

**THE ANTHONY RADCLIFFE STEAMSHIP
COMPANY, LIMITED**

Report and Financial Statements

30 November 2001

**Deloitte & Touche
London**



THE ANTHONY RADCLIFFE STEAMSHIP COMPANY, LIMITED

REPORT AND FINANCIAL STATEMENTS 2001

CONTENTS

Page

Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

THE ANTHONY RADCLIFFE STEAMSHIP COMPANY, LIMITED

REPORT AND FINANCIAL STATEMENTS 2001

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J G Wakely (Appointed 31 December 2001)

W E V M Wattenbergh (Appointed 26 November 2002)

R Soffree (Appointed 26 November 2002)

SECRETARY

N E Pritchard

REGISTERED OFFICE

Aldwych House

71-91 Aldwych

London

AUDITORS

Deloitte & Touche

Chartered Accountants

London

THE ANTHONY RADCLIFFE STEAMSHIP COMPANY, LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 November 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company comprise shipping and the holding of investments in subsidiary undertakings. The directors expect the general level of activity to remain the same in the future.

RESULT AND DIVIDEND

During the year, the company made a loss after taxation of \$699,339 (2000 restated profit - \$386,277). The company's accumulated deficit thus increased by this amount from \$5,080,685 to \$5,780,024.

The directors do not recommend the payment of a dividend (2000 - nil).

During the year, the company changed its accounting policy for recording certain foreign exchange gains and losses, as described in note 14.

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year, except as noted below, and to the date of this report are as shown below:

C J Wright (Chairman - Resigned 31 December 2001)
R J R Lee (Resigned 26 November 2002)
J C Engelhardtson (Resigned 26 November 2002)
J G Wakely (Appointed 31 December 2001)
WEVM Wattenbergh (Appointed 26 November 2002)
R Soffree (Appointed 26 November 2002)

None of the directors have any interests in the shares of the company or other group companies which are required to be disclosed under the provisions of the Companies Act 1985.

AUDITORS

Arthur Andersen resigned as auditors with effect from 31 July 2002 and were replaced by Deloitte & Touche. Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



NE Pritchard

Secretary

23rd June 2003

THE ANTHONY RADCLIFFE STEAMSHIP COMPANY, LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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;
- 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 the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE ANTHONY RADCLIFFE STEAMSHIP COMPANY, LIMITED**

We have audited the financial statements of The Anthony Radcliffe Steamship Company, Limited for the year ended 30 November 2001 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 30 November 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and Registered Auditors

London

23 June 2003

THE ANTHONY RADCLIFFE STEAMSHIP COMPANY, LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 November 2001

	Note	2001 \$	2000 \$ As restated (See note 14)
TURNOVER	2	178,065,674	125,424,281
Cost of sales		(177,175,345)	(124,797,160)
Gross profit		890,329	627,121
Amounts written off investments	7	(76,983)	-
Operating expenses – write off of intercompany balance		(926,113)	-
Operating expenses - other		(26,013)	(4,145)
OPERATING (LOSS)/PROFIT		(138,780)	622,976
Finance income/(charges)	3	32,143	(133,910)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(106,637)	489,066
Tax on loss on ordinary activities	6	(592,702)	(102,789)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(699,339)	386,277
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR		(699,339)	386,277
Accumulated deficit brought forward		(5,080,685)	(5,466,962)
Accumulated deficit carried forward	11	(5,780,024)	(5,080,685)

All results in both years are derived from continuing operations.

There are no recognised gains and losses in either year other than the result for that year.

The accompanying notes numbered 1 to 15 are an integral part of these financial statements.

THE ANTHONY RADCLIFFE STEAMSHIP COMPANY, LIMITED

BALANCE SHEET 30 November 2001

	Note	2001 \$	2000 \$ As restated (see note 14)
FIXED ASSETS			
Investments	7	<u>305,828</u>	<u>306,259</u>
CURRENT ASSETS			
Debtors	8	37,408,250	18,262,944
CREDITORS: amounts falling due within one year	9	<u>(43,201,943)</u>	<u>(23,357,729)</u>
NET CURRENT LIABILITIES		<u>(5,793,693)</u>	<u>(5,094,785)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET LIABILITIES	13	<u><u>(5,487,865)</u></u>	<u><u>(4,788,526)</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	1,099	1,099
Share premium account	11	236,120	236,120
Profit and loss account	11	<u>(5,780,024)</u>	<u>(5,080,685)</u>
SHAREHOLDER'S DEFICIT ATTRIBUTABLE TO EQUITY INTERESTS		<u>(5,542,805)</u>	<u>(4,843,466)</u>
Called up non-equity share capital	10	<u>54,940</u>	<u>54,940</u>
TOTAL EQUITY SHAREHOLDERS' DEFICIT	12	<u><u>(5,487,865)</u></u>	<u><u>(4,788,526)</u></u>

These financial statements were approved by the Board of Directors on 23rd June 2003.

Signed on behalf of the Board of Directors

WEVM Wattenbergh

Director

23rd June 2003

The accompanying notes numbered 1 to 15 are an integral part of these financial statements.

THE ANTHONY RADCLIFFE STEAMSHIP COMPANY, LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 2001

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. They have all been applied consistently throughout the year and the preceding year with the exception of the change in accounting for certain foreign exchange gains and losses explained in note 14.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Investments in subsidiary undertakings

In the company's accounts, investments in subsidiary undertakings are stated at cost less amounts written off.

Consolidated accounts

Under the provisions of section 228 of the Companies Act 1985, the company is exempt from preparing consolidated accounts as it is a wholly owned subsidiary of a company incorporated within the European Union, Stolt-Nielsen SA, a company incorporated in Luxembourg.

Taxation

Corporation tax payable is provided on taxable profits at the current rate. Where tax losses are surrendered from fellow group undertakings they are paid for in full.

Deferred taxation is provided using the liability method on all timing differences only to the extent that they are expected to reverse in the future without being replaced. Deferred tax assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

Foreign currency

In the accounts of the company, transactions denominated in foreign currencies are recorded in US dollars at the actual exchange rates on the date of transaction or, where appropriate, at the rate of exchange in a related forward exchange contract. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Turnover

Turnover comprises the value of sales (excluding VAT, similar taxes and trade discounts) of goods and services in the normal course of business.

Related party transactions

As permitted by Financial Reporting Standard No. 8, the company has not disclosed transactions with entities that are part of the Stolt-Nielsen SA group (see note 15) because it is a wholly owned subsidiary of Stolt-Nielsen SA, which prepares consolidated accounts which are publicly available.

Cash flow statement

The company is exempt from publishing a cash flow statement in accordance with Financial Reporting Standard No. 1 (Revised) as its ultimate parent company, Stolt-Nielsen SA, has prepared publicly available consolidated accounts which include the results of the company for the year.

THE ANTHONY RADCLIFFE STEAMSHIP COMPANY, LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 2001

2. TURNOVER

Turnover, all of which is invoiced to other Stolt-Nielsen group companies, relates to the shipping business and represents amounts invoiced by these group companies to third parties in the company's name, together with an agreed mark up. An analysis of turnover by geographical area has been omitted as, in the directors' opinion, this would be seriously prejudicial to the interests of the company.

3. FINANCE INCOME/(CHARGES)

	2001 \$	2000 \$ As restated (see note 14)
Foreign exchange gain/(loss)	<u>32,143</u>	<u>(133,910)</u>

4. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	2001 \$	2000 \$
Auditors' remuneration – audit fees	<u>7,302</u>	<u>5,981</u>

In addition, the company incurred losses of \$926,113 (2000 – nil) during the year in order to correct a number of out of balance intercompany accounts with a variety of companies within the Stolt-Nielsen group.

5. EMPLOYEES AND DIRECTORS' REMUNERATION

Other than the directors, the company had no employees (2000 – none).

None of the directors were paid in respect of their services to the company (2000 – £nil) or were members of pension schemes (2000 – none).

THE ANTHONY RADCLIFFE STEAMSHIP COMPANY, LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 2001

6. TAXATION ON LOSS ON ORDINARY ACTIVITIES

The tax charge comprises:

	2001 \$	2000 \$
Corporation tax at 31% (2000 - 30%)	268,938	102,789
Adjustment in respect of prior years	54,355	-
Write off of tax recoverable	269,409	-
	<u>592,702</u>	<u>102,789</u>

The tax charges shown above of \$268,938 (2000 - \$102,789) represent the surrender of group relief from other group undertakings, which are paid for based on the current rate of tax by the company.

There is a deferred tax asset which has not been recognised as there is insufficient evidence of future suitable taxable profits. The total unrecognised deferred tax asset of the company is as follows:

	2001 \$	2000 \$
Capital losses	201,780	201,780
Accrued interest not paid	441,130	441,130
Total unrecognised deferred tax asset	<u>642,910</u>	<u>642,910</u>

THE ANTHONY RADCLIFFE STEAMSHIP COMPANY, LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 2001

7. FIXED ASSET INVESTMENTS

The company has an interest in the ordinary share capital of the following subsidiary undertakings (the subsidiaries are directly held and wholly owned unless otherwise indicated):

Name and country of incorporation/registration	Activity	2001 \$	2000 \$
Finanza Marittima – Italy (5% holding)	Finance	76,984	432
Stolt Llandaff SA – Panama	Dormant	-	-
Stolt-Nielsen Inter Europe Service Inc – Liberia	Ship operating	500	500
Deltank Limited – England	Non-trading	125,130	125,130
Stolt-Nielsen Shipping Limited – England	Non-trading	215,305	215,305
Interchem Shipping Limited – England	Non-trading	1	1
Stolt-Nielsen Transportation Group Limited – England	Tank containers	141	141
Stolt Containers (1992) Ltd – England	Dormant	141	141
		<hr/>	<hr/>
		418,202	341,650
Less amounts written off		(112,374)	(35,391)
		<hr/>	<hr/>
		305,828	306,259
		<hr/>	<hr/>

The movements during the year were as follows:

	\$
Cost	
At 1 December 2000	341,650
Additions	76,552
	<hr/>
At 30 November 2001	418,202
Amounts written off	
At 1 December 2000	(35,391)
Written off	(76,983)
	<hr/>
At 30 November 2001	(112,374)
	<hr/>
Net book value at 30 November 2001	305,828
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Net book value at 30 November 2000	306,259
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8. DEBTORS

	2001 \$	2000 \$
Amounts owed by other group undertakings	37,408,250	18,262,944
	<hr/>	<hr/>

THE ANTHONY RADCLIFFE STEAMSHIP COMPANY, LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 2001

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 \$	2000 \$
Amounts due to other group undertakings	43,196,943	23,354,229
Accruals	5,000	3,500
	<u>43,201,943</u>	<u>23,357,729</u>

10. CALLED-UP SHARE CAPITAL

The following shares were authorised, allotted, called-up and fully paid:

	2001 \$	2000 \$
536 ordinary equity shares of £1 each	1,099	1,099
536 deferred non-equity shares of £50 each	<u>54,940</u>	<u>54,940</u>

The company's deferred shares are non-voting and carry a fixed non-cumulative dividend at the rate of 5% per annum for any financial year in respect of which the net profits available for distribution exceed £10 million. Holders of the deferred shares are entitled, on a winding up, to a return of the capital paid up after £100,000 has been distributed to each of the ordinary shareholders.

THE ANTHONY RADCLIFFE STEAMSHIP COMPANY, LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 2001

11. RESERVES

Of the total reserves shown in the balance sheet, the following amounts are regarded as distributable or undistributable:

	2001 \$	2000 \$ As restated (see note 14)
Distributable		
Profit and loss account	(5,780,024)	(5,080,685)
Non-distributable		
Share premium account	236,120	236,120
	<u>(5,543,904)</u>	<u>(4,844,565)</u>

The profit and loss account will be distributable only when the balance moves from deficit to surplus.

	Cumulative translation reserve \$	Profit & loss account \$
As at 30 November 2000 as previously stated	475,798	(5,556,483)
Prior year adjustment (see note 14)	(475,798)	475,798
As at 30 November 2000 as restated	-	(5,080,685)
Retained loss for the year	-	(454,170)
As at 30 November 2001	-	<u>(5,534,855)</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2001 \$	2000 \$ As restated (see note 14)
(Loss)/profit for the financial year	(699,339)	386,277
Net (addition to)/reduction in shareholders' deficit	(699,339)	386,277
Opening shareholders' deficit	(4,788,526)	(5,174,803)
Closing shareholders' deficit	<u>(5,487,865)</u>	<u>(4,788,526)</u>

13. CONTINUING PARENT COMPANY SUPPORT

The company has substantial advances from other group undertakings. The future solvency of the company is dependent upon these advances not requiring payment since the company does not have sufficient assets to cover the amounts payable. The company's parent undertaking, Stolt-Nielsen Holdings BV, has guaranteed all of the debts and obligations of the company and has undertaken to provide financial support to ensure that the company continues in existence. The directors have considered the financial position of the company and have concluded that it is able to meet its liabilities to third party creditors as they fall due.

THE ANTHONY RADCLIFFE STEAMSHIP COMPANY, LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 2001

14. ACCOUNTING POLICY CHANGE

The company's accounting policy for recording foreign exchange gains and losses arising on the translation of investments and intercompany balances was changed during the year from recording the movement in the cumulative translation reserve to recording the movement in the profit and loss account for the year. The directors believe that this is a more appropriate accounting policy as the intercompany balances are not considered to be long term.

The effect of this change on the company's profit and loss account and balance sheet is summarised below:

	2001 \$	2000 \$
Impact on profit and loss account:		
Increase/(decrease) in finance charges	32,143	(133,910)
Decrease/(increase) in profits before and after tax	<u>32,143</u>	<u>(133,910)</u>

	2001 \$	2000 \$
Impact on balance sheet:		
Increase in profit and loss reserve brought forward	507,941	475,798
Decrease in cumulative translation reserve	<u>(507,941)</u>	<u>(475,798)</u>
Movement in net assets	<u>-</u>	<u>-</u>

15. PARENT UNDERTAKINGS

The company is a direct subsidiary undertaking of Stolt-Nielsen Holdings BV, a company incorporated in the Netherlands. The company's ultimate parent undertaking and ultimate controlling party is Stolt-Nielsen SA, a company incorporated in Luxembourg.

The only group in which the results of the company and its subsidiary undertakings are consolidated is that headed by Stolt-Nielsen SA. The consolidated accounts of this group are available from Stolt-Nielsen Limited, Aldwych House, 71-91 Aldwych, London WC2B 4HN.