
SHYVERS SAVOY SHIPPING LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 1998**



SHYVERS SAVOY SHIPPING LIMITED

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SHYVERS SAVOY SHIPPING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1998

The directors present their report and the financial statements for the year ended 31 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.

Principal activities

The company trades as a member of the Baltic Exchange, the principal activity being that of Chartering Agents.

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were :

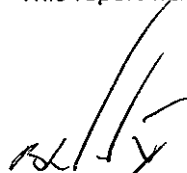
	Ordinary shares of £1 each	
	1998	1997
C. R. Ahrens (appointed 31.7.98)	-	-
A. T. Hayley Bell	1	1
B. L. Poyntz	-	-
P. J. Webster	-	-
C. M. Lee (resigned 31.7.98)	-	-

Auditors

The auditors, Calder & Co, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 12 May 1999 and signed on its behalf.


B. L. Poyntz
Secretary

SHYVERS SAVOY SHIPPING LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF SHYVERS SAVOY SHIPPING LIMITED

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 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.

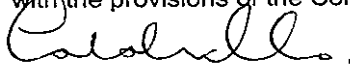
Basis of opinion

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 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.


Calder & Co

Chartered Accountants & Registered Auditor
1 Regent Street
London
SW1Y 4NW

12 May 1999

SHYVERS SAVOY SHIPPING LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 1998

	Note	1998 £	1997 £
TURNOVER	1,2	482,176	-
Administrative expenses		(467,010)	-
OPERATING PROFIT	3	15,166	-
Income from other fixed asset investments		163	-
Interest receivable		15,695	-
Interest payable		(1,926)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		29,098	-
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	4	(7,593)	-
RETAINED PROFIT CARRIED FORWARD		<u>£ 21,505</u>	<u>£ -</u>

The notes on pages 5 to 8 form part of these financial statements.

SHYVERS SAVOY SHIPPING LIMITED

BALANCE SHEET
As at 31 December 1998

	Note	£	1998 £	£	1997 £
FIXED ASSETS					
Tangible fixed assets	5		48,692		-
Investments	6		1,225		-
			<u>49,917</u>		<u>-</u>
CURRENT ASSETS					
Debtors	7	38,798		2	
Cash at bank and in hand		430,852		-	
		<u>469,650</u>		<u>2</u>	
CREDITORS: amounts falling due within one year	8	(491,775)		-	
NET CURRENT (LIABILITIES)/ASSETS			<u>(22,125)</u>		<u>2</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>27,792</u>		<u>2</u>
CREDITORS: amounts falling due after more than one year	9		(6,285)		-
NET ASSETS			<u>£ 21,507</u>		<u>£ 2</u>
CAPITAL AND RESERVES					
Called up share capital	10		2		2
Profit and loss account			21,505		-
SHAREHOLDERS' FUNDS			<u>£ 21,507</u>		<u>£ 2</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

The financial statements were approved by the board on 12 May 1999 and signed on its behalf

^R
C. M. Ahrens



Director

A. T. Hayley Bell



Director

The notes on pages 5 to 8 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1998

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities and include the results of the company's operations which are described in the Directors' Report.

1.2 Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1.

1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	25%	Straight line method
Fixtures & fittings	-	25%	Straight line method

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 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 ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.7 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

All of the company's turnover arose within the United Kingdom.

SHYVERS SAVOY SHIPPING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1998**

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	1998 £	1997 £
Depreciation of tangible fixed assets		
- owned by the company	9,978	-
- held under finance leases and hire purchase contracts	6,254	-
Auditors' remuneration	4,500	-
Directors' emoluments	119,000	-
Pension costs	49,687	-
Foreign exchange differences	(302)	-
	<u> </u>	<u> </u>

4. TAXATION

	1998 £	1997 £
Current year taxation		
UK corporation tax at 21% (1997 - 21%)	7,560	-
Tax on franked investment income	33	-
	<u>£ 7,593</u>	<u>£ -</u>

5. TANGIBLE FIXED ASSETS

	Plant & Equipment £	Total £
Cost or valuation		
Additions	64,924	64,924
At 31 December 1998	<u>64,924</u>	<u>64,924</u>
Depreciation		
Charge for year	16,232	16,232
At 31 December 1998	<u>16,232</u>	<u>16,232</u>
Net Book Value		
At 31 December 1998	<u>£ 48,692</u>	<u>£ 48,692</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	1998 £	1997 £
Motor Vehicles	<u>£ 18,761</u>	<u>£ -</u>

SHYVERS SAVOY SHIPPING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1998

6. FIXED ASSET INVESTMENTS

	Unlisted investments £	Total £
Cost		
Additions	1,225	1,225
At 31 December 1998	<u>1,225</u>	<u>1,225</u>
Net Book Value		
At 31 December 1998	<u>£ 1,225</u>	<u>£ 1,225</u>

7. DEBTORS

	1998 £	1997 £
Due within one year		
Trade debtors	25,415	-
Other debtors	13,383	2
	<u>£ 38,798</u>	<u>£ 2</u>

8. CREDITORS:
Amounts falling due within one year

	1998 £	1997 £
Net obligations under finance lease and hire purchase contracts	8,856	-
Trade creditors	363,134	-
Corporation tax	7,560	-
Other creditors	112,225	-
	<u>£ 491,775</u>	<u>£ -</u>

Included within other creditors is an amount of £12,602 (1997 - £ NIL) relating to social security and other taxes.

Also included within other creditors is an amount of £84,788 (1997-£ NIL) relating to an outstanding loan due to J.E Hyde & Co. Limited, a related company.

Trade creditors represent monies held on behalf of clients which are included with the company's bank balances.

SHYVERS SAVOY SHIPPING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 1998

9. CREDITORS:

Amounts falling due after more than one year

	1998 £	1997 £
Net obligations under finance lease and hire purchase contracts	6,285	-
	<u>£ 6,285</u>	<u>£ -</u>
Included within the above are amounts falling due as follows:		
In 1 - 5 years:		
Finance lease and hire purchase obligations	6,285	-
	<u>6,285</u>	<u>-</u>

10. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised		
1,000 ordinary shares of £1 each	£ 1,000	£ 1,000
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	£ 2	£ 2
	<u>2</u>	<u>2</u>

11. RELATED PARTIES

The directors consider J.E Hyde & Co. Limited to be related party within the meaning of FRS 8.

During the year the company paid J.E. Hyde & Co. Limited £15,000 for rent and service charges.
During the year J.E .Hyde & Co. Limited paid the company £16,500 in respect of staff costs.

Detail of the balance between the two companies is contained in note 8 of the accounts.