

Go House

REGISTERED NUMBER: 1267198 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998
FOR
CURNETT SHIPPING LIMITED**

Keen & Co
Chartered Accountants and
Registered Auditors
Greyhound House
23-24 George Street
Richmond
Surrey TW9 1HY



CURNETT SHIPPING LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER 1998**

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CURNETT SHIPPING LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 1998**

DIRECTORS: A Hoite
J A Schofield

SECRETARY: J Arthur

REGISTERED OFFICE: Greyhound House
23-24 George Street
Richmond
Surrey
TW9 1HY

REGISTERED NUMBER: 1267198 (England and Wales)

BANKERS: Barclays Bank plc
155 Bishopsgate
London EC2M 3XA

SOLICITORS: Holmes Hardingham Walser Johnson Winter
22-23 Great Tower Street
London EC3R 5HE

CURNETT SHIPPING LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 1998

The directors present their report with the financial statements of the company for the year ended 31st December 1998.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of holding company for a group primarily engaged in the business of oil, ship and insurance broking and chartering.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 1998.

DIRECTORS

The directors during the year under review were:

A Hoite

J A Schofield

The directors holding office at 31st December 1998 did not hold any beneficial interest in the issued share capital of the company at 1st January 1998 or 31st December 1998.

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;
- 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

Grant Thornton resigned as auditors during the year and Keen & Co were appointed. Keen & Co offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



A Hoite - DIRECTOR

Dated: 19th April 1999

CURNETT SHIPPING LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF CURNETT SHIPPING LIMITED

We have audited the financial statements on pages four to eight which have been prepared under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors

As described on page two 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.

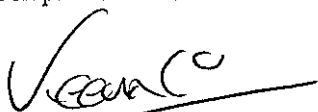
Basis of opinion

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 31st December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Keen & Co
Chartered Accountants and
Registered Auditors
Greyhound House
23-24 George Street
Richmond
Surrey TW9 1HY

Dated: 19th April 1999

CURNETT SHIPPING LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1998**

		31.12.98	31.12.97
	Notes	£	£
TURNOVER		1,497	-
GROSS PROFIT		1,497	-
Administrative expenses		613	-
OPERATING PROFIT	2	884	-
Interest receivable and similar income		420	462
		1,304	462
Interest payable and similar charges	3	-	94
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,304	368
Tax on profit on ordinary activities	4	274	80
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		1,030	288
Retained profit brought forward		3,714	3,426
RETAINED PROFIT CARRIED FORWARD		<u>£4,744</u>	<u>£3,714</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

CURNETT SHIPPING LIMITED

**BALANCE SHEET
31ST DECEMBER 1998**

		31.12.98		31.12.97	
	Notes	£	£	£	£
FIXED ASSETS:					
Investments	5		54,832		54,832
CURRENT ASSETS:					
Cash at bank		7,428		25,171	
CREDITORS: Amounts falling due within one year	6	<u>56,516</u>		<u>75,289</u>	
NET CURRENT LIABILITIES:			<u>(49,088)</u>		<u>(50,118)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£5,744</u>		<u>£4,714</u>
CAPITAL AND RESERVES:					
Called up share capital	7		1,000		1,000
Profit and loss account			<u>4,744</u>		<u>3,714</u>
Shareholders' funds	11		<u>£5,744</u>		<u>£4,714</u>

ON BEHALF OF THE BOARD:



A Hoite - DIRECTOR

Approved by the Board on 19th April 1999

CURNETT SHIPPING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies have remained unchanged from the previous year. The company is exempt from preparing consolidated financial statements on the grounds that, taken together with its subsidiaries, it qualifies as a small group under section 248 of the Companies Act 1985. These financial statements therefore present information as an individual undertaking and not about its group.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.98	31.12.97
	£	£
Foreign exchange differences	528	-
Directors remunerations paid by Ravenscroft Shipping Limited	162,191	145,000
Other emoluments (including pension contributions) paid by Ravenscroft Shipping Limited	<u>42,245</u>	<u>42,045</u>
Directors' emoluments	<u>-</u>	<u>-</u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.98	31.12.97
	£	£
Bank interest	<u>-</u>	<u>94</u>

4. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.98	31.12.97
	£	£
UK corporation tax	<u>274</u>	<u>80</u>

UK corporation tax has been charged at 21% (1997 - 21%).

CURNETT SHIPPING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998

5. FIXED ASSET INVESTMENTS

COST:	£	
At 1st January 1998		
and 31st December 1998		54,832
NET BOOK VALUE:		
At 31st December 1998		54,832
At 31st December 1997		54,832
	31.12.98	31.12.97
	£	£
Unlisted investments	54,832	54,832

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Ravenscroft Shipping Limited

Nature of business: Insurance & ship broking

	%
Class of shares:	holding
Ordinary shares	100.00

	31.12.98	31.12.97
	£	£
Aggregate capital and reserves	(280,722)	(62,805)

Duncan Fox Shipping Limited

Nature of business: Ship broker

	%
Class of shares:	holding
Ordinary shares	100.00

	31.12.98	31.12.97
	£	£
Aggregate capital and reserves	269,218	265,538

The shares in Duncan Fox Shipping Limited are held by Ravenscroft Shipping Limited.

CURNETT SHIPPING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.98	31.12.97
	£	£
Trade creditors	219	19,266
Loan from ultimate parent	55,000	55,000
Amounts owed to group	1,023	943
Taxation	274	80
	<u>56,516</u>	<u>75,289</u>

The loan of £55,000 from an intermediate parent company was repayable on demand or in the event of disposal by the group of the trading activities presently carried out by Ravenscroft Shipping Limited. No interest was payable on the loan. On 9 February 1999 the company allotted 55,000 £1.00 ordinary shares to the intermediate parent company in exchange for the loan.

7. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.98	31.12.97
			£	£
1,000	Ordinary £1.00	1.00	<u>1,000</u>	<u>1,000</u>

8. ULTIMATE PARENT COMPANY

The directors consider the ultimate parent undertaking of this company is Ravenscroft Shipping (Bahamas) SA., a company incorporated in the Bahamas. The Menendez Ross family are the company's ultimate controlling related party as a result of their ownership of Ravenscroft Shipping (Bahamas) SA.

9. TRANSACTIONS WITH DIRECTORS

During the year a subsidiary company made season ticket and other loans to two directors, A Hoite and J A Schofield. The details of these loans are given in the financial statements of Ravenscroft Shipping Limited.

10. RELATED PARTY DISCLOSURES

As at 31 December 1998, there existed a balance of £1,023 owing to Ravenscroft Shipping Limited, a subsidiary company, as a result of tanker trading (At 31 Decemehr 1997 this balance was £943). There also existed a balance of £219 (1997 £Nil) owed to an intermediate holding company, Ravenscroft Shipping Inc. The company is exempt from the requirements of FRS8 to disclose transaction transactions with Ravenscroft Shipping Limited and Duncan Fox Limited since these subsidiaries are wholly owned.

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.98	31.12.97
	£	£
Profit for the financial year	<u>1,030</u>	<u>288</u>
NET ADDITION TO SHAREHOLDERS' FUNDS	1,030	288
Opening shareholders' funds	<u>4,714</u>	<u>4,426</u>
CLOSING SHAREHOLDERS' FUNDS	<u>5,744</u>	<u>4,714</u>
Equity interests	<u>5,744</u>	<u>4,714</u>