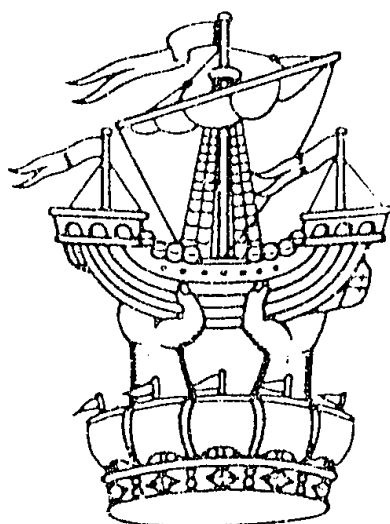
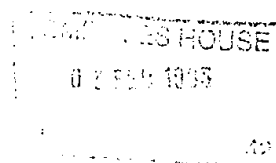


No. SC.005991

ANDREW WEIR SHIPPING LIMITED



Report and Accounts 1991



ANDREW WEIR SHIPPING LIMITED

REPORT AND ACCOUNTS

1991

Registered No. 5991



ANDREW WEIR SHIPPING LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited accounts for the year ended 31st December 1991.

PRINCIPAL ACTIVITIES

The group's major shipping activity involved the ownership of eleven cargo vessels, with the addition of four more in October, which together with vessels on charter trade on a world wide basis. Other shipping related activities include stevedoring, forwarding, repair services, travel and tours, claims adjusting and acting as ship's agents.

RESULTS, REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The consolidated results for the year are set out in detail in the group profit and loss account on page 5 and show a loss of £ 4,641,000 (1990 £ 1,267,000), at the operating level.

The most notable event of the year was the acquisition in October 1991 of a number of Ellerman trades together with four 300 TEU container ships and some 8,000 owned containers. The integration with Andrew Weir Shipping has proceeded smoothly and on schedule, with 110 members of the Ellerman staff moving into Dexter House during April. This acquisition represents a unique opportunity for Andrew Weir to expand its liner interests into complementary trades which would otherwise be closed to us and to exploit the benefits of integration and synergy which will present themselves as a result.

The decision to re-register the fleet in the Isle of Man was taken in order to remain competitive on costs whilst retaining technical supervision and responsibility for fleet safety in our own hands. The costs associated with this exercise have been treated as exceptional expenditure and are shown in note 10 to the accounts.

All our services, including the new Ellerman trades, suffered in one way or another during 1991 from the difficult conditions which persisted throughout the year. In the Baltic, the break-up of the Soviet Union brought about a virtual collapse in bilateral cargo movement and our Polish and Finnish trades were also seriously affected by the deterioration in the Polish and Finnish economies. Our MacPak service to northern Spain suffered from the lack of northbound cargoes into the UK as a result of the continuing recession. In our South Pacific service, we were forced into loss by fierce rate-cutting on the part of our competitors, and stability is only now being restored under an arrangement which allows us the necessary independence to secure our appropriate market share.

On a more positive note, our agency businesses in Kiel, Gdynia and Honiara all had a satisfactory year, as did Initial Metals, which since the year end has extended into operations at Felixstowe. In our joint Safbank service with Safmarine, the second-hand vessel acquired in May and renamed "Olivebank" traded profitably. In Spain, the expansion of our container and ro-ro terminal in the port of Bilbao was completed. We continue to look for further expansion of our interests in Spain, and the acquisition of Ellerman's Portuguese trade and agency business in Lisbon now enables us to plan in terms of the Iberian peninsula as a whole.

ANDREW WEIR SHIPPING LIMITED

REPORT OF THE DIRECTORS - continued

Trade with the former USSR having collapsed and the company having received no remittances from the Russian banks and our pool partners for several months, the directors consider it prudent to make full provision against all sums due from the former USSR in this year's accounts. Additionally, because of the poor trading prospects we have taken the decision to suspend our direct service to the ports of St. Petersburg and Riga at the end of February 1992, and we have made provision in these accounts for the losses incurred on that service in 1992. This provision, together with the bad debt write off referred to above is shown as an exceptional item (note 10 to the accounts).

In the fiercely competitive environment in which we operate it is essential that we curtail costs by as much as is prudently possible and with this in mind, at the close of business on 31st December 1991, the net assets of a wholly owned subsidiary company, United Baltic Corporation Limited, were transferred at book value to the company. In addition the company purchased the goodwill in a liner trade operated by another wholly owned subsidiary company for the sum of £ 2,750,000 and the net assets attaching to the shipping operations carried out by that subsidiary were also transferred to the company at net book value. It is anticipated that the integration of the book-keeping and accounting of the two subsidiaries with that of the company will make savings in administration costs.

The outlook for 1992 must depend on the world economic climate. But the steps we have already taken to re-register the fleet and to withdraw from a loss making service, together with the synergies arising from integrating the Ellerman trades and personnel into Andrew Weir Shipping, will make a contribution towards returning to profitable trading.

DIVIDENDS

The holding company has waived its rights to dividends on its holdings of 'A', 'B' and 'C' preference shares for the year ended 31st December 1991. A dividend of £25 was paid to the holder of 'C' preference shares not owned by the holding company.

FIXED ASSETS

Details of fixed assets are shown in note 15 to the accounts. Major capital expenditure was incurred in purchasing a second hand tweendecker "Olivebank" and in purchasing four 300 TEU container ships and containers used in the Ellerman trades. Also during the year the construction of two new cranes for our container terminal at Santurce was completed.

The major item in disposals represents old computer systems which were replaced with more modern equipment at the beginning of the year. At the close of business on 31st December 1991, the net assets of two subsidiary companies were transferred to the company. Included in these transfers were fixed assets having a net book value of £ 7,985,000 (note 15 to the accounts).

ANDREW WEIR SHIPPING LIMITED

REPORT OF THE DIRECTORS - continued

DIRECTORS

The directors of the company during the year together with changes since 31st December 1991 are set out below.

The Hon. Vincent Weir	(retired 8.1.91)		
Lord Runciman	(appointed 2.4.91)	A.R.C.B Cooke	(appointed 15.10.91)
H. Castenskiold	(retired 30.4.92)	M.G. Parker	(appointed 15.10.91)
A.J. Ash		R.M. Moss	(appointed 20.9.91)
A.W. Baldwin		K.S.S. Sessions	(appointed 20.9.91)
Captain D.C. Glass		G.S. Smith	(appointed 20.9.91)
R.G. Simmonds		R. McIntyre Brown	(appointed 10.2.92)

DIRECTORS' INTERESTS

Lord Runciman, A.W. Baldwin, H. Castenskiold, A.R.C.B. Cooke and R. McIntyre-Brown were directors at 31st December 1991 of the ultimate holding company, Andrew Weir & Company Limited, and as such are not required to notify their interests in that company. According to the register required to be kept by Section 325 of the Companies Act 1985 no other directors held any shares in the company or any other company in the group at any time of the year.

CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988, as amended. No provision is deemed necessary under the appropriate sections of that Act.

AUDITORS

From 1st June 1992 the auditor, Coopers & Lybrand Deloitte will practise in the name of Coopers & Lybrand.

A resolution to reappoint the firm as the company's auditor will be proposed at the annual general meeting.

BY ORDER OF THE BOARD


J.A. COVE

SECRETARY

8th May, 1992.

ANDREW WEIR SHIPPING LIMITED

REPORT OF THE AUDITOR

to the members of Andrew Weir Shipping Limited

We have audited the accounts on pages 5 to 25 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group at 31st December 1991 and of the loss and source and application of funds of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand Deloitte

COOPERS & LYBRAND DELOITTE

Chartered Accountants and Registered Auditor
London.

8th May, 1992.

ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
GROUP PROFIT AND LOSS ACCOUNT
for the year ended 31st December 1991

	Notes	1991 £'000	1990 £'000
TURNOVER	2	92,685	76,577
Cost of sales		(80,329)	(63,309)
Operating expenses	3	<u>(16,997)</u>	<u>(14,535)</u>
OPERATING LOSS	4	(4,641)	(1,267)
Profit on disposal of fixed assets		103	139
Share of profit of associated undertakings		380	510
Income from fixed asset investments	7	457	1,324
Interest receivable		394	773
Interest payable and similar charges	8	(1,286)	(906)
Gain on exchange	9	<u>233</u>	<u>452</u>
(LOSS) PROFIT BEFORE EXCEPTIONAL ITEMS		(4,360)	1,025
Exceptional items	10	<u>(5,313)</u>	<u>(1,883)</u>
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(9,673)	(858)
Tax on loss on ordinary activities	11	<u>3,474</u>	<u>408</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(6,199)	(450)
Minority interests		<u>(59)</u>	<u>(71)</u>
LOSS FOR THE FINANCIAL YEAR		(6,258)	(521)
Dividends paid	12	<u>-</u>	<u>(1,200)</u>
RETAINED LOSS FOR THE FINANCIAL YEAR	13	<u>(6,258)</u> =====	<u>(1,721)</u> =====
STATEMENT OF GROUP RETAINED PROFITS			
At 1st January		49,271	51,289
Retained loss for the year		(6,258)	(1,721)
Goodwill arising on acquisition	14	(4,344)	-
Exchange differences arising from retranslation of investment in overseas subsidiaries and branches		<u>103</u>	<u>(297)</u>
At 31st December		<u>38,772</u> =====	<u>49,271</u> =====

ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
GROUP BALANCE SHEET
at 31st December 1991

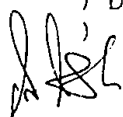
	Notes	1991 £'000	1991 £'000	1990 £'000	1990 £'000
FIXED ASSETS					
Tangible assets	15	53,831		39,825	
Associated undertakings	16	95		14	
Trade investments	16	46		14	
Other investments	17	-		2,947	
			53,972		42,800
CURRENT ASSETS					
Debtors	18	40,609		34,170	
Stocks	19	221		158	
Cash at bank and in hand		<u>2,295</u>		<u>5,554</u>	
		43,125		39,882	
CREDITORS - amounts falling due within one year	20	(31,709)		(14,200)	
NET CURRENT ASSETS			<u>11,416</u>		<u>25,682</u>
Total assets less current liabilities			65,388		68,482
CREDITORS - amounts falling due after more than one year	20	(9,685)		(4,847)	
PROVISIONS FOR LIABILITIES AND CHARGES	21	(10,928)		(8,358)	
			(20,613)		(13,205)
			44,775		55,277
			=====		=====
CAPITAL AND RESERVES					
Called up share capital	23	5,518		5,518	
Capital reserve		479		479	
Profit and loss account		<u>38,772</u>		<u>49,271</u>	
			44,769		55,268
Minority interests			<u>6</u>		<u>9</u>
			44,775		55,277
			=====		=====

These accounts were approved by the board on 8th May, 1992.


Runciman

) Directors

A. J. Ash



ANDREW WEIR SHIPPING LIMITED

BALANCE SHEET

as at 31st December 1991

	Notes	1991 £'000	1991 £'000	1990 £'000	1990 £'000
FIXED ASSETS					
Tangible assets	15	42,318		27,807	
Subsidiary companies	16	9,044		13,818	
Associated undertakings	16	4		4	
Other investments	17	<u>15</u>		<u>2,947</u>	
			51,381		44,576
CURRENT ASSETS					
Debtors	18	39,059		21,560	
Stock	19	128		-	
Cash at bank and in hand		<u>942</u>		<u>1,730</u>	
		40,129		23,290	
CREDITORS - amounts falling due within one year	20	<u>(26,188)</u>		<u>(4,478)</u>	
NET CURRENT ASSETS			<u>13,941</u>		<u>18,812</u>
Total assets less current liabilities			65,322		63,388
CREDITORS - amounts falling due after more than one year	20	(12,457)		(4,483)	
PROVISIONS FOR LIABILITIES AND CHARGES	21	<u>(10,429)</u>		<u>(5,331)</u>	
			<u>(22,886)</u>		<u>(9,814)</u>
			42,436		53,574
			=====		=====
CAPITAL AND RESERVES					
Called up share capital	23		5,518		5,518
Profit and loss account			<u>36,918</u>		<u>48,056</u>
			42,436		53,574
			=====		=====

Runciman

) Directors

A.J.Ash

8th May, 1992.

ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
SOURCE AND APPLICATION OF GROUP FUNDS
for the year ended 31st December 1991

	1991 £'000	1990 £'000
SOURCE OF FUNDS		
Loss before taxation	(9,673)	(858)
Exchange adjustment on translation of shipbuilding loans	<u>59</u>	<u>(307)</u>
	(9,614)	(1,165)
Adjustment for other items not involving the movement of funds:		
Depreciation - fixed assets	4,518	3,743
- leases	97	101
Profit on sale of fixed assets	104	(139)
Provisions for liabilities	2,188	631
Exchange translation adjustments	<u>57</u>	<u>(164)</u>
Funds (absorbed by)/generated from operations	(2,650)	3,007
Funds from other sources:		
Proceeds from sale of fixed assets	210	182
Tax refunds received	862	-
Net decrease in investments	2,843	15,440
Leasing finance	1,314	1,473
Ship purchase loan	<u>5,080</u>	<u>-</u>
	7,659	20,102
	=====	=====
APPLICATION OF FUNDS		
Expenditure on fixed assets	19,591	3,040
Dividends paid	-	1,200
Loan to Holding Company	164	7,927
Tax paid	-	3,154
Provisions utilised	788	773
Repayment of loans	1,060	918
Repayment of lease finance	287	430
Dividends to minority shareholders	<u>66</u>	<u>68</u>
	21,956	17,510
	(14,297)	2,592
	=====	=====
MOVEMENTS IN WORKING CAPITAL		
Represented by:		
Increase in debtors	6,754	514
(Increase) in creditors	(8,942)	(1,520)
Increase in stocks	63	54
(Decrease) increase in cash at bank	<u>(12,125)</u>	<u>3,544</u>
	(14,297)	2,592
	=====	=====

ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
NOTES TO THE ACCOUNTS - 31st December 1991

1. PRINCIPAL ACCOUNTING POLICIES

A summary of the more important group accounting policies, which have been consistently applied, is set out below.

Basis of Preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom.

Basis of Consolidation

The accounts of the company and all of its subsidiaries are made up to 31st December each year.

Associated undertakings

The group's share of profits less losses of associated undertakings is included in the consolidated profit and loss account, and the group's share of their net assets is included in the consolidated balance sheet. These amounts are taken from the latest audited financial statements of the undertakings concerned, which in all cases are made up to 31st December. Since the accounting policies of those associated undertakings do not necessarily conform in all respects to those of the group, adjustments are made on consolidation where the amounts involved are material to the group.

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of consideration given over the fair value of indentified net assets acquired, after taking into account any provisions required. Goodwill arising on the acquisition of subsidiaries associates, and businesses where rights to trade and employ services are acquired is written off immediately against reserves.

Shipping Results

Voyage results on shipping operations are computed to the end of the last completed voyage prior to the balance sheet date.

The cost of future special surveys and repairs is charged on the basis of the estimated accruing liability and provision is made for any anticipated losses on uncompleted voyages at the year end.

The Group participates in certain pooling arrangements with other shipping lines. In some cases the pool results are accounted for on an accruals basis, estimates being used to the extent that financial information is not yet available. In other cases liabilities for pool contributions are provided in the accounts and pool receipts are treated on a cash basis.

Tangible Fixed Assets

These are stated at cost to the group less depreciation provided.

The capital cost of ships includes costs of supervision during building but does not include any interest payable during the construction period, which is charged to the profit and loss account. Investment grants have been deducted from the cost of ships.

ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
NOTES TO THE ACCOUNTS - 31st December 1991 - continued

Finance and Operating Leases

Where assets are financed by leasing agreements that approximate to the loan of money, 'finance leases', the assets are treated as if they had been purchased outright and the corresponding capital cost is shown as an obligation to the lessor. Leasing payments are treated as consisting of a capital element and finance charges, the capital element reducing the obligation to the lessor and the finance charges being written off to profit and loss account over the period of the lease. All other leasing agreements are 'operating leases' and the relevant annual rentals are charged wholly to profit and loss account.

Depreciation

Ships and equipment

Ships and equipment, both wholly owned and lease financed, are depreciated from the time of entering into service on a straight line basis over their estimated lives, being 20 years for ships and 12 or 5 years for other equipment. Depreciation is based on cost after deduction of investment grants.

Land and buildings

Freehold land is not depreciated. Freehold buildings are depreciated on a straight line basis over fifty years and the cost of leasehold properties is charged to the profit and loss account over the period of the lease.

Plant and motor vehicles

Plant and motor vehicles are depreciated on a straight line basis over their estimated lives, principally 5 years for computer equipment and 4 years for motor vehicles.

Stock

Stocks are valued at the lower of cost and net estimated realisable value.

Leasing

Assets leased to third parties are not included in fixed assets, but are shown as deferred or current debtors.

Profits from leasing contracts are apportioned by reference to the investment period method, but modified to reduce profits taken in the earliest years.

Deferred Taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallize.

ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
NOTES TO THE ACCOUNTS - 31st December 1991 - continued

Foreign Currencies

Assets, liabilities and the results of foreign subsidiaries and branches expressed in foreign currencies are translated to sterling at the rates of exchange ruling at the balance sheet date.

Differences on exchange arising from the retranslation of the opening net investment in subsidiary companies and foreign branches are taken to reserves.

Revenue transactions in foreign currency are translated into sterling at the rates of exchange ruling at the dates of the transactions and current assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date. The resultant differences arising on exchange are included in the result before taxation.

Turnover

Turnover is stated net of intra-group transactions and represents the amount invoiced for gross retained freights (including in the case of joint operations the appropriate proportion thereof), charter hire, goods supplied and commissions received.

As permitted by Schedule 4 Section 55 (2) of the Companies Act 1985 no geographical analysis of turnover is shown as, in the opinion of the directors, it would be prejudicial to the interests of the company.

ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
NOTES TO THE ACCOUNTS - 31st December 1991 - continued

2. TURNOVER AND RESULTS

	Turnover		Operating Result		Net	Assets
	1991	1990	1991	1990	1991	1990
	£'000	£'000	£'000	£'000	£'000	£'000
Shipping	77,137	61,115	(5,047)	(2,517)	37,125	48,383
Other activities	<u>15,548</u>	<u>15,462</u>	<u>406</u>	<u>1,250</u>	<u>7,555</u>	<u>6,880</u>
	92,685	76,577	(4,641)	(1,267)	44,680	55,263
	=====	=====	=====	=====	=====	=====
Associated undertakings	52,000	43,956	1,076	1,483	95	14
	=====	=====	=====	=====	=====	=====

3. OPERATING EXPENSES

Operating expenses are made up as follows:-

	1991	1990
	£'000	£'000
Selling expenses	890	555
Administrative expenses	<u>16,107</u>	<u>13,980</u>
	16,997	14,535
	=====	=====

4. OPERATING LOSS

Operating loss is arrived at after charging:-

	1991	1990
	£'000	£'000
Auditors' remuneration (Company £65,000, 1990 £65,000)	105	124
Hire of ships and equipment	5,339	2,288
Depreciation	4,518	3,743
Directors' emoluments (for management services) including pension contributions (note 5)	244	204
Pensions to former directors	16	11
Ex gratia payment to retiring director	75	57
Early retirement and redundancy costs	403	680
Special payment to augment pension scheme	130	130
Management charge from parent company	348	599
Group trading bonus	-	368
Provision for future surveys and repairs	532	209
	=====	=====

ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
NOTES TO THE ACCOUNTS - 31st December 1991 - continued

5. DIRECTORS' EMOLUMENTS

	1991 £'000	1990 £'000
The emoluments of the Chairman	Nil	Nil
Emoluments of the highest paid director	55	86
Directors including the above whose emoluments fell within the following ranges numbered:		

	1991	1990
Less than £ 5,000	5	3
£10,001 - £15,000	2	-
£15,001 - £20,000	1	-
£20,001 - £25,000	1	-
£30,001 - £45,000	-	1
£45,001 - £50,000	2	-
£50,001 - £55,000	1	1
£85,001 - £90,000	-	1

6. EMPLOYEE INFORMATION

The average number of persons employed by the group, including executive directors, during the year was 678 (1990 606), of whom 510 (1990 444) worked wholly aboard ship or overseas.

	1991 £'000	1990 £'000
Aggregate gross wages and salaries paid to the group's employees	12,926	11,018
Group trading bonus	-	368
Employer's national insurance contributions	605	549
Social insurance-overseas staff	951	795
Employer's pension contributions:-		
under the group pension scheme	497	415
under occupational pensions schemes	229	226
ex gratia pensions	139	148
Other pension contributions	107	-
Pension augmentation	130	129
	<u>15,584</u>	<u>13,648</u>
	=====	=====

Pension Costs

Andrew Weir Shipping Limited is a member of the Andrew Weir & Co group scheme. The scheme is a defined benefits scheme. Contributions to the scheme are based on pension costs across the group as a whole. Particulars of the actuarial valuation of the group scheme are contained in the financial statements of Andrew Weir & Company Limited for the year ended 31st December 1991.

Foreign employees are covered by the national schemes of their country of domicile and marine employees are covered by The Merchant Navy Officers and Ratings pension schemes, which are defined benefit schemes subject to annual revaluation by a qualified actuary.

ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
NOTES TO THE ACCOUNTS - 31st December 1991 - continued

7. INCOME FROM FIXED ASSET INVESTMENTS

	1991 £'000	1990 £'000
Listed investments	206	494
Short term deposits	4	982
Leasing rentals	<u>11</u>	<u>4</u>
	221	1,480
Profit/(loss) on sale of investments	<u>236</u>	<u>(156)</u>
	<u>457</u>	<u>1,324</u>
	=====	=====

8. INTEREST PAYABLE AND SIMILAR CHARGES

	1991 £'000	1990 £'000
Repayable within five years, not by instalments		
Bank overdrafts and other loans	376	421
Repayable within five years, by instalments		
Lease finance charges	45	59
Shipbuilding loans	352	426
Repayable five years and over, by instalments		
Lease finance charges	183	-
Ship purchase loan	<u>330</u>	<u>-</u>
	1,286	906
	=====	=====

9. GAIN ON EXCHANGE

	1991 £'000	1990 £'000
Revaluation of shipbuilding loans	(59)	307
Other exchange gains	<u>292</u>	<u>145</u>
	233	452
	=====	=====

ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
NOTES TO THE ACCOUNTS - 31st December 1991 - continued

10. EXCEPTIONAL ITEMS

	1991 £'000	1990 £'000
Suspension of a service	(1,134)	-
Closure of a service	-	(580)
Costs associated with re-registering the fleet	(4,179)	-
Unrealised loss on fixed asset investments written back	-	700
Removal and relocation expenses	-	(1,950)
Investment written off	-	(53)
	<u>(5,313)</u>	<u>(1,883)</u>
	=====	=====

The service closure costs relating to 1990 were classified in the 1990 accounts as an extraordinary item. For the 1991 accounts these costs have been restated as exceptional due to a consensus reached during the year by the Urgent Issues Task Force of the Accounting Standards Board.

11. TAX CREDIT ON LOSS FOR THE YEAR

	1991 £'000	1990 £'000
Based on the results for the year:-		
UK Corporation Tax - 33.25% (1990 - 34.25%)	(545)	373
Deferred taxation	(2,963)	(1,295)
Double taxation relief	-	(82)
Foreign taxation payable	<u>171</u>	<u>405</u>
	(3,337)	(599)
Group share of associated undertakings'		
UK corporation tax charge	114	190
On prior year results:-		
UK Corporation Tax	(962)	(546)
Deferred tax	579	547
Double taxation relief	<u>132</u>	<u>-</u>
	(3,474)	(408)
	=====	=====

12. DIVIDENDS

	1991 £'000	1990 £'000
Ordinary Shares - paid	-	1,200
	=====	=====

ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
NOTES TO THE ACCOUNTS - 31st December 1991 - continued

13. RETAINED LOSS FOR THE FINANCIAL YEAR

	1991 £'000	1990 £'000
Parent company	(6,751)	(2,528)
Subsidiary companies	412	801
Associated undertaking	81	6
	<u>(6,258)</u>	<u>(1,721)</u>

As permitted by section 230 of the Companies Act 1985 the holding company's profit and loss account has not been included in these financial statements.

14. GOODWILL AND MOVEMENTS ON RESERVES

Goodwill arising from the Ellerman acquisition for a cash consideration of £9,025m in respect of tangible fixed assets of £9,683m less other creditors of £658,000 and charged against retained profit of the group comprises:

	£'000
Provision for redundancy and relocation costs	3,481
Revaluation of tangible fixed assets (note 15)	1,000
Provision for additional pension scheme funding	1,000
Provision for redundancy costs	1,000
	<u>6,481</u>
Deferred tax thereon	<u>(2,137)</u>
	<u>4,344</u>

As the assets and managed trades of the business acquired on 11th October 1991 comprised only part of a larger undertaking at that date, it is not considered appropriate to refer to the result of the business prior to its acquisition.

The cumulative goodwill written off resulting from acquisitions is £4.344m (1990 nil).

Movements on reserves of the company comprise:

	1991 £'000	1990 £'000
At 1st January	48,056	50,584
Retained profit (loss) for the financial year	(6,751)	(2,528)
Goodwill	<u>(4,387)</u>	<u>-</u>
	<u>36,918</u>	<u>48,056</u>

ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
NOTES TO THE ACCOUNTS - 31st December 1991 - continued

15. TANGIBLE FIXED ASSETS

Group	Ships and Owned	Equipment Leased	Land and buildings	Plant and equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1st January	62,620	1,989	963	5,452	71,024
Exchange rate adjustments	-	-	11	73	84
Expenditure	14,173	1,167	21	4,230	19,591
Disposals	(449)	(9)	(8)	(529)	(995)
Revaluation	(1,000)	-	-	-	(1,000)
At 31st December	75,344	3,147	987	9,226	88,704
Depreciation					
At 1st January	27,869	371	280	2,679	31,199
Exchange rate adjustments	-	-	3	33	36
Disposals	(391)	(3)	(8)	(478)	(880)
Charge for the year	3,729	201	39	549	4,518
At 31st December	31,207	569	314	2,783	34,873
Net book value at 31st December 1991	44,137	2,578	673	6,443	53,831
Net book value at 31st December 1990	34,751	1,618	683	2,773	39,825
Land and buildings			£'000		
Net book value					
Freehold			497		
Short leasehold			176		
			673		

ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
NOTES TO THE ACCOUNTS - 31st December 1991 - continued

15. TANGIBLE FIXED ASSETS - continued

Company	Ships Owned	and Leased	Equipment Total
	£'000	£'000	£'000
Cost			
At 1st January	43,281	1,473	44,754
Expenditure	9,093	1,167	10,260
Transferred from subsidiary companies	19,793	51.1	20,304
Disposals	(367)	(4)	(371)
Revaluation	(1,000)	--	(1,000)
At 31st December	70,800	3,147	73,947
	=====	=====	=====
Depreciation			
At 1st January	16,886	61	16,947
Charge for the year	2,518	168	2,686
Transferred from subsidiary companies	11,980	339	12,319
Disposals	(323)	-	(323)
At 31st December	31,061	568	31,629
	=====	=====	=====
Net Book Value			
At 31st December 1991	39,739	2,579	42,318
	=====	=====	=====
At 31st December 1990	26,395	1,412	27,807
	=====	=====	=====

16. FIXED ASSET INVESTMENTS

	Subsidiary Companies	Associated Undertakings	Trade Investments	
	Company £'000	Group £'000	Company £'000	Group £'000
At 1st January	13,818	14	4	14
Additions in the year	326	-	-	32
Provision for diminution in value	(5,100)	-	-	-
Share of profits of associated undertakings	-	266	-	-
Dividends from associated undertakings	-	(185)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December	9,044	95	4	46
	<hr/>	<hr/>	<hr/>	<hr/>

ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
NOTES TO THE ACCOUNTS - 31st December 1991 - continued

16. FIXED ASSET INVESTMENTS - continued

Associated Undertakings

The group's effective interest in the net assets of associated undertakings amounted to £95,000 (1990 £ 14,000) at the balance sheet date.

The group's associated undertakings are listed below.

Name of Company	Country of incorporation	Description of shares held	Proportion of nominal value held
Safbank Line Ltd	United Kingdom	Ordinary Shares of 1 US\$ each	35%
Bank Line East Africa Ltd	United Kingdom	Ordinary Shares of 1 US\$ each	35%
Finanglia Ferries Limited.,OY	Finland	Ordinary Shares of 100 FMK	50%
Polish United Baltic Corporation Limited	Poland	Shares of 1,440 Zlotys	48%

Safbank Line Ltd and Bank Line East Africa Ltd operate liner shipping services between ports in the Americas and Africa, utilising chartered tonnage.

Finanglia Ferries Limited.,OY provides services to the North Sea Pool in which the company participates. Pursuant to an agreement between the members of Finanglia Ferries Limited.,OY who are also the participators in the Pool, the profits of Finanglia Ferries Limited.,OY are distributed to the Pool and are reflected in these accounts as part of the pool operating result.

Polish United Baltic Corporation Limited has been prohibited by Polish law from distributing profits. Accordingly these accounts do not include any amounts in respect of the earnings of this associated company.

Subsidiary Companies

Company	£'000
Shares at cost	
at 1st January 1991	13,818
Addition during the year	326
Provision for diminution in value	(5,100)
at 31st December 1991	9,044
	=====

In the opinion of the directors the company's investments in its subsidiaries had a realisable value in excess of their carrying value.

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ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
NOTES TO THE ACCOUNTS - 31st December 1991 - continued

SUBSIDIARY COMPANIES

Unless otherwise indicated, subsidiaries are wholly owned, and the following information relates to those subsidiary companies which in the opinion of the directors principally affected the group's results or assets.

Name of company and (country of incorporation)	Description of shares held	Principal activity	
United Baltic Corporation Limited (Great Britain)	Ordinary £1 shares	Shipping	
MacAndrews & Co. Limited (Great Britain)	5% Cum. pref. £1 shares Ordinary £1 shares	Shipping and agency	
Charmian Shipping Inc. (Panama)	Ordinary shares of US\$ 100 each	Shipping	
Initial Metals Engineering Limited (Great Britain)	Ordinary £1 shares	Engineering	
United Baltic Corporation GmbH (West Germany)	Shares of DM 300,000	Shipping agent	
ASC - Agencias De Servicios Para Contenedores Lda. (Portugal)	Shares of 5,000,000 escudos	Shipping agent	
MacAndrews Tours SA. (Spain)	4% non-cumulative shares of 1 peseta	Travel agent	
Consignaciones y Servicios MacAndrews, SA. (Spain)	Ordinary shares of 10,000 pesetas	Terminal operator	
MacAndrews Euroterminal S.A. (Spain)	Ordinary shares of 10,000 pesetas	Stevedoring	
Tradco Shipping Limited (Solomon Islands)	Ordinary shares of S\$ 1	Shipping agent	50%
Guadalcanal Travel Service Limited (Solomon Islands)	Ordinary shares Of S\$ 1	Travel agent	60%

All subsidiary companies incorporated in Great Britain are registered in England and Wales.

MacAndrews & Co. Ltd, charters a vessel on a world wide basis and operates liner services to and from Spain, also conducting agency and stevedoring activities in Spain. The other subsidiary companies operate in their respective country of incorporation

Shares in United Baltic Corporation GmbH, MacAndrews Tours SA., MacAndrews Euroterminal, SA., Consignaciones Y Servicios MacAndrews, SA., are held by subsidiary companies. All other shares are held by the company.

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ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
NOTES TO THE ACCOUNTS - 31st December 1991 - continued

17. OTHER INVESTMENTS

Group and Company	Listed Securities £'000	Cash Deposits £'000	Total £'000
At 1st January	2,879	68	2,947
Net reduction in investment funds	<u>(2,879)</u>	<u>(68)</u>	<u>(2,947)</u>
At 31st December	-	-	-
	=====	=====	=====
Market value at 31st December 1991 (1990 £ 2,913,000)	-	-	-
	=====		

18. DEBTORS

Group	1991 Amounts falling due within one year £'000	1991 Amounts falling due after one year £'000	1990 Amounts falling due within one year £'000	1990 Amounts falling due after one year £'000
Trade debtors	20,555	-	14,452	-
Associated companies	254	-	80	-
Group companies:				
Parent and fellow subsidiaries	39	16,558	16,433	-
Leased assets	-	-	97	-
Taxation recoverable	1,977	-	2,359	-
Other debtors	<u>1,213</u>	<u>13</u>	<u>615</u>	<u>134</u>
	24,038	16,571	34,036	134
	=====	=====	=====	=====
Company				
Trade debtors	16,052	-	2,568	-
Associated companies	254	-	-	-
Leased assets	-	-	207	-
Group companies:				
Subsidiaries	27	4,290	14	-
Parent and fellow subsidiaries	39	16,558	16,433	-
Taxation recoverable	1,419	-	2,197	-
Other debtors	<u>420</u>	<u>-</u>	<u>141</u>	<u>-</u>
	18,211	20,848	21,560	-
	=====	=====	=====	=====

ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
NOTES TO THE ACCOUNTS - 31st December 1991 - continued

19. STOCKS AND WORK IN PROGRESS

	Group		Company	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
Raw materials and consumables	221	158	128	-
	=====	=====	=====	=====

20. CREDITORS

	1991	1991	1990	1990
	Amounts falling due	Amounts falling due	Amounts falling due	Amounts falling due
	within	after	within	after
	one year	one year	one year	one year
	£'000	£'000	£'000	£'000
Group				
Shipbuilding loans	1,246	7,420	917	3,669
Bank overdrafts	9,565	-	652	-
Finance leases - external	497	1,949	149	1,178
- group	16	-	108	-
Trade creditors	16,138	-	10,710	-
Parent and fellow subsidiary companies	2,514	316	275	-
Taxation	280	-	890	-
Other creditors	1,392	-	433	-
Dividend due to minorities	61	-	66	-
	31,709	9,685	14,200	4,847
	=====	=====	=====	=====
Company				
Shipbuilding loans	933	2,798	-	-
Bank overdrafts	7,081	-	-	-
Finance leases external	498	1,948	149	1,178
Finance leases group	16	-	-	-
Trade creditors	13,650	-	3,509	-
Group companies:				
Subsidiaries	419	7,395	413	3,305
Parent and fellow subsidiaries	2,514	316	275	-
Other creditors	1,077	-	132	-
	26,188	12,457	4,478	4,483
	=====	=====	=====	=====

ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
NOTES TO THE ACCOUNTS - 31st December 1991 - continued

CREDITORS - continued

Shipbuilding Loans - Group

Shipbuilding loans in the company are secured on the relevant ships. The loans carry a rate of interest of 8.75% and are repayable in equal six monthly instalments, the first being due six months after delivery of each ship. A further loan, in a subsidiary company, is secured on a ship and as further security there is a charge on one other ship belonging to the company. The loan, structured with a residual payment of \$2,165,510, is payable on an annuity basis quarterly over a period of nine years and carries an interest rate of 9.75%.

Instalments on the loans become due as shown.

	Company £'000	Group £'000
1992	933	1,246
1993/1996	2,798	4,405
1997/2000	-	3,015
	<u>3,731</u>	<u>8,666</u>
Less: shown in current liabilities	933	1,246
	<u>2,798</u>	<u>7,420</u>
	=====	=====

Finance Leases

Equal quarterly payments under finance leases are required to made in the years shown

	Capital element		Total finance charges
	Company £'000	Group £'000	£'000
1992	498	498	268
1993/6	1,516	1,516	446
1997/2001	432	432	100
	<u>2,446</u>	<u>2,446</u>	<u>814</u>
			=====
Less: shown in current liabilities	498	498	
	<u>1,948</u>	<u>1,948</u>	
	=====	=====	

ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
NOTES TO THE ACCOUNTS - 31st December 1991 - continued

21. PROVISIONS FOR LIABILITIES AND CHARGES

Group	Deferred taxation £'000	Special surveys £'000	Group Integration £'000	Fleet Re- Registration £'000	Others £'000	Total £'000
At 1st January	7,337	485	-	-	536	8,358
Provided in the year	1,105	532	-	1,200	456	3,293
Utilised in the year	(3,489)	(350)	-	-	(438)	(4,277)
Arising on acquisition	(2,137)	-	5,481	-	210	3,554
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31st December	2,816	667	5,481	1,200	764	10,928
	=====	=====	=====	=====	=====	=====
Company						
At 1st January	4,385	410	-	-	536	5,331
Provided in the year	846	331	-	1,200	417	2,794
Utilised in the year	(2,868)	(269)	-	-	(438)	(3,575)
Transferred from subsidiary companies	2,376	165	-	-	-	2,541
Arising on acquisition	(2,137)	-	5,475	-	-	3,338
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31st December	2,602	637	5,475	1,200	515	10,429
	=====	=====	=====	=====	=====	=====

22. DEFERRED TAXATION

	Group 1991 £'000	1990 £'000	Company 1991 £'000	1990 £'000
Accelerated allowances	7,038	7,824	6,814	4,715
Other timing differences	(2,963)	(225)	(2,953)	(330)
Future benefit of losses	(1,259)	(262)	(1,259)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2,816	7,337	2,602	4,385
	=====	=====	=====	=====

The above provision for deferred taxation is the full potential liability.

ANDREW WEIR SHIPPING LIMITED
and its subsidiary companies
NOTES TO THE ACCOUNTS - 31st December 1991 - continued

23. SHARE CAPITAL

	Authorised	1991 and 1990 Issued and fully paid	
PREFERENCE SHARE CAPITAL			
200,000 cumulative 'A' preference shares of £1 each	£ 200,000	Number 200,000	£ 200,000
6% (now 4.2% plus tax credit)			
150,000 cumulative 'B' preference shares of £1 each	150,000	123,319	123,319
4% (now 2.8% plus tax credit)			
1,000,000 cumulative 'C' preference shares of 25p each	250,000	777,800	194,450
10% (now 7% plus tax credit)			
	<u>600,000</u>	<u>1,101,119</u>	<u>517,769</u>
Ordinary Share Capital			
5,000,000 ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
	<u>5,600,000</u>	<u>6,101,119</u>	<u>5,517,769</u>
	=====	=====	=====

24. CAPITAL COMMITMENTS

	1991		1990	
	Group	Company	Group	Company
Capital expenditure contracted for but not provided	£0.6m	£0.6m	£4.6m	£1.1m
	=====	=====	=====	=====

25. CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

	Group £'000	Company £'000
Customs and Excise guarantees	3,425	1,513
Travel Trade guarantee	38	-
Guarantee of associated undertaking's and subsidiary company overdraft facilities	1,097	-
Guarantee of ship loan in subsidiary company	-	4,934
	=====	=====

26. ULTIMATE PARENT COMPANY

The ultimate parent company is Andrew Weir & Company Limited, incorporated in Great Britain, and registered in England and Wales.