

**TAMAHINE INVESTMENTS LIMITED**

**Company Registration Number 01053018**

**REPORT AND ACCOUNTS**

**For the year ended 31 December 2004**



**Howsons  
Chartered Accountants  
Registered Auditors**

**Winton House  
Stoke Road  
Stoke-on-Trent  
Staffordshire  
ST4 2RW**

# **TAMAHINE INVESTMENTS LIMITED**

## **REPORT OF THE DIRECTORS**

The directors have pleasure in presenting their annual report together with the audited accounts for the year ended 31 December 2004.

### **PRINCIPAL ACTIVITIES**

The principal activities of the company during the year have been the owning and hiring of cargo ships.

### **BUSINESS REVIEW**

The company made a profit on ordinary activities after taxation of £485,419. The directors do not recommend the payment of a dividend for the year.

### **DIRECTORS**

The following were directors of the company during the year and subsequently, and their respective interest in shares were as follows:

	<u>2004</u>	<u>2003</u>
Mr M J C Bamford	-	-
Mr S E R Ovens	-	-

At 31 December 2004, Mr M J C Bamford was the beneficial owner of 99% of the issued share capital of Aquatorweg Limited, which in turn owned the entire issued share capital of Tamahine Investments Limited.

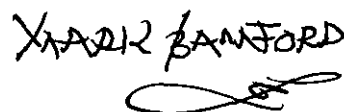
### **DONATIONS**

The total amount given for charitable purposes during the year was £nil (2003: £222).

### **AUDITORS**

The auditors, Howsons, have expressed their willingness to continue in office and a resolution to re-appoint them will be put to the members at the Annual General Meeting.

Signed on behalf of the Board



**M J C BAMFORD**

## **TAMAHINE INVESTMENTS LIMITED**

### **DIRECTORS' RESPONSIBILITIES**

**For the year ended 31 December 2004**

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 at the end of the year end of the profit or loss for the year then ended.

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 not appropriate 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.*

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAMAHINE INVESTMENTS LIMITED**

**For the year ended 31 December 2004**

We have audited the financial statements, which comprise the profit and loss account, balance sheet, note of historical cost profits and losses, cash flow statement and the related notes. These have been prepared under the historical cost convention, as modified by the revaluation of current asset investments, and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

As described on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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 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 with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within it.

## **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes the 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 at 31 December 2004 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985



**Howsons  
Chartered Accountants  
Registered Auditors**

Winton House  
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Stoke-on-Trent  
Staffordshire  
ST4 2RW

Date **23 January 2006**

**TAMAHINE INVESTMENTS LIMITED**

**PROFIT AND LOSS ACCOUNT**

**For the year ended 31 December 2004**

	Note	2004		2003	
		£	£	£	£
TURNOVER - continuing operations	2		-		-
Cost of sales			160,151		299,667
			<hr/>		<hr/>
GROSS LOSS			(160,151)		(299,667)
Administrative expenses			54,338		(18,450)
			<hr/>		<hr/>
OPERATING LOSS					
- continuing operations	3		(214,489)		(281,217)
Dividends (Net)		73,729		58,991	
Interest receivable	5	114,835		85,187	
Interest payable	6	(606)		-	
Profit/(loss) on revaluation of investments	10	511,950		1,469,199	
		<hr/>		<hr/>	
			699,908		1,613,377
			<hr/>		<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			485,419		1,332,160
Taxation on profit/(loss) on ordinary activities	7		-		-
			<hr/>		<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION BEING SURPLUS/(DEFICIT) FOR THE YEAR	15		485,419		1,332,160
			<hr/>		<hr/>

**TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains or losses other than the surplus for the year-ends as stated.

**TAMAHINE INVESTMENTS LIMITED****NOTE OF HISTORICAL COST PROFITS AND LOSSES****For the year ended 31 December 2004**

	2004 £	2003 £
Profit/(loss) on ordinary activities before taxation	485,419	1,332,160
Revaluation of investments	511,950	1,469,199
	<hr/>	<hr/>
Historical cost loss on ordinary activities before taxation	(26,531)	(137,039)
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# TAMAHINE INVESTMENTS LIMITED

## BALANCE SHEET

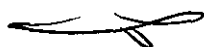
As at 31 December 2004

	Note	£	2004	£	£	2003	£
FIXED ASSETS							
Tangible assets	8		151,584			180,663	
CURRENT ASSETS							
Stock	9	115,954			80,378		
Investments	10	5,712,772			5,133,591		
Debtors	11	61,624			67,857		
Cash at bank		2,568,885			2,700,347		
			8,459,235		7,982,173		
CREDITORS: Amounts falling due within one year							
	12	96,490			671,128		
NET CURRENT ASSETS							
			8,362,745			7,311,045	
TOTAL ASSETS LESS CURRENT LIABILITIES							
			8,514,329			7,491,708	
CREDITORS: Amounts falling due after more than one year							
	13		19,401,472			18,864,270	
NET LIABILITIES							
			(10,887,143)			(11,372,562)	
CAPITAL AND RESERVES							
Called up share capital	14		100			100	
Profit and loss account	15		(10,887,243)			(11,372,662)	
DEFICIENCY OF SHAREHOLDER'S FUNDS							
	16		(10,887,143)			(11,372,562)	

The accounts were approved by the Board of Directors on 23 January 2006  
signed on their behalf by:

and are

MARK BAMFORD



M J C BAMFORD

**TAMAHINE INVESTMENTS LIMITED****CASH FLOW STATEMENT****For the year ended 31 December 2004****RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	Note	2004 £	2003 £
Operating loss		(214,489)	(281,217)
Depreciation of tangible fixed assets		29,079	137,850
Decrease/(increase) in stock		(35,576)	4,205
Decrease in debtors		6,233	35,607
Decrease in creditors		(37,436)	(84,473)
		<hr/>	<hr/>
Net cash outflow from operating activities		(252,189)	(188,028)
		<hr/>	<hr/>

**CASHFLOW STATEMENT**

Net cash outflow from operating activities		(252,189)	(188,028)
Returns on investments and servicing of finance	19	187,958	144,178
Management of liquid resources	19	(67,231)	(52,313)
		<hr/>	<hr/>
Decrease in cash in year		(131,462)	(96,163)
		<hr/>	<hr/>

**RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS**

Decrease in cash in year		(131,462)	(96,163)
Net funds at 31 December 2003		2,700,347	2,796,510
		<hr/>	<hr/>
Net funds at 31 December 2004	20	2,568,885	2,700,347
		<hr/>	<hr/>



# TAMAHINE INVESTMENTS LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2004

### 1. ACCOUNTING POLICIES

#### Accounting Convention

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

#### Depreciation

Depreciation of tangible fixed assets is calculated to write off the original cost by equal annual instalments over the expected useful lives of the assets concerned. The rates in use during the year are as follows:

Motor Vessels	10%
Salvage Equipment	5%
Plant and Equipment	10% and 20%
Fixtures	0% - 20%

#### Investments

Current asset investments in quoted investments are stated at the lower of cost and market value.

#### Stocks

Stocks have been consistently valued at the lower of cost and estimated net realisable value. Cost consists of direct expenditure and overheads where applicable.

#### Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

# TAMAHINE INVESTMENTS LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2004

### 1. ACCOUNTING POLICIES (continued)

#### Drydocking Costs on Cargo Vessels and Hired Cargo Vessel

Expenditure on drydocking is charged to the profit and loss account in the year in which it is incurred.

#### Foreign Currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year.

Profit and loss account items are translated into sterling at the average rates of exchange ruling during the year.

Gains or losses relating to those transactions have been credited or charged to the profit and loss account.

### 2. TURNOVER

Turnover represents the net contract values of voyages and charters and the invoice value of goods sold exclusive of VAT.

### 3. OPERATING LOSS

Operating loss is shown after charging/(crediting) the following items:

	2004 £	2003 £
Depreciation	29,079	137,850
Auditors' remuneration	7,612	6,000
Contract labour	31,198	35,834
Profit on exchange	(25,294)	(44,024)

### 4. STAFF NUMBERS AND COSTS

The average number of persons employed by the company (including directors) during the year was as follows:

	2004	2003
Directors	2	2

No remuneration was paid to these employees.

The cargo vessels were manned by manning agencies (see Note 3 for the cost of contract labour).

# TAMAHINE INVESTMENTS LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2004

### 5. INTEREST RECEIVABLE

	2004 £	2003 £
Bank interest	114,835	85,187

### 6. INTEREST PAYABLE

	2004 £	2003 £
Bank overdraft	606	-

### 7. TAXATION ON LOSS ON ORDINARY ACTIVITIES

The company has tax losses of approximately £783,000 (2003 - £624,000) available to carry forward.

### 8. TANGIBLE FIXED ASSETS

	Fixtures £	Motor Vessels £	Salvage Rights & Equip't £	Plant £	Total £
<b>COST</b>					
At 31 December 2003	32,046	1,373,747	28,111	8,074	1,441,978
Additions	-	-	-	-	-
At 31 December 2004	32,046	1,373,747	28,111	8,074	1,441,978
<b>DEPRECIATION</b>					
At 31 December 2003	20,884	1,210,896	21,461	8,074	1,261,315
Charge for the year	-	28,604	475	-	29,079
At 31 December 2004	20,884	1,239,500	21,936	8,074	1,290,394
<b>NET BOOK VALUE</b>					
At 31 December 2004	11,162	134,247	6,175	-	151,584
At 31 December 2003	11,162	162,851	6,650	-	180,663

**TAMAHINE INVESTMENTS LIMITED**

**NOTES TO THE ACCOUNTS**

**For the year ended 31 December 2004**

**9. STOCK**

	2004 £	2003 £
Shipping	115,954	80,378

**10. INVESTMENTS**

	2004 £	2003 £
<b>COST</b>		
Listed investments at 31 December 2003	14,285,462	14,233,149
Additions	67,231	52,313
	<hr/>	<hr/>
Listed investments at 31 December 2004	14,352,693	14,285,462
	<hr/>	<hr/>
<b>PROVISION FOR DIMINUTION IN VALUE</b>		
At 31 December 2003	(9,151,871)	(10,621,070)
Increase/(decrease) in value of investments	511,950	1,469,199
	<hr/>	<hr/>
At 31 December 2004	(8,639,921)	(9,151,871)
	<hr/>	<hr/>
<b>VALUATION OF INVESTMENTS AT 31 DECEMBER 2004</b>	<b>5,712,772</b>	<b>5,133,591</b>
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At 31 December 2004 and 2003 the listed investments are shown at the lower of cost and market value.

**11. DEBTORS**

	2004 £	2003 £
Trade debtors	-	25,138
Other debtors	56,051	37,096
Prepayments	5,473	5,523
Taxation	100	100
	<hr/>	<hr/>
	61,624	67,857
	<hr/>	<hr/>

**TAMAHINE INVESTMENTS LIMITED****NOTES TO THE ACCOUNTS****For the year ended 31 December 2004****12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2004 £	2003 £
Trade creditors	50,673	51,179
Other creditors	6,101	6,180
Accruals	39,716	38,769
Loan	-	575,000
	<hr/>	<hr/>
	96,490	671,128
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The above loans are interest free and no repayment dates have been fixed.

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2004 £	2003 £
Director's loans	19,401,472	18,864,270
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The above loans are interest free and no repayment dates have been fixed.

**14. SHARE CAPITAL**

	2004 £	2003 £
Authorised, allotted, issued and fully paid		
100 Ordinary Shares of £1 each	100	100
	<hr/>	<hr/>

**15. PROFIT AND LOSS ACCOUNT**

	2004 £	2003 £
At 31 December 2003	(11,372,662)	(12,704,822)
Retained profit for the year	485,419	1,332,160
	<hr/>	<hr/>
At 31 December 2004	(10,887,243)	(11,372,662)
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**TAMAHINE INVESTMENTS LIMITED****NOTES TO THE ACCOUNTS****For the year ended 31 December 2004****16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

	2004 £	2003 £
Profit for the year after taxation	485,419	1,332,160
Deficiency of shareholder's funds at 31 December 2003	(11,372,562)	(12,704,722)
Deficiency of shareholder's funds at 31 December 2004	(10,887,143)	(11,372,562)

The deficiency of shareholder's funds is wholly attributable to equity interests.

**17. GOING CONCERN**

The directors consider the company to be a going concern on the basis that directors' loans are not to be repaid in the foreseeable future.

**18. POST BALANCE SHEET EVENTS**

On 29 September 2005 the MV Tamamina which is currently included in fixed assets at a cost of £1,150,000 and net book value of £nil, was sold for \$1,305,118.

**19. NOTES TO CASHFLOW STATEMENT**

	2004 £	2003 £
<b>Returns on Investments and Servicing of Finance</b>		
Interest received	114,835	85,187
Dividends received - non group	73,729	58,991
Interest paid	(606)	-
	187,958	144,178
<b>Management of Liquid Resources</b>		
Payments to acquire investments	(67,231)	(52,313)

**TAMAHINE INVESTMENTS LIMITED****NOTES TO THE ACCOUNTS****For the year ended 31 December 2004****20. ANALYSIS OF CHANGES IN NET FUNDS**

	At 31 December 2003 £	Cashflow £	At 31 December 2004 £
Cash at bank	2,700,347	(131,462)	2,568,885
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**21. ULTIMATE CONTROLLING PARTY**

The company is the wholly owned subsidiary of Aquatorweg Limited, an undertaking registered in Jersey, C.I., which in turn is controlled by Mr M J C Bamford.