

The Anthony Radcliffe Steamship Company, Limited

**Financial statements
for the year ended 30 November 1994
together with directors' and auditors' reports**

Registered number 38644



The Anthony Radcliffe Steamship Company, Limited

Directors' report for the year ended 30 November 1994

The directors present their annual report on the affairs of the company together with the financial statements and auditors' report for the year ended 30 November 1994.

Principal activities and business review

The principal activities of the company comprise shipping and the holding of investments in subsidiary undertakings.

Results and dividend

During the year, the company made a profit after taxation of \$1,170,013. The company's accumulated deficit thus decreased by this amount from \$16,064,383 to \$14,894,370.

The directors do not recommend the payment of a dividend.

Directors and their interests

The directors who served during the year are as shown below:

R J R Lee

S H White

JC Engelhardtson (appointed 18 April 1994)

On 4 July 1995, CJ Wright was appointed as a director and as chairman of the company. On that same day, SH White resigned as a director of the company.

None of the directors held a beneficial interest in the issued share capital of the company, nor of any of its subsidiary undertakings.

Directors' responsibilities

The directors are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss 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, subject to any material departures disclosed and explained in the financial statements; and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' report for the year ended 30 November 1994 (continued)**Directors' responsibilities (continued)**

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 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.

Currency of the financial statements

The financial statements are denominated in US dollars.

Fixed assets

Information relating to changes in fixed asset investments is given in note 9 to the financial statements.

Auditors

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

By order of the board



N E Pritchard
Company Secretary

20 December 1995

Aldwych House
71 - 91 Aldwych
London WC2B 4HN

Auditors' report
to the members of The Anthony Radcliffe Steamship Company, Limited

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on pages 1 and 2 the company's directors are responsible for the preparation of the 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 circumstances of the company, 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 1994, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Arthur Andersen
Chartered Accountants and Registered Auditors

1 Surrey Street
London
WC2R 2PS

20 December 1995

The Anthony Radcliffe Steamship Company, Limited

**Profit & loss account
for the year ended 30 November 1994**

(All amounts are in US Dollars)

	Notes	1994	1993
Turnover	2	84,267,809	95,726,419
Cost of sales		(83,653,314)	(95,402,127)
Gross profit		<u>614,495</u>	<u>324,292</u>
Other operating income / (expenses) (net)	3	16,683	(73,009)
Operating profit		<u>631,178</u>	<u>251,283</u>
Provision against investment in subsidiary	9	-	(1,346,000)
Investment income	4	558,867	79,072
Interest payable and similar charges	5	-	(261,974)
Profit / (loss) on ordinary activities before taxation	6	<u>1,190,045</u>	<u>(1,277,619)</u>
Taxation on ordinary activities	8	(20,032)	24,631
Profit / (loss) for the financial year		<u>1,170,013</u>	<u>(1,252,988)</u>
Accumulated deficit, beginning of year		<u>(16,064,383)</u>	<u>(14,811,395)</u>
Accumulated deficit, end of year		<u><u>(14,894,370)</u></u>	<u><u>(16,064,383)</u></u>
 Statement of total recognised gains and losses			
Profit / (loss) for the financial year		1,170,013	(1,252,988)
Cumulative translation reserve		191,225	(69,894)
Total recognised gains / (losses)		<u><u>1,361,238</u></u>	<u><u>(1,322,882)</u></u>

Exchange rates:

Average for 1994: £1.00 = \$1.525

Average for 1993: £1.00 = \$1.506

The accompanying notes are an integral part of this profit and loss account.

The Anthony Radcliffe Steamship Company, Limited

**Balance sheet
as at 30 November 1994**

(All amounts are in US Dollars)

	Notes	1994	1993
Fixed assets			
Investments	9	1,332,811	1,315,900
		<u> </u>	<u> </u>
Current assets			
Debtors - due within one year	10	4,426,328	4,798,040
Debtors - due after more than one year	10	4,135,753	4,727,012
		<u> </u>	<u> </u>
		8,562,081	9,525,052
Creditors: amounts falling due within one year	11	(4,192,158)	(6,514,101)
		<u> </u>	<u> </u>
Net current assets		4,369,923	3,010,951
		<u> </u>	<u> </u>
Total assets less current liabilities		5,702,734	4,326,851
		<u> </u>	<u> </u>
Creditors: amounts falling due after more than one year	12	(20,510,467)	(20,495,822)
		<u> </u>	<u> </u>
Net liabilities		<u>(14,807,733)</u>	<u>(16,168,971)</u>
Capital & reserves			
Called-up equity share capital	14	1,099	1,099
Share premium account	15	236,120	236,120
Cumulative translation reserve	15	(205,522)	(396,747)
Profit and loss account	15	(14,894,370)	(16,064,383)
		<u> </u>	<u> </u>
Shareholders' funds attributable to equity interests		(14,862,673)	(16,223,911)
		<u> </u>	<u> </u>
Called-up non-equity share capital	14	54,940	54,940
		<u> </u>	<u> </u>
Total shareholders' funds	16	<u>(14,807,733)</u>	<u>(16,168,971)</u>

Approved by the board of directors on 20 December 1995.

Reginald JR Lee - Director

Exchange rates:

Rate at 30 November 1994: £1.00 = \$1.565

Rate at 30 November 1993: £1.00 = \$1.485

The accompanying notes are an integral part of this balance sheet.

The Anthony Radcliffe Steamship Company, Limited

Notes to the financial statements for the year ended 30 November 1994

(All amounts are in US Dollars)

1. Statement of accounting policies

A summary of the principal accounting policies, all of which have been applied consistently during the year and which are consistent with the preceding year, is set out below.

a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Investments in subsidiary undertakings

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

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

Under the provisions of Financial Reporting Standard No 1, the company has not prepared a cash flow statement as the accounts of Stolt-Nielsen SA include a consolidated cash flow statement.

c) Taxation

Corporation tax payable is provided on any taxable profits at the current rate.

Deferred taxation (which arises from differences in the timing of the recognition of items in the financial statements and by the tax authorities) has been calculated on the liability method. Deferred tax is provided on those timing differences which will probably reverse at the rates of tax expected to be in force at the time of reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse. The amount of all deferred tax, including that which will probably not reverse, is shown in the notes to the financial statements.

d) Foreign currency

In the financial statements of the company, transactions denominated in foreign currencies are recorded in US dollars at the actual exchange rates on the date of the 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.

e) Turnover

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

Notes to the financial statements (continued)

2. Segment information

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. Other operating income / (expenses) (net):

	1994	1993
Selling and administrative expenses	(41,630)	(60,635)
Amortisation of deferred credit	7,657	14,917
	<u>(33,973)</u>	<u>(45,718)</u>
Other operating income / (expenses)	50,656	(27,291)
	<u>16,683</u>	<u>(73,009)</u>

4. Investment income

	1994	1993
Interest receivable on amounts due from other group undertaking	59,035	79,072
Waiver of interest payable on promissory note (see note 9)	499,832	-
	<u>558,867</u>	<u>79,072</u>

5. Interest payable and similar charges

	1994	1993
Interest payable on amounts due to other group undertaking with no fixed repayment terms	-	261,974
	<u>-</u>	<u>261,974</u>

6. Profit / (loss) on ordinary activities before taxation

This is stated after charging/(crediting):

	1994	1993
Auditors' remuneration - audit fees	5,423	7,635
- other	4,575	47,934
Exchange (gains) / losses	<u>(50,656)</u>	<u>27,291</u>

Notes to the financial statements (continued)

7. Directors' remuneration

Directors' remuneration was paid by subsidiaries in respect of directors of the company as follows:

	1994	1993
Executive remuneration	608,629	624,514
Other emoluments (including pension contributions)	55,166	36,900
	<u>663,795</u>	<u>661,414</u>

The directors' remuneration shown above (excluding pensions and pension contributions) included amounts paid to the chairman of \$204,734 (1993 \$133,507) and highest paid director of \$403,895 (1993 \$355,666). The remuneration of these and the other directors fell within the following bands (the bands are stated in pounds sterling):

	1994 £	1993 £
0 - 5,000	1	3
60,001 - 65,000	-	1
85,001 - 90,000	-	1
130,001 - 135,000	1	-
235,001 - 240,000	-	1
260,001 - 265,000	1	-
	<u>1</u>	<u>-</u>

None of the above amounts was paid by the company.

8. Taxation on ordinary activities

The tax (charge) / credit for the year comprises:

	1994	1993
Adjustment to UK corporation tax in respect of prior years	<u>(20,032)</u>	<u>24,631</u>

There is no provision for taxation in respect of the profit for 1994 as group relief is expected to be available for which no charge will be made.

Notes to the financial statements (continued)

9. 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	Activity	1994	1993
Stolt Llandaff SA - Panama	Dormant	-	-
Stolt-Nielsen Inter Europe Service Inc - Liberia	Ship operating	500	500
Deltank Ltd - England	Non-trading	136,393	129,463
Stolt-Nielsen Shipping Ltd - England	Ship agency	234,687	222,760
Interchem Shipping Ltd - England	Non-trading	1	1
Stolt Tank Containers Ltd - England	Tank containers	153	146
Stolt Tank Containers (1992) Ltd - England	Dormant	153	146
Sea Farm Europe Limited - England	Fish farming	2,346,000	2,346,000
Sea Farm Ionian SA - Greece (51 % owned by Sea Farm Europe Limited)	Fish farming	-	-
Sea Farm Aquaculture Limited - England (100 % owned by Sea Farm Europe Limited)	Fish farming	-	-
Ferme Marine de Douhet SCA - France (100 % owned by Sea Farm Aquaculture Limited)	Fish farming	-	-
SNC Sea Farm (Aquaculture) - France (100 % owned by Sea Farm Aquaculture Limited)	Dormant	-	-
Ferme Marine de L'Adour SA - France (50 % owned by Ferme Marine de Douhet SCA)	Fish farming	-	-
Stolt Sea Farm (Portugal) Limitada - Portugal (74 % owned by Sea Farm Europe Limited)	Fish farming	-	-
Prodemar SA - Spain (100 % owned by Sea Farm Europe Limited)	Fish farming	-	-
		<u>2,717,887</u>	<u>2,699,016</u>
Less: amounts written off		(1,385,076)	(1,383,116)
		<u>1,332,811</u>	<u>1,315,900</u>

The movements during the year were as follows :

	1994
Balance, beginning of year	1,315,900
Exchange adjustments	16,911
Balance, end of year	<u>1,332,811</u>

On 1 December 1991, the company acquired the whole of the issued share capital of Sea Farm Europe Limited from another group undertaking. The consideration comprised a promissory note for \$2,346,000 which has no fixed date for repayment and bears interest at 10.14 % per annum. During the current year, the interest on this note was waived with effect from 1 December 1991 until further notice.

During the year ended 30 November 1993, a provision of \$1,346,000 was made against the book amount of the company's investment in the Sea Farm Europe Limited group.

Notes to the financial statements (continued)

9. Fixed asset investments (continued)

On 1 December, 1992, Sea Farm Europe Limited acquired the whole of the issued share capital of Sea Farm (Aquaculture) Limited from another group undertaking. The consideration comprised a promissory note for \$500,000 which has no fixed date for repayment and bears interest at 10.14 % per annum.

In December 1993, Sea Farm Europe Limited acquired the whole of the issued share capital of Prodemar SA and Neptuno Atlantico SA from various external companies at a combined consideration of approximately \$10 million. On 30 November 1994, the net assets of Neptuno Atlantico SA were merged with those of Prodemar SA.

10. Debtors

The following are included in the net book value of debtors:

	1994	1993
Amounts falling due within one year		
Trade debtors	3,980,809	4,375,473
Prepayments and accrued income	125,039	137,188
Income tax recoverable	54,515	32,929
Other debtors	265,965	252,450
	<u>4,426,328</u>	<u>4,798,040</u>
Amounts falling due after more than one year		
Amounts owed by other group undertakings	3,803,297	4,158,999
Other debtors	332,456	568,013
	<u>4,135,753</u>	<u>4,727,012</u>
	<u>8,562,081</u>	<u>9,525,052</u>

11. Creditors: amounts falling due within one year

The following amounts are included in creditors falling due within one year:

	1994	1993
Amounts due to other group undertakings	4,134,626	6,469,349
Accruals	37,500	37,500
Taxation	20,032	-
Other creditors	-	7,252
	<u>4,192,158</u>	<u>6,514,101</u>

Notes to the financial statements (continued)

12. Creditors: amounts falling due after more than one year

The following amounts are included in creditors falling due after more than one year:

	1994	1993
Amounts due to other group undertakings	<u>20,510,467</u>	<u>20,495,822</u>

13. Deferred tax

No deferred taxation, either provided or unprovided, arises in the financial statements.

14. Called-up share capital

Authorised, allotted, called-up and fully paid:

	1994	1993
536 ordinary equity shares of £1 each	1,099	1,099
536 deferred non-equity shares of £50 each	54,940	54,940
	<u>56,039</u>	<u>56,039</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.

15. Reserves

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

	1994	1993
Distributable		
Profit and loss account	(14,894,370)	(16,064,383)
Cumulative translation reserve	(205,522)	(396,747)
Non-distributable		
Share premium account	236,120	236,120
	<u>(14,863,772)</u>	<u>(16,225,010)</u>

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

Notes to the financial statements (continued)

16. Reconciliation of movements in shareholders' funds

	1994	1993
Profit / (loss) for the financial year	1,170,013	(1,252,988)
Movement on cumulative translation reserve	191,225	(69,894)
	<u>1,361,238</u>	<u>(1,322,882)</u>
Opening shareholders' funds	(16,168,971)	(14,846,089)
Closing shareholders' funds	<u>(14,807,733)</u>	<u>(16,168,971)</u>

17. Guarantees and other financial commitments

a) Capital and lease commitments

At the end of the year the company had no capital commitments (1993 nil) and had no lease commitments (1993 nil).

b) Contingent liabilities

At the end of the year, the company had not guaranteed the obligations of any affiliated undertakings.

c) Subsequent events

In October 1995, Sea Farm Europe Limited signed a sale agreement to dispose of the majority of its 51 % shareholding in Sea Farm Ionian S.A., to its other shareholder at approximately net book value. This sale is still subject to the approval of the Greek authorities.

In November 1995, Sea Farm Aquaculture Limited sold Ferme Marine de Douhet SCA to various external companies at a loss of approximately \$1.7 million. At the same time, Ferme Marine de Douhet SCA transferred its shareholding in Ferme Marine de L'Adour SA to another group undertaking at net book value.

18. 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 repayment since the company does not have sufficient assets to cover the amounts payable. The company's intermediate parent company, Stolt Parcel Tankers Inc, 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.

Notes to the financial statements (continued)**19. Parent undertakings**

At 30 November 1994, the company was a direct subsidiary undertaking of Stolt-Nielsen Holdings BV (formerly Stolt Terminals Holdings BV), a company incorporated in the Netherlands. The company's ultimate parent undertaking was 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 financial statements of this group are available from Stolt-Nielsen Limited, Aldwych House, 71-91 Aldwych, London WC2B 4HN.