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1036027

BIBBY BULK CARRIERS LIMITED
FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1995



BIBBY BULK CARRIERS LIMITED

ULTIMATE PARENT COMPANY

Bibby Line Group Limited

DIRECTORS

Simon Patrick Sherrard
John Stewart Whewell Hogarth
Michael James Bibby
Jonathan Haymer

SECRETARY

Bibby Bros & Co (Management) Limited

REGISTERED OFFICE

105 Duke Street
Liverpool
L1 5JQ

Incorporated in England and Wales
Registered No. 1036027

AUDITORS

Price Waterhouse,
Silkhouse Court
Tithebarn Street
Liverpool L2 2LJ

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 7 May 1996 at 105 Duke Street, Liverpool for the following purposes:

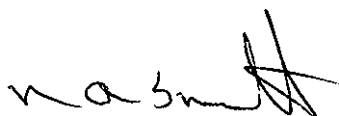
To approve the Directors' Report and Accounts for the year ended 31 December 1995.

To re-appoint Price Waterhouse as Auditors of the Company for the ensuing year.

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



Bibby Bros & Co (Management) Limited

Secretary **Duly Authorised Signatory
For and on behalf of
Bibby Bros. & Co.
(Management) Limited**

1 April 1996

BIBBY BULK CARRIERS LIMITED

DIRECTORS' REPORT 1995

The Directors present their Report together with the Audited Accounts for the year ended 31 December 1995.

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 Directors do not recommend a dividend in respect of the year.

FIXED ASSETS

On 27 September 1995 the remaining 50% of the investment in 'Cheshire' together with its trade was transferred to the Company by Bibby Transport Limited, a fellow Group undertaking.

DIRECTORS

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

S. P. Sherrard - Chairman
J. S. W. Hogarth
M. J. Bibby
J. Haymer

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. S. P. Sherrard and Mr. M. J. Bibby 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 1995		1 January 1995	
	Beneficial	Other	Beneficial	Other
J. S. W. Hogarth £1,000 Ordinary Shares	1	-	1	-
J. Haymer £1,000 Ordinary Shares	2	-	-	-

BIBBY BULK CARRIERS LIMITED

DIRECTORS' REPORT 1995 (CONTINUED)

DIRECTORS (Continued)

Insurance has been taken out under Section 310(3) of the Companies Act 1985, for the officers of the Company against liabilities in relation to the Company.

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.

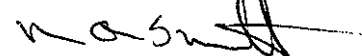
AUDITORS

Price Waterhouse, being eligible, have indicated their willingness to be re-appointed.

CHANGES SINCE THE YEAR END

With effect from 1 January 1996 the Company will account for all of its activities in U.S. Dollars.

By Order of the Board



Bibby Bros & Co (Management) Limited
Secretary

1 April 1996

Duly Authorised Signatory
For and on behalf of
Bibby Bros. & Co.
(Management) Limited

BIBBY BULK CARRIERS LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 6 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective Responsibilities of Directors and Auditors

As described on page 4 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 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PRICE WATERHOUSE

Chartered Accountants
and Registered Auditors
Silkhouse Court
Tithebarn Street
Liverpool L2 2LJ

1 April 1996

BIBBY BULK CARRIERS LIMITED

PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 December 1995

	Note	1995 £	1994 £
Turnover	2	2,593,584	3,071,628
Operating Costs		(1,148,168)	(1,755,165)
		<hr/>	<hr/>
Gross Profit Before Depreciation		1,445,416	1,316,463
Depreciation		(834,120)	(1,064,839)
		<hr/>	<hr/>
Gross Profit		611,296	251,624
Administration Expenses		(137,500)	(159,645)
HP Interest	3	(746,825)	(599,339)
		<hr/>	<hr/>
Loss on Ordinary Activities Before Taxation		(273,029)	(507,360)
Taxation (Charge) Credit	4	(925,500)	2,149,500
		<hr/>	<hr/>
(Loss) Profit for the Financial Year Transferred (from) to Adverse Balance on Reserves	11	<u>(1,198,529)</u>	<u>1,642,140</u>

There are no recognised gains or losses in 1995 or 1994 other than those dealt with in the profit and loss account.

The turnover and (loss) profit on ordinary activities all derive from continuing activities which are unchanged from the previous year.

BIBBY BULK CARRIERS LIMITED

BALANCE SHEET
31 DECEMBER 1995

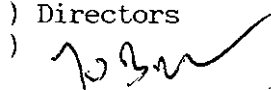
	Note	1995 £	1994 £
FIXED ASSETS:			
Tangible Assets	5	17,831,347	9,576,094
Investment in Subsidiary Undertakings	14	100	200
		<u>17,831,447</u>	<u>9,576,294</u>
CURRENT ASSETS:			
Debtors	6	96,500	1,158,498
Creditors (Amounts Falling Due Within One Year)	7	4,134,510	5,683,291
Net Current Liabilities		(4,038,010)	(4,524,793)
Total Assets Less Current Liabilities		<u>13,793,437</u>	<u>5,051,501</u>
Creditors (Amounts Falling Due After More Than One Year)	8	18,285,876	9,863,224
Provision For Liabilities & Charges	9	1,648,993	131,180
		<u>19,934,869</u>	<u>9,994,404</u>
CAPITAL AND RESERVES:			
Called Up Share Capital	10	4,000	4,000
Profit & Loss Account - Adverse Balance	11	(6,145,432)	(4,946,903)
Shareholders' Funds	11	(6,141,432)	(4,942,903)
		<u>13,793,437</u>	<u>5,051,501</u>

Approved by the Board on 1 April 1996

S. P. Sherrard

) 
) Directors

M. J. Bibby

) 

BIBBY BULK CARRIERS LIMITED

NOTES TO THE ACCOUNTS
31 DECEMBER 1995

1. ACCOUNTING POLICIES

Accounting Basis

The Accounts of the Company are prepared under the historical cost accounting convention and in accordance with applicable Accounting Standards. They 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.

Fixed Assets

The vessel has been included at original cost.

Depreciation is provided on a straight line basis to write off the vessel over its estimated useful life which is twenty years.

Survey Costs and Drydocks

The vessel is maintained on a continuous survey basis and survey expenses are charged in arriving at the operating results in the year in which they are incurred. Drydocking is on a five year cycle and provision has been made in 1995 for a pro rata proportion of the estimated costs of the next scheduled drydock.

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 sterling at the approximate rates ruling at the year end.

Cash Flows

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

2. TURNOVER

Turnover is the charter hire earned.

BIBBY BULK CARRIERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION is stated after charging the following amounts:-

	1995 £	1994 £
HP Interest on Long Term Inter Group Loan	<u>746,825</u>	<u>599,339</u>

4. TAXATION (CHARGE) CREDIT

Proceeds for Tax Losses Surrendered to Group Undertaking	96,500	743,500
Under Provision for Proceeds for Surrender of Tax Losses in Prior Years	293,000	178,000
Deferred Tax (Charge) Credit for Year	(1,315,000)	1,228,000
	<u>(925,500)</u>	<u>2,149,500</u>

Deferred Taxation, calculated under the liability method, has been provided at a Corporation Tax rate of 33% (1994 - 33%) to the extent set out in the Statement of Accounting Policies being mainly in respect of accelerated tax depreciation allowances.

If full provision had been made for deferred taxation, the tax charge (1994 - credit) in the profit and loss account would have been increased by £878,000 (1994 - £819,000).

BIBBY BULK CARRIERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

5. TANGIBLE ASSETS

	Fleet £
Cost at 31 December 1994	11,559,167
Inter Group Transfer	11,559,166
	<hr/>
Cost at 31 December 1995	23,118,333
	<hr/>
Accumulated Depreciation at 31 December 1994	1,983,073
Inter Group Transfer	2,469,793
Provision for the Year	834,120
	<hr/>
At 31 December 1995	5,286,986
	<hr/>
Net Book Amount at 31 December 1995	17,831,347
	<hr/>
Net Book Amount at 31 December 1994	9,576,094
	<hr/>

6. DEBTORS

	1995 £	1994 £
Amounts Owed By Group Undertakings	96,500	1,158,498
	<hr/>	<hr/>

7. CREDITORS

(Amounts falling due within one year)

	1995 £	1994 £
HP Creditor Owed to Group Undertaking (See Note 8)	1,440,573	683,291
Amount Owed to Group Undertaking	2,693,937	-
Amount Owed to Ultimate Parent Undertaking	-	5,000,000
	<hr/>	<hr/>
	4,134,510	5,683,291
	<hr/>	<hr/>

BIBBY BULK CARRIERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

8. CREDITORS

(Amounts falling due after more than one year)

	1995 £	1994 £
HP Creditor Owed to Group Undertaking	<u>18,285,876</u>	<u>9,863,224</u>

The HP agreement requires the capital element to be repaid by instalments over periods to May 2006. This agreement is denominated in Belgian Francs at a fixed exchange rate and obligations under it are repayable:-

	1995 £	1994 £
Within One Year	1,440,573	683,291
Between One and Five Years	6,633,397	3,139,130
After Five Years	11,652,479	6,724,094
	<u>19,726,449</u>	<u>10,546,515</u>

9. PROVISION FOR LIABILITIES AND CHARGES

	1995 £	1994 £
Deferred Taxation	1,397,000	82,000
Provision for Drydocking	251,993	49,180
	<u>1,648,993</u>	<u>131,180</u>

The potential amount of deferred taxation not provided for at 31 December 1995, being mainly in respect of accelerated tax depreciation allowances, is £932,000 (1994 - £55,000).

BIBBY BULK CARRIERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

10. CALLED UP SHARE CAPITAL

	1995 £	1994 £
Allotted and Fully Paid:		
450 Ordinary Voting Shares of £1 Each	450	450
3,550 10% Non-Cumulative First Preference Shares of £1 Each	3,550	3,550
	<u>4,000</u>	<u>4,000</u>
Authorised	<u>4,000</u>	<u>4,000</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.

11. RESERVES

	Profit & Loss Account (Adverse Balance) £
At 31 December 1994	(4,946,903)
Loss for the Financial Year	(1,198,529)
	<u> </u>
At 31 December 1995	<u>(6,145,432)</u>

BIBBY BULK CARRIERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

11. RESERVES (continued)

Movement on Shareholders' Funds

	1995 £	1994 £
(Loss) Profit for the Financial Year	(1,198,529)	1,642,140
Opening Shareholders' Funds	(4,942,903)	(6,585,043)
	<hr/>	<hr/>
Closing Shareholders' Funds	(6,141,432)	(4,942,903)
	<hr/>	<hr/>

£3,550 (1994 - £3,550) of the shareholders' funds relate to non-equity interests.

12. EMOLUMENTS OF DIRECTORS

There were no emoluments paid to the Directors for the year (1994 - Nil)

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 1995 the amount covered by such guarantees was £28,852,643 (1994 - £29,459,897).

Mortgages have been registered on the vessel as security for bank loans to Bibby Line Limited.

14. SUBSIDIARY UNDERTAKINGS

	Country of Registration	Type of Business	Holding
Bibby Tankers Limited	England	Shipping	100%

The Company is exempt under Section 228(1) of the Companies Act 1985 from the requirement to prepare group accounts since consolidated accounts are prepared by the parent undertaking, Bibby Line Group Limited.

The Company's shares in Bibby Maritime Limited were transferred to Bibby Line Limited on 20 February 1995.

BIBBY BULK CARRIERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

15. ULTIMATE 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 and 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.