undertaking. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1997).

#### Related Party Transactions

Under Financial Reporting Standard 8, the Company is exempt from disclosing related party transactions, 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. TURNOVER

Turnover is the freight and charter hire earned and is recognised at the time the relevant service is provided to customers.

### 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging

	2001	2000
	US\$	US\$
Foreign Exchange Differences	12,463	44,743
Depreciation	<u>1,291,205</u>	<u>2,050,737</u>

There were no emoluments paid to the Directors for the year (2000 - Nil).

Auditors' remuneration is borne by the parent company.

BIBBY BULK CARRIERS LIMITED

NOTES TO THE ACCOUNTS FOR THE  
YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

4. TAXATION (CHARGE)/CREDIT

	2001 US\$	2000 US\$
Proceeds for Tax Losses Surrendered to Group Undertaking	1,407,600	361,500
Over Provision for Proceeds for Surrender of Tax Losses to Group Undertakings in Prior Years	(927,500)	-
Deferred Tax (Charge)/Credit for Year (Note 9)	(650,000)	<u>30,000</u>
	<u>(169,900)</u>	<u>391,500</u>

If full provision had been made for deferred taxation, the tax charge in the profit and loss account would have increased by US\$434,000 (2000 - US\$547,333).

5. TANGIBLE ASSETS

	Fleet US\$
<b>Cost:</b>	
At 1 January 2001	<u>35,893,524</u>
<b>Accumulated Depreciation:</b>	
At 1 January 2001	(18,462,260)
Charge for the Year	<u>(1,291,205)</u>
At 31 December 2001	<u>(19,753,465)</u>
<b>Repairs Allowance:</b>	
At 1 January 2001	(239,227)
Charge for the Year	<u>(115,377)</u>
At 31 December 2001	<u>(354,604)</u>
Net Book Amount at 31 December 2001	<u>15,785,455</u>
Net Book Amount at 1 January 2001	<u>17,192,037</u>

BIBBY BULK CARRIERS LIMITED

NOTES TO THE ACCOUNTS FOR THE  
YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

6. SUBSIDIARY UNDERTAKINGS

Cost

	US\$
As at 1 January 2001	155
Disposals	<u>(155)</u>
As at 31 December 2001	<u>-</u>

The company disposed of its interest in Bibby Tankers Limited on 12<sup>th</sup> June 2001.

7. DEBTORS

(Amounts falling due within one year)

	2001 US\$	2000 US\$
Amounts Owed by Group Undertakings	<u>480,100</u>	<u>-</u>

8. CREDITORS

(Amounts falling due within one year)

	2001 US\$	2000 US\$
Amount Owed to Group Undertaking	<u>20,421,137</u>	<u>23,744,055</u>

Amounts due to Group undertakings are unsecured, interest free and repayable on demand.

BIBBY BULK CARRIERS LIMITED

NOTES TO THE ACCOUNTS FOR THE  
YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

9. PROVISION FOR LIABILITIES AND CHARGES

	US\$
At 1 January 2001	1,936,000
Deferred Taxation Transferred from Profit and Loss Account (Note 4)	<u>650,000</u>
At 31 December 2001	<u>2,586,000</u>

The balance on the deferred taxation account is analysed as follows:

	Provided		Unprovided	
	2001	2000	2001	2000
	US\$	US\$	US\$	US\$
Accelerated Capital Allowances	<u>2,586,000</u>	<u>1,936,000</u>	<u>1,724,000</u>	<u>1,290,000</u>

10. CALLED UP SHARE CAPITAL

	2001	2000
	US\$	US\$
<b>Authorised, Allotted and Fully Paid:</b>		
450 Ordinary Equity Shares of £1 Each	698	698
3,550 10% Non-Cumulative First Preference Shares of £1 Each	<u>5,512</u>	<u>5,512</u>
	<u>6,210</u>	<u>6,210</u>

The rights attaching to the First Preference Shares are as follows:

- (a) The First Preference Shares have 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 the rate of 10% per annum in priority to any payment to the holders of any other class of shares
- (b) The right to participate pari passu with the Ordinary Shareholders in the assets of the Company to be divided on liquidation in the proportion which the amount paid up on the First Preference Shares bears to forty times the amount paid up on the Ordinary Shares in issue at the commencement of such liquidation
- (c) No right to receive notice of or attend or vote at any general meeting of the Company except in the case of a meeting which is to consider the winding up or reducing the capital of the Company.

# BIBBY BULK CARRIERS LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

### 11. RESERVES

	Profit & Loss Account US\$
At 1 January 2001	(8,494,073)
Profit for the Financial Year	<u>1,746,281</u>
At 31 December 2001	<u>(6,747,792)</u>

### 12. RECONCILIATION OF MOVEMENTS IN DEFICIT EQUITY SHAREHOLDERS' FUNDS

	2001 US\$	2000 US\$
Profit for the Financial Year	1,746,281	1,662,356
Opening Deficit of Shareholders' Funds	<u>(8,487,863)</u>	<u>(10,150,219)</u>
Closing Deficit of Shareholders' Funds	<u>(6,741,582)</u>	<u>(8,487,863)</u>

US\$5,512 (2000 – US\$5,512) of the shareholders' funds relate to non-equity interests.

### 13. CONTINGENT LIABILITIES

The Company, along with fellow group undertakings, has guaranteed certain facilities of the Bibby Group which are in the name of Bibby Line Limited to that company's bankers. At 31 December 2001 the amount covered by such guarantees was US\$55,115,814 (2000 - US\$57,665,446).

A mortgage has been registered on the vessel as security for a bank loan to Bibby Line Limited.

### 14. PARENT UNDERTAKING

The Company is a wholly owned subsidiary undertaking of Bibby Line Limited, which itself is a wholly owned subsidiary undertaking of Bibby Line Group Limited both of which are registered in England. Bibby Line Group Limited is the parent undertaking of the largest group which consolidates these accounts and of which the Company is a member. Bibby Line Limited is the parent undertaking of the smallest group which consolidates these accounts and of which the Company is a member.

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