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Company No. 3298186

**SUPERAPPLY LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2001**



Ref: 31985/2  
Sims: 861224

## **SUPERAPPLY LIMITED**

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### **REPORT OF THE DIRECTORS**

The Directors present their report and the unaudited financial statements for the year ended 31st December 2001.

#### **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 7 to these financial statements. The Directors expect that the present level of activity will be sustained for the foreseeable future. The Company is a non-trading company.

#### **RESULTS FOR THE YEAR AND STATE OF AFFAIRS AT 31ST DECEMBER 2001**

The profit for the year amounted to £ nil (2000: £ 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**

In the opinion of the directors the company meets the criteria for audit exemption under Article 249A of the Companies Act 1985 and thus Ernst & Young LLP were removed as auditors on 10 October 2001.

#### **REGISTERED OFFICE**

21 St. Thomas's Street  
Bristol  
BS1 6JS

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

Director : 

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## **SUPERAPPLY LIMITED**

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### **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.

# **SUPERAPPLY LIMITED**

## **BALANCE SHEET**

**AS AT 31ST DECEMBER 2001**

	<u>Notes</u>	<u>2001</u>	<u>2000</u>
<b>CURRENT ASSETS</b>			
Debtor	2	-	2
Cash at bank	3	2	-
<b>TOTAL NET ASSETS</b>		<u>£ 2</u>	<u>£ 2</u>
<b>SHAREHOLDERS' FUNDS</b>			
Called up share capital	4	2	2
<b>EQUITY SHAREHOLDERS' FUNDS</b>	6	<u>£ 2</u>	<u>£ 2</u>

### **AUDIT EXEMPTION**

- (a) For the year ended 31 December 2001 the Company was entitled to exemption under s.249A(1) of the Companies Act 1985.
- (b) No notice has been deposited under s.249B(2) of the Companies Act 1985 requiring audited accounts to be prepared.
- (c) The directors recognise their responsibilities for:
  - (i) ensuring the Company maintains accounting records in accordance with s.221 of the Companies Act 1985; and
  - (ii) preparing accounts which give a true and fair view of the state of the Company's affairs at the end of the financial year and of any profit or loss in accordance with s.226 of the Companies Act 1985 and otherwise comply with the provisions of the Companies Act 1985 as they relate to accounts.
- (d) Advantage has been taken of the exemptions conferred by Section A of Sch.8 of the Companies Act 1985.
- (e) In the opinion of the directors, the Company is entitled to those exemptions on the basis that it qualifies as a small Company.

Approved by the Directors on the 20th day of April 2003

  
**Director:**

*(The notes on pages 4 to 7 form part of these financial statements)*

## **SUPERAPPLY LIMITED**

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

#### **FOR THE YEAR ENDED 31ST DECEMBER 2001**

##### **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 7 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**

	<u><b>2001</b></u>	<u><b>2000</b></u>
Called up share capital unpaid	£ -	£ 2
	<u>          </u>	<u>          </u>

##### **3. CASH AT BANK**

	<u><b>2001</b></u>	<u><b>2000</b></u>
Mourant & Co. - Client account	£ 2	£ -
	<u>          </u>	<u>          </u>

##### **4. CALLED UP SHARE CAPITAL**

	<u><b>2001</b></u>	<u><b>2000</b></u>
<b>AUTHORISED:</b>		
1,000 ordinary shares of £1 each	£ 1,000	£ 1,000
	<u>          </u>	<u>          </u>
<b>ISSUED AND FULLY PAID:</b>		
2 ordinary shares of £1 each	£ 2	£ -
	<u>          </u>	<u>          </u>
<b>ISSUED AND UNPAID:</b>		
2 ordinary shares of £1 each	£ -	£ 2
	<u>          </u>	<u>          </u>

##### **5. COMPANY EXPENSES**

The Company's expenses for the year and prior year have been paid by a third party.

## **SUPERAPPLY LIMITED**

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

#### **FOR THE YEAR ENDED 31ST DECEMBER 2001**

##### **6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<u>2001</u>	<u>2000</u>
Opening shareholders' funds	£ 2	£ 2
Closing shareholders' funds	£ 2	£ 2

##### **7. TRANSACTIONS**

On 15th September, 1997 the Company entered into an amended and restated shipbuilding contract (the "Shipbuilding Contract for Hull 317") relating to the construction and acquisition by the Company of an offshore loading tanker known as Hull 317. The Shipbuilding Contract for Hull 317 was further amended on 29th September 1997 and on 19th November 1998. As at the balance sheet date the commitments under the terms of the Shipbuilding Contract for Hull 317 had been fulfilled by the Company.

The Company has also entered into a contract dated 25th September, 1997 to sell Hull 317 (the "Sales Contract") to a commercial counterparty (the "Purchaser for Hull 317"). The Sales Contract was further amended on 29th September, 1997 and 19th November 1998. 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 for Hull 317 to the Purchaser for Hull 317. As at the balance sheet date the commitments under the terms of the Sales Contract had been fulfilled.

The Company has instructed the Purchaser for Hull 317 to pay US\$ amounts payable under the terms of the Sales Contract to HSBC Bank plc (formerly Midland Bank plc) (the "Bank"). The Bank has entered into the forward foreign exchange and interest rate swap transaction hereinafter referred to (the "Swap Transaction") and, inter alia, converted such US\$ amounts into amounts of Euro (formerly PTA). The said Euro amounts are maintained on a secured deposit account (the "Secured Deposit") in the name of the Company with the Bank. 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 Euro amounts payable under the terms of the Shipbuilding Contract for Hull 317 have been financed in the following manner. First, the Company has entered into a loan agreement (the "Loan Agreement") with the Bank dated 24th December, 1997. 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 for Hull 317 are repayable in full by ten annual installments commencing three years after the date of delivery of Hull 317.

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 for Hull 317. The shortfall will be met by the payment by the Bank to the shipbuilder (upon delivery of Hull 317) of certain interest adjustment amounts receivable by the Bank in connection with the Loan Agreement 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.

## **SUPERAPPLY LIMITED**

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

#### **FOR THE YEAR ENDED 31ST DECEMBER 2001**

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

The loan advanced to the Company by the Bank is denominated in Euro. Payments to the Company pursuant to the Sales Contract 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 Transaction.

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.

Between 22nd and 29th December 2000 the Company entered into shipbuilding contracts (the "Shipbuilding Contracts for 6 New Vessels") relating to the construction and acquisition of a RO PAX vessel, a Cruise vessel, two Asphalt Carrying vessels and two Liquid Natural Gas Carrying vessels (the "New Vessels"). The Shipbuilding Contracts for 6 New Vessels were amended on 27th April 2001, 13th July 2001, 29th October 2001 and 11th January 2002. The Company received letters from Empresa Nacional Bazan De Construcciones Navales Militares, S.A. (the "Original Shipbuilder") dated 22nd December 2000 and its successor entity Izar Construcciones Navales, S.A. (the "New Shipbuilder") dated 27th April and 13th July 2001 indemnifying the Company from making any payments under the Shipbuilding Contracts for 6 New Vessels until such time as a sales contract with a purchaser for the New Vessels has been entered into (the "Indemnity Letters").

On the 4th December 2001 it was agreed that one of the two Liquid Natural Gas Carrying vessels, known as Hull Puerto Real 105 ( "Hull 105") would be acquired by Naviera F. Tapias IV, of Madrid, Spain ("Tapias") for the sum of EUR 160,000,000 (the "Transaction"). The Company agreed a novation of all its rights, obligations and liabilities under the shipbuilding and sales contracts in respect of Hull 105 to Hutt Company Limited ("Hutt").

On the 5th November 2001 the Company participated by way of a novation of certain of the contractual rights and obligations attaching to the construction and financing of the subject vessel in a shipbuilding contract for the proposed construction and financing of a tanker vessel known as Hull number 93 (the "Hull 93") by the new shipbuilder. Hull 93 is scheduled to be delivered on 5th April 2002 and to be constructed and acquired by Elcano Product Tankers 1 S.A. ("Elcano"), pursuant to a shipbuilding contract made between the new shipbuilder and Elcano.

On or around the 23rd of July 2001 the Company entered into a deed of Novation of Charge whereby Norspan LNG II AS ("Norspan"), the Company and HSBC, agreed to participate by way of a novation of certain of the contractual rights and obligations attaching to the construction and financing of the subject vessel in a shipbuilding contract relating to the proposed construction and financing of a new LNG carrier vessel known Hull number 103 ( "Hull 103") by the new shipbuilder. Hull 103 is currently scheduled to be delivered on the 20th June 2004 and it is to be acquired by Norspan, pursuant to a shipbuilding contract made between the new shipbuilder and Norspan.

## **SUPERAPPLY LIMITED**

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

#### **FOR THE YEAR ENDED 31ST DECEMBER 2001**

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

As a result of the limited recourse and other provisions of each of the Shipbuilding Contracts, the Sales Contract, the Financing Agreement, the Deposit Agreement, the Swap Transaction, the Indemnity Letters 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.

##### **8. HOLDING COMPANY**

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