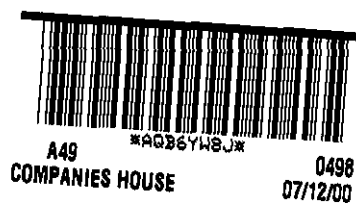


Company No: 3298186

**SUPERAPPLY LIMITED**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 1999**



## **SUPERAPPLY LIMITED**

---

### **REPORT OF THE DIRECTORS**

The Directors present their report and the audited financial statements for the year ended 31st December 1999.

#### **INCORPORATION.**

The Company is incorporated in England.

#### **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS.**

##### **Principal activities**

The principal activity of the Company is to participate in financing transactions related to ship building. The transactions entered into in the year are described in detail at Note 6 to these financial statements. The Directors expect that the present level of activity will be sustained for the foreseeable future.

#### **RESULTS FOR THE YEAR AND STATE OF AFFAIRS AT 31ST DECEMBER 1999.**

The profit for the year amounts to £ nil.

#### **DIVIDENDS.**

The Directors are unable to recommend a dividend for the year.

#### **DIRECTORS AND SECRETARY.**

The Directors who held office during the year and subsequently were:-

J.A.J. Chapman  
R.T. Gibson  
S.B. De Carteret

The Secretary who held office during the year and subsequently is:-

Jordans Company Secretaries Limited

#### **AUDITORS.**

A resolution to reappoint Ernst & Young will be put to the members at the Annual General Meeting.

#### **REGISTERED OFFICE.**

21 St. Thomas's Street  
Bristol  
BS1 6JS

#### **ON BEHALF OF THE BOARD.**



Director

## **SUPERAPPLY LIMITED**

---

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

Company Law requires the Directors to prepare financial statements which shall be in accordance with UK generally accepted accounting principles and show a true and fair view of the profit or loss of the Company for the year and of the state of the Company's affairs at the end of the year.

In preparing the financial statements the Directors should:

- \* select suitable accounting policies and then apply them consistently;
- \* make judgements and estimates that are reasonable and prudent;
- \* prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping accounting records which are sufficient to show and explain the Company's transactions and are such as to 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, errors and other irregularities.

## Report of the auditors to the members of Superapply Limited

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 5.

### Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

### 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 affairs of the company as at 31 December 1999 and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young*  
Ernst and Young  
St. Helier  
Jersey, Channel Islands  
Date 1 December 2000

# **SUPERAPPLY LIMITED**

---

## **BALANCE SHEET**

**AS AT 31ST DECEMBER 1999**

	<b>Notes</b>	<b>1999</b>	<b>1998</b>
<b>CURRENT ASSETS</b>			
Debtor	2	2	2
<b>TOTAL NET ASSETS</b>	£	2	£ 2
<b>SHAREHOLDERS' FUNDS</b>			
Called up share capital	3	2	2
	5 £	2	£ 2

Approved by the Directors on the 29<sup>th</sup> day of November 2000.

Director: 

---

*(The notes on pages 5 to 7 form part of these financial statements)*

## **SUPERAPPLY LIMITED**

---

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31ST DECEMBER 1999**

##### **1. ACCOUNTING POLICIES**

These financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The more significant accounting policies used are set out below:-

##### **Transaction reporting.**

The Company entered into the transactions described in Note 6 to these financial statements. The substance of such transactions are not, pursuant to the requirements of FRS 5, reflected in the balance sheet forming part of these financial statements as, in the Directors' view, no quantifiable financial benefits or risks accrue to the Company as a result of its participation in the said transactions.

##### **Cash flow statement.**

A cash flow statement has not been included in these financial statements as the Company qualifies for exemption as a small company under the terms of Financial Reporting Standard No.1 (Revised) "Cash Flow Statements".

##### **2. DEBTOR**

	<b><u>1999</u></b>	<b><u>1998</u></b>
Called up share capital unpaid	£ 2	£ 2
	<u>          </u>	<u>          </u>

##### **3. CALLED UP SHARE CAPITAL**

	<b><u>1999</u></b>	<b><u>1998</u></b>
AUTHORISED:		
1,000 ordinary shares of £1 each	£ 1,000	£ 1,000
	<u>          </u>	<u>          </u>
ISSUED AND UNPAID:		
2 ordinary shares of £1 each	£ 2	£ 2
	<u>          </u>	<u>          </u>

##### **4. OPERATING EXPENSES**

Operating expenses of the company have been settled by a third party.

## SUPERAPPLY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

#### FOR THE YEAR ENDED 31ST DECEMBER 1999

##### 5. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999	1998
Opening shareholders' funds	2	-
New share capital subscribed		2
	<hr/>	<hr/>
Closing shareholders' funds	£ 2	£ 2
	<hr/>	<hr/>

##### 6. TRANSACTIONS

On 15th September, 1997 the Company entered into an amended and restated ship building contract (the "Shipbuilding Contract") relating to the construction and acquisition by the Company of an offshore loading tanker known as Hull 317 (the "Vessel"). The Shipbuilding Contract was further amended on 29th September 1997 and on 19th November 1998. The total consideration payable to the Company for the Vessel amounts to PTA 17,200,000,000. As at the balance sheet date payments under the terms of the Shipbuilding Contract totalling PTA 11,730,187,713 had been made, leaving PTA 5,469,812,287 due upon the launching and delivery of the Vessel.

The Company has also entered into a contract dated 25th September, 1997 to sell the Vessel (the "Sales Contract") to a commercial counterparty (the "Purchaser"). The Sales Contract was further amended on 29th September 1997 and 19th November 1998. The total consideration payable by the Purchaser for the Vessel amounts to US\$ 80,500,000 plus PTA 2,500,000,000. As at the balance sheet date US\$ 64,380,000 and PTA 2,000,000,000 had been invoiced by the Company under the terms of the Sales Contract and received from the Purchaser. To secure its obligations under the Sales Contract the Company has assigned all of its rights, title and interest in and to the Shipbuilding Contract to the Purchaser.

The Company has instructed the Purchaser to pay US\$ amounts payable under the terms of the Sales Contract to the HSBC Bank plc (formerly Midland Bank plc) (the "Bank"). The Bank has entered into the forward foreign exchange and interest rate swap transactions hereinafter referred to (the "Swap Transactions") and, inter alia, converted such US\$ amounts into amounts of PTA. The said PTA amounts are maintained on a secured deposit account (the "Secured Deposit") in the name of the Company with the Bank. At the balance sheet date a total balance of PTA 10,230,187,713 was maintained on the Secured Deposit. The Secured Deposit bears interest fixed at 8.80% per annum payable annually in arrears. The principal amount of the Secured Deposit has been pledged by the Company to the Bank as security for the obligations of the Company to the Bank arising in connection with the Loan Agreement (as hereinafter defined).

The PTA amounts payable by the Company under the terms of the Shipbuilding Contract have been or will be financed in the following manner. First, the Company has entered into a loan agreement (the "Loan Agreement") with the Bank dated 24th December, 1997. An aggregate advance of PTA 12,443,550,000 (the "Loan") is available to the Company under the terms of the Loan Agreement drawable in six tranches during the construction of the Vessel. Amounts drawn down under the Loan Agreement bear interest at the fixed rate of 8.80% payable annually in arrears. All amounts drawn down under the Loan Agreement are repayable in full by ten annual installments commencing three years after the date of delivery of the Vessel.

## **SUPERAPPLY LIMITED**

---

### **NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)**

#### **FOR THE YEAR ENDED 31ST DECEMBER 1999**

##### **6. TRANSACTIONS - (continued)**

The amount drawn down under the Loan Agreement at the balance sheet date was PTA 10,230,187,713.

A shortfall arises when the aggregate advance available under the Loan Agreement is applied against the aggregate amount payable by the Company pursuant to the Shipbuilding Contract. The shortfall will be met by the payment by the Bank to the shipbuilder (upon delivery of the Vessel) of certain interest adjustment amounts receivable by the Bank in connection with the Loan Agreements in the manner set out in, and upon the terms of, a financing agreement (the "Financing Agreement") made between the Company and, inter alia, the Bank on 15th September, 1997 in connection with the Vessel.

The Loan advanced to the Company by the Bank is denominated in PTA. Payments to the Company pursuant to the Sales Contracts are received in US\$. Any potential exposure of the Company to movements in interest and exchange rates arising therefrom has been hedged as a result of the Bank entering into the Swap Transactions.

Pursuant to a deposit agreement (the "Deposit Agreement") made between the Company and the Bank and dated 24th December, 1997 the principal balance from time to time of the Secured Deposit and interest accruing thereon is and may be applied by the Bank to discharge the Company's obligations to the Bank arising under or in connection with the Loan Agreement. Interest received by the Company on the Secured Deposit is and will be applied to finance loan interest payable by the Company to the Bank. The principal amount of the Secured Deposit will be the source of repayment of the principal amount of the Loan.

As a result of the limited recourse and other provisions of the Shipbuilding Contract, the Sales Contract, the Financing Agreement, the Deposit Agreement, the Swap Transactions and the other documents entered into by the Company in connection with the aforementioned transactions the said transactions are not considered to produce any inflow or outflow of benefit to, or risk or reward for, the Company. As a result, payments received and made, receivable and payable in respect of those transactions as well as any currency, interest or other exposures or benefits arising therefrom do not constitute new assets or liabilities, as defined under FRS5, and consequently are not recognised on the balance sheet.

##### **7. HOLDING COMPANY**

The Company is owned by Maurant & Co. Trustees Limited as trustees of the Ultra Charitable Trust. The Directors do not consider there to be a single ultimate controlling party under the definition of FRS 8.