

## CRADLEY INTERNATIONAL LEASING LIMITED

## REPORT AND ACCOUNTS

For the period 25 March 1996 to 30 April 1997

Co. No. 3177159

## CONTENTS

## PAGE

Directors' Report

1 &amp; 2

Auditors' Report

3

~~Detailed Operating Statement~~~~4~~

Profit and Loss Account

5

Balance Sheet

6

Notes to the Financial Statements

7-9



# CRADLEY INTERNATIONAL LEASING LIMITED

## REPORT OF THE DIRECTORS

---

The Directors present their report and the audited financial statements of the Company for the period 25 March 1996 to 30 April 1997.

### INCORPORATION

The Company was incorporated on 25 March 1996.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is that of tanker leasing and trading commenced on 1 May 1996.

### BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Profit and Loss Account for the period is set out on page 5.

Both the level of business and the period end financial position were satisfactory and the Directors expect that the present level of activity will be sustained.

### DIVIDENDS

The Directors do not recommend the payment of a dividend, leaving a profit of £169930 to be transferred to reserves.

### FIXED ASSETS

The movements in fixed assets are shown in note 6.

### DIRECTORS

The Directors in office during the period were as follows:-

A.M. Sutton  
Mrs. D.P. Broadhurst

No Director held any interest in the share capital of the Company at 30 April 1997 or at any time during the period. Their interests in the share capital of the parent undertaking, Thomas Cradley Holdings Limited, are shown in its Directors Report.

## CRADLEY INTERNATIONAL LEASING LIMITED

### REPORT OF THE DIRECTORS - Continued

---

#### 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:-

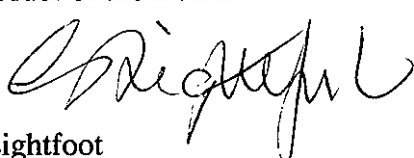
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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 safe-guarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### AUDITORS

Jackson, Stephen & Co. were appointed first auditors of the Company. In accordance with Section 385 of the Companies Act 1985, a resolution to re-appoint them will be proposed at the annual general meeting.

By Order of the Board

  
G. Lightfoot

Secretary

22 October 1997

## AUDITORS' REPORT TO THE SHAREHOLDERS OF CRADLEY INTERNATIONAL LEASING LIMITED

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, 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.

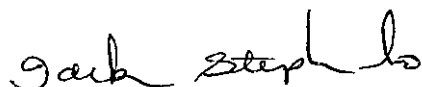
### BASIS OF OPINION

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 mis-statement, 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 30 April 1997 and of the Profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Jackson, Stephen & Co.,  
Chartered Accountants,  
Registered Auditor.

Broseley House,  
116 Bradshawgate,  
LEIGH,  
Lancs. WN7 4NT

22 October 1997

CRADLEY INTERNATIONAL LEASING LIMITED

PROFIT AND LOSS ACCOUNT

For the period 25 March 1996 to 30 April 1997

---

	<u>Note</u>	<u>1997</u> £
TURNOVER		1072104
Cost of sales		( <u>472104</u> )
GROSS PROFIT		600000
Administrative expenses		( <u>70</u> )
OPERATING PROFIT		599930
Interest payable	3	<u>350000</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	249930
Taxation	5	<u>80000</u>
RETAINED PROFIT FOR THE PERIOD	9	£ <u>169930</u>

All amounts relate to continuing operations.

All recognised gains and losses are included in the Profit and Loss Account.

# CRADLEY INTERNATIONAL LEASING LIMITED

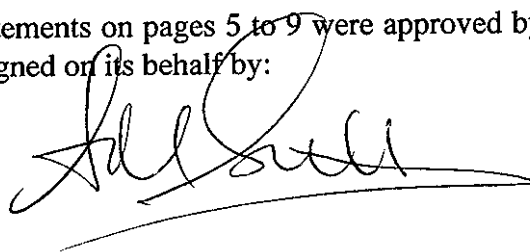
## BALANCE SHEET

30 April 1997

	Note	<u>1997</u>	
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	6		6935069
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		507	
<b>CREDITORS: Amounts falling due within one year</b>			
	7a	437260	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			
Total assets less current liabilities		( 436753)	
<b>CREDITORS: Amounts falling due after more than one year</b>			
	7b	6318386	
<b>NET ASSETS</b>			
		£ 179930	
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	10000	
Profit and loss account	9	169930	
<b>SHAREHOLDERS' FUNDS</b>			
	10	£ 179930	

The financial statements on pages 5 to 9 were approved by the Board of Directors on 22 October 1997 and were signed on its behalf by:

A.M. Sutton  
Director



# CRADLEY INTERNATIONAL LEASING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period 25 March 1996 to 30 April 1997

---

### 1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies is set out below.

a) Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention.

b) Turnover

Turnover represents the invoiced value of services supplied excluding value added tax and trade discounts.

c) Tangible Fixed Assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values over the expected useful economic lives of the assets as follows:-

Tankers	6.6% per annum (straight line basis)
---------	--------------------------------------

d) Deferred Taxation

Deferred taxation is accounted for in respect of all material timing differences, to the extent that a liability is likely to crystallise in the foreseeable future.

e) Cash Flow Statement

No cash flow statement has been presented as the Company is a wholly owned subsidiary of a company registered in England preparing Group accounts.

### 2. DIRECTORS AND EMPLOYEES

#### Employees

The average weekly number of persons (including Directors) employed by the Company during the period was:-

	<u>1997</u>
	Number
Administration	2
	<u>      </u>

No member of staff (including Directors) was paid any remuneration by the Company during the period.

# CRADLEY INTERNATIONAL LEASING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - Continued

For the period 25 March 1996 to 30 April 1997

### 3. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1997</u>
Amounts payable to group company	£ 350000
	<u>          </u>

### 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1997</u>
Profit on ordinary activities before taxation is stated after charging:	
Depreciation	£ 472104
	<u>          </u>

### 5. TAXATION

	<u>1997</u>
Corporation tax on the profit for the period at 33%	£ 80000
	<u>          </u>

### 6. TANGIBLE FIXED ASSETS

	<u>Tankers</u>
COST	
At 25 March 1996	-
Additions	<u>7407173</u>
At 30 April 1997	<u>7407173</u>
DEPRECIATION	
At 25 March 1996	-
Charge for the period	<u>472104</u>
At 30 April 1997	<u>472104</u>
NET BOOK VALUE:	
At 30 April 1997	£ 6935069
	<u>          </u>



# CRADLEY INTERNATIONAL LEASING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - Continued

For the period 25 March 1996 to 30 April 1997

7.	CREDITORS	<u>1997</u>
a)	Amounts falling due within one year:	
	Trade creditors	82
	Corporation tax	80000
	Other taxation and social security	7178
	Other creditors	<u>350000</u>
		£ 437260

b)	Amounts falling due after more than one year:	
	Amounts owed to group companies	£ 6318386

Amounts due to the ultimate parent company are secured by a debenture dated 18 November 1996.

8.	CALLED UP SHARE CAPITAL	<u>1997</u>
	Authorised, allotted and fully paid 10000 Ordinary Shares of £1 each	£ 10000

The Ordinary Shares were allotted at par for cash during the period.

9.	RESERVES	Profit and <u>Loss Account</u>
	Retained profit for the period and at 30 April 1997	£ 169930

10.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	<u>1997</u>
	Allotment of shares during the period	10000
	Retained profit for the period	<u>169930</u>
	Closing shareholders' funds	£ 179930

## 11. ULTIMATE HOLDING COMPANY

The ultimate holding company is Thomas Cradley Holdings Limited, a company registered in England.

## 12. RELATED PARTY DISCLOSURES

The Company is an exempt subsidiary undertaking as described by Financial Reporting Standard No. 8 and relies on the exemptions available for non-disclosure of transactions.