

1195555

SIGNER

**BIBBY MARITIME LIMITED**

**FINANCIAL STATEMENTS FOR THE**

**YEAR ENDED 31 DECEMBER 2005**



## BIBBY MARITIME LIMITED

### PARENT UNDERTAKING

Bibby Line Limited

### ULTIMATE PARENT UNDERTAKING

Bibby Line Group Limited

### DIRECTORS

Cyril Joseph Green  
Jonathan Osborne  
Simon Jeremy Kitchen  
Sean Thomas Golding

### SECRETARY

Bibby Bros. & Co. (Management) Limited

### REGISTERED OFFICE

105 Duke Street  
Liverpool  
L1 5JQ  
[www.bibbyline.co.uk](http://www.bibbyline.co.uk)

Incorporated in England and Wales  
Registered No. 1195555

### AUDITORS

KPMG LLP  
8 Princes Parade  
Liverpool  
L3 1QH

### FLEET

#### Owned

'Bibby Altona'  
'Bibby Bergen'  
'Bibby Challenge'  
'Bibby Kalmar'  
'Bibby Portsmouth'  
'Bibby Progress'  
'Bibby Stockholm'

Floating Accommodation Vessel  
Floating Accommodation Vessel  
Floating Accommodation Vessel  
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Floating Accommodation Vessel

## BIBBY MARITIME LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The directors present their report together with the audited financial statements for the year ended 31 December 2005.

#### ACTIVITIES

The principal activity of the Company is the ownership and operation of floating accommodation vessels.

#### TRADING RESULT AND DIVIDEND

The result for the year is set out in the profit and loss account. The directors consider the financial position of the Company at 31 December 2005 to be satisfactory given the continued financial support of the parent undertaking.

During 2005, two vessels were sold, Bibby Goteborg and Casa Marina, whilst the Bibby Stockholm and Bibby Kalmar underwent significant conversions.

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 directors during the year were:

Cyril Joseph Green  
John Stewart Whewell Hogarth  
Jonathan Osborne  
Simon Jeremy Kitchen - Appointed 7 October 2005

Since the year end, John Stewart Whewell Hogarth resigned as a director of the Company on 6 January 2006 and Sean Thomas Golding was appointed as a director of the Company on 1 January 2006.

The interests of the directors in the shares of Bibby Line Group Limited were as follows:-

|                        | 31 December 2005<br>Beneficial | 1 January 2004<br>Beneficial |
|------------------------|--------------------------------|------------------------------|
| J. S. W. Hogarth       |                                |                              |
| £1,000 Ordinary Shares | -                              | 1                            |

None of the other directors held any interests in either the shares of the Company or any of the Bibby Line Group Limited group of companies.

BIBBY MARITIME LIMITED

DIRECTORS' REPORT FOR THE  
YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

AUDITORS

In accordance with the Companies Act 1985 the directors have passed an elective resolution to dispense with the annual appointment of auditors, the holding of Annual General Meetings and the laying of accounts at the Annual General Meeting. KPMG LLP have expressed their willingness to remain in office.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT  
AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

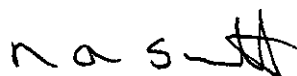
The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the Board



Bibby Bros. & Co. (Management) Limited  
Secretary

31 March 2006

# KPMG LLP

8 Princes Parade  
Liverpool  
United Kingdom

## Independent auditors' report to the members of Bibby Maritime Limited

We have audited the financial statements of Bibby Maritime Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account and the Balance Sheet and the related notes. These financial statements have been prepared under 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 directors and auditors

As described in the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

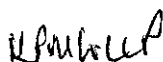
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



KPMG LLP  
Chartered Accountants  
Registered Auditor

31 March 2006

BIBBY MARITIME LIMITED

PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED 31 DECEMBER 2005

|   | Note | 2005<br>US\$       | 2004<br>US\$       |
|---|------|--------------------|--------------------|
| Turnover                                    | 2    | 8,737,836          | 6,381,346          |
| Cost of sales                               |      | <u>(7,952,891)</u> | <u>(7,707,510)</u> |
| Gross profit/(loss)                         |      | 784,945            | (1,326,164)        |
| Administration expenses                     |      | <u>(2,640,450)</u> | <u>(2,176,058)</u> |
| Operating loss                              |      | (1,855,505)        | (3,502,222)        |
| Loss on sale of fixed assets                |      | (638,171)          | (1,187,286)        |
| Interest payable                            |      | <u>(423,444)</u>   | <u>(746,183)</u>   |
| Loss on ordinary activities before taxation | 3    | (2,917,120)        | (5,435,691)        |
| Tax on loss on ordinary activities          | 4    | <u>(1,806,943)</u> | <u>1,532,509</u>   |
| Retained loss for the financial year        | 11   | <u>(4,724,063)</u> | <u>(3,903,182)</u> |

There are no recognised gains or losses in 2005 or 2004 other than those dealt with in the profit and loss account.

The turnover and loss on ordinary activities derive from continuing activities.

BIBBY MARITIME LIMITED

BALANCE SHEET AS AT  
31 DECEMBER 2005

|   | Note | 2005<br>US\$        | 2004<br>US\$        |
|---|------|---------------------|---------------------|
| <b>Fixed assets:</b>  |      |                     |                     |
| Tangible assets   | 5    | <u>26,223,919</u>   | <u>22,009,909</u>   |
| <b>Current assets:</b>  |      |                     |                     |
| Debtors   | 6    | 2,302,807           | 3,428,135           |
| Cash at bank  |      | <u>405,961</u>      | <u>2,887,950</u>    |
|   |      | 2,708,768           | 6,316,085           |
| <b>Creditors (amounts falling due within one year)</b>          | 7    | <u>(30,374,261)</u> | <u>(13,416,396)</u> |
| <b>Net current liabilities</b>                                  |      | <u>(27,665,493)</u> | <u>(7,100,311)</u>  |
| <b>Total assets less current liabilities</b>                    |      | <u>(1,441,574)</u>  | <u>14,909,598</u>   |
| <b>Creditors (amounts falling due after more than one year)</b> | 8    | <u>3,539,100</u>    | <u>17,287,048</u>   |
| <b>Provision for liabilities and charges</b>                    | 9    | <u>6,112,151</u>    | <u>3,991,312</u>    |
| <b>Capital and reserves:</b>                                    |      |                     |                     |
| Called up share capital   | 10   | 155                 | 155                 |
| Profit and loss account   | 11   | <u>(11,092,980)</u> | <u>(6,368,917)</u>  |
| <b>Equity shareholders' funds</b>                               | 12   | <u>(11,092,825)</u> | <u>(6,368,762)</u>  |
|   |      | <u>(1,441,574)</u>  | <u>14,909,598</u>   |

Approved by the Board on 31 March 2006



S. T. Golding  
Director

The notes on pages 7 to 12 form part of these financial statements.

# **BIBBY MARITIME LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005**

### **1. ACCOUNTING POLICIES**

#### **Basis of preparation**

The following accounting policies have been applied consistently in dealing with items considered to be material to the company's financial statements.

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 vessels 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 Dollars.

#### **Going concern**

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds guaranteed by other group companies. Bibby Line Limited, the parent company, has provided the company with an undertaking that, for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds and guarantees as are needed by the company. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

#### **Tangible fixed assets and depreciation**

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 vessels over their useful economic lives, estimated to be between twelve and twenty five years.

#### **Fleet insurance**

The accommodation vessels are fully insured outside of the Group.

#### **Deferred tax**

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. The deferred tax assets and liabilities are not discounted.



BIBBY MARITIME LIMITED

NOTES TO THE ACCOUNTS FOR THE  
YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

1. ACCOUNTING POLICIES (continued)

**Foreign currencies**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

**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.

**Cash flows**

A statement of Group cash flows has been included in the consolidated accounts presented by the 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 1996).

**Related party transactions**

Under Financial Reporting Standard 8, the Company is exempt from disclosing related party transactions with other group companies, 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. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

is stated after charging/(crediting) the following amounts:-

|                                   | 2005<br>US\$   | 2004<br>US\$   |
|-----------------------------------|----------------|----------------|
| Foreign exchange differences      | 16,442         | (46,464)       |
| Depreciation                      | 3,660,382      | 2,959,494      |
| Interest payable on finance loans | <u>423,444</u> | <u>746,183</u> |

There were no emoluments paid to the directors for the year (2004 - Nil). Auditors' remuneration is borne by the parent company.

BIBBY MARITIME LIMITED

NOTES TO THE ACCOUNTS FOR THE  
YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

4. TAX ON LOSS ON ORDINARY ACTIVITIES

|  | 2005<br>US\$       | 2004<br>US\$     |
|--|--------------------|------------------|
| <b>The taxation (charge)/credit comprises:</b>           |                    |                  |
| Amount receivable in respect of group relief surrendered | <u>313,896</u>     | <u>1,009,237</u> |
| Current tax credit                                       | 313,896            | 1,009,237        |
| Deferred taxation (charge)/credit                        | <u>(2,120,839)</u> | <u>523,272</u>   |
|  | <u>(1,806,943)</u> | <u>1,532,509</u> |

**Factors affecting the tax (charge)/credit for the year:**

The current tax charge is lower than the anticipated charge. The anticipated current tax charge is based on the average rate of tax across the Company.

The differences are explained as follows:

|  | 2005<br>US\$       | 2004<br>US\$       |
|--|--------------------|--------------------|
| Loss on ordinary activities before taxation                                      | <u>(2,917,120)</u> | <u>(5,435,691)</u> |
| Loss on ordinary activities multiplied by the<br>rate of tax of 30% (2004 - 30%) | 875,136            | 1,630,707          |
| Effects of:  |                    |                    |
| Loss on sale of fixed assets not subject to corporation tax                      | (191,451)          | (356,186)          |
| Surrender of group relief at less than full value                                | (34,877)           | (112,137)          |
| Non taxable exchange difference  | (4,932)            | 13,940             |
| Difference between capital allowances and depreciation                           | <u>(329,980)</u>   | <u>(167,087)</u>   |
| Current tax credit for the year  | <u>313,896</u>     | <u>1,009,237</u>   |

BIBBY MARITIME LIMITED

NOTES TO THE ACCOUNTS FOR THE  
YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

5. TANGIBLE ASSETS

|                                     | Fleet<br>US\$      |
|-------------------------------------|--------------------|
| <b>Cost</b>                         |                    |
| At 1 January 2005                   | 56,936,892         |
| Additions                           | 8,799,745          |
| Disposals                           | <u>(5,933,385)</u> |
| At 31 December 2005                 | <u>59,803,252</u>  |
| <b>Accumulated Depreciation</b>     |                    |
| At 1 January 2005                   | 34,926,983         |
| Disposals                           | (5,008,032)        |
| Charge for the year                 | <u>3,660,382</u>   |
| At 31 December 2005                 | <u>33,579,333</u>  |
| Net book amount at 31 December 2005 | <u>26,223,919</u>  |
| Net book amount at 31 December 2004 | <u>22,009,909</u>  |

6. DEBTORS

|                                   | 2005<br>US\$     | 2004<br>US\$     |
|-----------------------------------|------------------|------------------|
| Trade debtors                     | 604,143          | 2,168,252        |
| Amount owed by group undertakings | 297,454          | 1,055,701        |
| Other debtors                     | 1,401,210        | 90,132           |
| Prepayments and accrued income    | <u>-</u>         | <u>114,050</u>   |
|                                   | <u>2,302,807</u> | <u>3,428,135</u> |

7. CREDITORS  
(amounts falling due within one year)

|                                    | 2005<br>US\$      | 2004<br>US\$      |
|------------------------------------|-------------------|-------------------|
| Amounts owed to group undertakings | 28,588,370        | 8,898,076         |
| Bank loans (note 8)                | 1,179,700         | 3,984,200         |
| Other creditors                    | 3,866             | 127,931           |
| Taxation and social security       | 147,351           | -                 |
| Accruals and deferred income       | <u>454,974</u>    | <u>406,189</u>    |
|                                    | <u>30,374,261</u> | <u>13,416,396</u> |

BIBBY MARITIME LIMITED

NOTES TO THE ACCOUNTS FOR THE  
YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

8. CREDITORS  
(amounts falling due after more than one year)

|                       | 2005<br>US\$     | 2004<br>US\$      |
|-----------------------|------------------|-------------------|
| Bank loan (see below) | <u>3,539,100</u> | <u>17,287,048</u> |

Euro bank loans, secured by statutory mortgages over certain vessels of the fleet and carrying interest at up to 1.625 per cent above US Dollar EURIBOR, are repayable by instalments over periods to 2007 as follows:-

|                            | 2005<br>US\$     | 2004<br>US\$      |
|----------------------------|------------------|-------------------|
| Within one year            | 1,179,700        | 3,984,200         |
| Between one and two years  | 3,539,100        | 3,984,200         |
| Between two and five years | <u>-</u>         | <u>13,302,848</u> |
|                            | <u>4,718,800</u> | <u>21,271,248</u> |

9. PROVISION FOR LIABILITIES AND CHARGES

|   | Deferred<br>Taxation<br>US\$ |
|---|------------------------------|
| At 1 January 2005   | 3,991,312                    |
| Deferred taxation transferred from profit and loss account (note 4) | <u>2,120,839</u>             |
| At 31 December 2005   | <u>6,112,151</u>             |

Deferred tax allowances relate to accelerated capital allowances.

10. CALLED UP SHARE CAPITAL

|   | 2005<br>US\$ | 2004<br>US\$ |
|---|--------------|--------------|
| Authorised, allotted and fully paid:<br>100 ordinary equity shares of £1 each | <u>155</u>   | <u>155</u>   |

BIBBY MARITIME LIMITED

NOTES TO THE ACCOUNTS FOR THE  
YEAR ENDED 31 DECEMBER 2005 (CONTINUED)

11. RESERVES

|                             | Profit and Loss<br>Account<br>US\$ |
|-----------------------------|------------------------------------|
| At 1 January 2005           | (6,368,917)                        |
| Loss for the financial year | (4,724,063)                        |
| At 31 December 2005         | (11,092,980)                       |

12. RECONCILIATION OF MOVEMENTS IN  
EQUITY SHAREHOLDERS' FUNDS

|   | 2005<br>US\$ | 2004<br>US\$ |
|---|--------------|--------------|
| Loss for the financial year                   | (4,724,063)  | (3,903,182)  |
| Opening deficit in equity shareholders' funds | (6,368,762)  | (2,465,580)  |
| Closing deficit in equity shareholders' funds | (11,092,825) | (6,368,762)  |

13. 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 Group financial statements may be obtained from Bibby Line Group Limited, 105 Duke Street, Liverpool L1 5JQ ([www.bibbygroup.co.uk](http://www.bibbygroup.co.uk)).