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BIBBY BROS. & CO. (MANAGEMENT) LIMITED

FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 DECEMBER 1998



BIBBY BROS. & CO. (MANAGEMENT) LIMITED

DIRECTORS

Simon Patrick Sherrard  
Michael James Bibby  
Jonathan Haymer

SECRETARY

Mrs. N. A. Smith

REGISTERED OFFICE

105 Duke Street  
Liverpool  
L1 5JQ

Incorporated in England and Wales  
Registered No. 1400857

AUDITORS

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

BIBBY BROS. & CO. (MANAGEMENT) LIMITED

NOTICE OF MEETING

Notice is hereby given, that the Annual General Meeting of the Company will be held on 21st June 1999 at 105 Duke Street, Liverpool for the following purposes:

To approve the Directors' Report and Financial Statements for the year ended 31 December 1998.

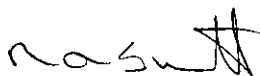
To re-elect Directors.

To re-appoint PricewaterhouseCoopers as Auditors of the Company (having previously been appointed by the Board to fill the casual vacancy arising by reason of the resignation of Price Waterhouse) 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



Mrs. N. A. Smith  
Secretary

9 April 1999

BIBBY BROS. & CO. (MANAGEMENT) LIMITED

DIRECTORS' REPORT FOR THE  
YEAR ENDED 31 DECEMBER 1998

The Directors present their Report together with the Audited Financial Statements for the year ended 31 December 1998.

ACTIVITIES

The principal activity of the Company during the year was the provision of company secretarial services.

YEAR 2000

The Year 2000 issue is being considered and dealt with as described below.

Many computer systems and equipment with embedded microchips, express calendar dates using only the last two digits of the year. In order to avoid malfunction, causing widespread commercial disruption, those systems and equipment that are critical to the operation of the business will require modification or replacement to accommodate the year 2000 and beyond.

The Company is giving high priority to the impact of this problem and is taking positive steps to ensure that critical systems are Year 2000 compliant.

The total costs involved in achieving compliance have not been quantified but they are considered not to be material.

TRADING RESULT AND DIVIDEND

The result for the year is set out in the profit and loss account. The Directors do not recommend the payment of a dividend (1997 - £Nil).

BIBBY BROS. & CO. (MANAGEMENT) LIMITED

DIRECTORS' REPORT FOR THE  
YEAR ENDED 31 DECEMBER 1998 (CONTINUED)

DIRECTORS AND THEIR INTERESTS

The Directors during the year were:

S. P. Sherrard - Chairman  
M. J. Bibby

Since the year end, Mr. J. Haymer was appointed as a Director of the Company on 1 March 1999.

S. P. Sherrard and M. J. Bibby are Directors of Bibby Line Group Limited and Barton Shipping Group Limited. Bibby Line Group Limited and Barton Shipping Group Limited, together with their subsidiary companies, are the principal clients of the Company. The share capital of the Company is held by a Trust of which M. J. Bibby is a beneficiary.

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.

BIBBY BROS. & CO. (MANAGEMENT) LIMITED

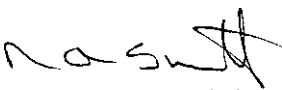
DIRECTORS' REPORT FOR THE  
YEAR ENDED 31 DECEMBER 1998 (CONTINUED)

AUDITORS

During the year, our auditors, Price Waterhouse, merged with Coopers & Lybrand on 1 July 1998 following which Price Waterhouse resigned and the Directors appointed the new firm, PricewaterhouseCoopers as auditors to fill the casual vacancy caused by this resignation. A resolution to reappoint PricewaterhouseCoopers as auditors of the Company will be proposed at the Annual General Meeting.

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

By Order of the Board

  
Mrs. N. A. Smith  
Secretary

9 April 1999

BIBBY BROS. & CO. (MANAGEMENT) LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 7 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

**Respective Responsibilities of Directors and Auditors**

The Directors are responsible for preparing the Annual Report, including as described on page 4 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. 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.

**Basis of Audit Opinion**

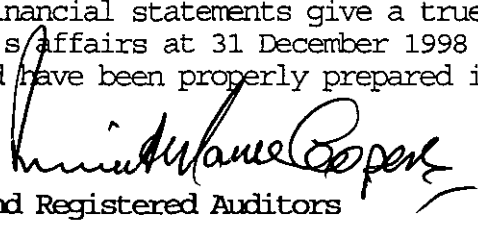
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 1998 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  
8 Princes Parade  
St. Nicholas Place  
Liverpool L3 1QJ



9 April 1999

BIBBY BROS. & CO. (MANAGEMENT) LIMITED

PROFIT & LOSS ACCOUNT FOR THE  
YEAR ENDED 31 DECEMBER 1998

	Note	1998 £	1997 £
Turnover	2	18,855	18,287
Cost of Sales		(19,377)	(18,730)
Operating Loss		(522)	(443)
Interest Receivable and Similar Income		664	797
Profit on Ordinary Activities Before Taxation		142	354
Taxation on Profit on Ordinary Activities	3	(24)	(79)
Profit For The Financial Year	7	118	275

There are no recognised gains or losses in 1998 or 1997 other than those dealt with in the profit and loss account.

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

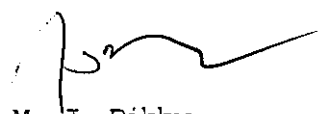


BIBBY BROS. & CO. (MANAGEMENT) LIMITED

BALANCE SHEET AS AT  
31 DECEMBER 1998

	Note	1998 £	1997 £
CURRENT ASSETS:			
Debtors	4	3,774	6,505
Cash at Bank and In Hand		23,795	12,467
		<u>27,569</u>	<u>18,972</u>
Creditors (amounts falling due within one year)	5	(9,242)	(763)
		<u>18,327</u>	<u>18,209</u>
CAPITAL AND RESERVES:			
Called Up Share Capital	6	1,000	1,000
Profit & Loss Account	7	17,327	17,209
		<u>18,327</u>	<u>18,209</u>
Equity Shareholders' Funds	7	<u>18,327</u>	<u>18,209</u>

Approved by the Board on 9 April 1999



M. J. Bibby  
Director

BIBBY BROS. & CO. (MANAGEMENT) LIMITED

NOTES TO THE ACCOUNTS FOR THE  
YEAR ENDED 31 December 1998

1. ACCOUNTING POLICIES

**Accounting Basis**

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

Transactions in foreign currencies are translated into Sterling at the rates of exchange ruling at the date of the transactions.

**Related Party Transactions**

**Bibby Line Group Limited and Barton Shipping Group Limited**

The Company provides secretarial services to Bibby Line Group Limited and to Barton Shipping Group Limited. In addition, Bibby Line Group Limited provides staff on a part time basis to the Company. One of the Company's Directors, Mr. M. J. Bibby, together with his immediate family, control 84% of the equity share capital of Bibby Line Group Limited.

**Significant Shareholdings**

The share capital of the Company is held by a Trust of which Lady Bibby, who is the mother of Mr. M. J. Bibby, is the first named Trustee. Mr. M. J. Bibby is one of the beneficiaries of the Trust.

2. TURNOVER

Turnover is the aggregate of secretarial fees and commissions earned.

3. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1998 £	1997 £
UK Corporation Tax Payable at 21% (1997 - 23.25%) on Taxable Profit for the Year	(29)	(82)
Overprovision in Respect of Previous Year's Corporation Tax	5	3
	<hr/>	<hr/>
	(24)	(79)
	<hr/>	<hr/>

BIBBY BROS. & CO. (MANAGEMENT) LIMITED

NOTES TO THE ACCOUNTS FOR THE  
YEAR ENDED 31 DECEMBER 1998 (CONTINUED)

4. DEBTORS

	1998 £	1997 £
Prepayments and Accrued Income	3,606	6,505
Taxation and Social Security	168	-
	<u>3,774</u>	<u>6,505</u>

5. CREDITORS  
(Amounts Falling Due Within One Year)

	1998 £	1997 £
Trade Creditors	8,893	-
Other Creditors Including Taxation and Social Security	349	663
Accruals and Deferred Income	-	100
	<u>9,242</u>	<u>763</u>

6. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Allotted and Fully Paid: Ordinary Equity Shares of £1 each	<u>1,000</u>	<u>1,000</u>
Authorised: Ordinary Equity Shares of £1 each	<u>100,000</u>	<u>100,000</u>

7. RESERVES

	Profit & Loss Account £
At 31 December 1997	17,209
Profit for the Financial Year	118
	<u>17,327</u>
At 31 December 1998	<u>17,327</u>

BIBBY BROS. & CO. (MANAGEMENT) LIMITED

NOTES TO THE ACCOUNTS FOR THE  
YEAR ENDED 31 DECEMBER 1998 (CONTINUED)

7. RESERVES (Continued)

Reconciliation of Movements in Equity Shareholders' Funds

	1998	1997
	£	£
Profit for the Financial Year	118	275
Opening Equity Shareholders' Funds	18,209	17,934
	<hr/>	<hr/>
Closing Equity Shareholders' Funds	<u>18,327</u>	<u>18,209</u>

8. PARTICULARS OF EMPLOYEES

There were no employees other than the Directors during either 1998 or 1997.

9. EMOLUMENTS OF DIRECTORS AND AUDITORS

There were no emoluments paid to Directors for the year (1997 - £Nil).

The Auditors received £Nil in respect of their services (1997 - £Nil).