

The Anthony Radcliffe Steamship Company, Limited

**Financial statements
for the year ended 30 November 1995
together with directors' and auditors' reports**

Registered number 38644



The Anthony Radcliffe Steamship Company, Limited

Directors' report for the year ended 30 November 1995

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 1995.

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 \$298,267 (1994 \$1,170,013). The company's accumulated deficit thus decreased by this amount from \$14,894,370 to \$14,596,103.

The directors do not recommend the payment of a dividend (1994 nil).

Directors and their interests

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

| | |
|------------------|--|
| CJ Wright | (chairman - appointed 4 July 1995) |
| R J R Lee | |
| JC Engelhardtsen | |
| SH White | (chairman - until resigned as a director on 4 July 1995) |

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 1995 (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.

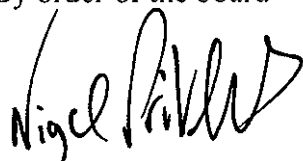
Fixed assets

Information relating to changes in fixed asset investments is given in note 8 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 1996

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 12 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 1995, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

Arthur Andersen
Chartered Accountants and Registered Auditors

1 Surrey Street
London
WC2R 2PS

20 December 1996

The Anthony Radcliffe Steamship Company, Limited

**Profit & loss account
for the year ended 30 November 1995**

(All amounts are in US Dollars)

| | Notes | 1995 | 1994 |
|--|--------------|----------------------------|----------------------------|
| Turnover | 2 | 89,840,314 | 84,267,809 |
| Cost of sales | | (89,391,112) | (83,653,314) |
| Gross profit | | <u>449,202</u> | <u>614,495</u> |
| Other operating income (net) | 3 | 20,807 | 16,683 |
| Operating profit | | <u>470,009</u> | <u>631,178</u> |
| Provision against loan to subsidiary | | (26,525) | - |
| Investment income | 4 | 38,623 | 558,867 |
| Profit on ordinary activities before taxation | 5 | <u>482,107</u> | <u>1,190,045</u> |
| Taxation on ordinary activities | 7 | (183,840) | (20,032) |
| Profit for the financial year | | <u>298,267</u> | <u>1,170,013</u> |
| Accumulated deficit, beginning of year | | (14,894,370) | (16,064,383) |
| Accumulated deficit, end of year | | <u><u>(14,596,103)</u></u> | <u><u>(14,894,370)</u></u> |

Statement of total recognised gains and losses

| | | |
|--------------------------------|-----------------------|-------------------------|
| Profit for the financial year | 298,267 | 1,170,013 |
| Cumulative translation reserve | 44,895 | 191,225 |
| Total recognised gains | <u><u>343,162</u></u> | <u><u>1,361,238</u></u> |

Exchange rates:

Average for 1995: £1.00 = \$1.580

Average for 1994: £1.00 = \$1.525

The accompanying notes are an integral part of this profit and loss account and statement of total recognised gains.

The Anthony Radcliffe Steamship Company, Limited

**Balance sheet
as at 30 November 1995**

(All amounts are in US Dollars)

| | Notes | 1995 | 1994 |
|--|-------|----------------------------|----------------------------|
| Fixed assets | | | |
| Investments | 8 | <u>1,325,897</u> | <u>1,332,811</u> |
| Current assets | | | |
| Cash at bank | | 651,522 | - |
| Debtors - due within one year | 9 | 3,543,645 | 4,426,328 |
| Debtors - due after more than one year | 9 | <u>12,199,401</u> | <u>4,135,753</u> |
| | | 16,394,568 | 8,562,081 |
| Creditors: amounts falling due within one year | 10 | <u>(2,673,812)</u> | <u>(4,192,158)</u> |
| Net current assets | | <u>13,720,756</u> | <u>4,369,923</u> |
| Total assets less current liabilities | | <u>15,046,653</u> | <u>5,702,734</u> |
| Creditors: amounts falling due after more than one year | 11 | <u>(29,511,224)</u> | <u>(20,510,467)</u> |
| Net liabilities | 17 | <u><u>(14,464,571)</u></u> | <u><u>(14,807,733)</u></u> |
| Capital & reserves | | | |
| Called-up equity share capital | 13 | 1,099 | 1,099 |
| Share premium account | 14 | 236,120 | 236,120 |
| Cumulative translation reserve | 14 | (160,627) | (205,522) |
| Profit and loss account | 14 | <u>(14,596,103)</u> | <u>(14,894,370)</u> |
| Shareholders' funds attributable to equity interests | | <u>(14,519,511)</u> | <u>(14,862,673)</u> |
| Called-up non-equity share capital | 13 | <u>54,940</u> | <u>54,940</u> |
| Total shareholders' funds | 15 | <u><u>(14,464,571)</u></u> | <u><u>(14,807,733)</u></u> |

Approved by the board of directors on 20 December 1996.

Reginald J R Lees - Director

Exchange rates

Rate at 30 November 1995: £1.00 = \$1.532

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

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 1995

(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-Nielsen 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 or, in the case of gains or losses arising on the retranslation of investments and related long term intercompany balances, as a movement in the cumulative translation reserve.

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 (net):

| | 1995 | 1994 |
|-------------------------------------|-----------------|-----------------|
| Selling and administrative expenses | (12,838) | (41,630) |
| Amortisation of deferred credit | - | 7,657 |
| | <u>(12,838)</u> | <u>(33,973)</u> |
| Other operating income | 33,645 | 50,656 |
| | <u>20,807</u> | <u>16,683</u> |

4. Investment income

| | 1995 | 1994 |
|---|---------------|----------------|
| Interest receivable on amounts due from other group undertaking | 38,623 | 59,035 |
| Waiver of interest payable on promissory note (see note 8) | - | 499,832 |
| | <u>38,623</u> | <u>558,867</u> |

5. Profit on ordinary activities before taxation

This is stated after charging/(crediting):

| | 1995 | 1994 |
|-------------------------------------|--------------|-----------------|
| Auditors' remuneration - audit fees | 6,145 | 5,423 |
| - other | - | 4,575 |
| Foreign exchange losses / (gains) | <u>6,535</u> | <u>(50,656)</u> |

Other than the directors (see note 6), there are no employees of the company (1994 none).

Notes to the financial statements (continued)

6. Directors' remuneration

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

| | 1995 | 1994 |
|--|----------------|----------------|
| Executive remuneration | 478,818 | 608,629 |
| Other emoluments (including pension contributions) | 121,677 | 55,166 |
| | <u>600,495</u> | <u>663,795</u> |

The directors' remuneration shown above (excluding pensions and pension contributions) included amounts paid to the chairman of \$161,819 (1994 \$204,734) and highest paid director of \$316,999 (1994 \$403,895). The remuneration (excluding pensions and pension contributions) of these and the other directors fell within the following bands (the bands are stated in pounds sterling):

| | 1995 £ | 1994 £ |
|-------------------|---------------|---------------|
| 0 - 5,000 | 2 | 1 |
| 100,001 - 105,000 | 1 | - |
| 130,001 - 135,000 | - | 1 |
| 200,001 - 205,000 | 1 | - |
| 260,001 - 265,000 | - | 1 |
| | <u> </u> | <u> </u> |

None of the above amounts was paid by the company.

7. Taxation on ordinary activities

The tax charge for the year comprises:

| | 1995 | 1994 |
|--|------------------|-----------------|
| UK corporation tax at 33% | (183,840) | - |
| Adjustment to UK corporation tax in respect of prior years | - | (20,032) |
| | <u>(183,840)</u> | <u>(20,032)</u> |

Notes to the financial statements (continued)

8. 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 | 1995 | 1994 |
|---|-----------------|------------------|------------------|
| Stolt Llandaff SA - Panama | Dormant | - | - |
| Stolt-Nielsen Inter Europe Service Inc - Liberia | Ship operating | 500 | 500 |
| Deltank Ltd - England | Non-trading | 133,560 | 136,393 |
| Stolt-Nielsen Shipping Ltd - England | Ship agency | 229,810 | 234,687 |
| Interchem Shipping Ltd - England | Non-trading | 1 | 1 |
| Stolt Tank Containers Ltd - England | Tank containers | 150 | 153 |
| Stolt Tank Containers (1992) Ltd - England | Dormant | 150 | 153 |
| Sea Farm Europe Limited - England | Fish farming | 2,346,000 | 2,346,000 |
| | | <u>2,710,171</u> | <u>2,717,887</u> |
| Less: amounts written off | | (1,384,274) | (1,385,076) |
| | | <u>1,325,897</u> | <u>1,332,811</u> |

The movements during the year were as follows :

| | 1995 |
|----------------------------|------------------|
| Balance, beginning of year | 1,332,811 |
| Exchange adjustments | (6,914) |
| Balance, end of year | <u>1,325,897</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 previous 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. Debtors

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

| | 1995 | 1994 |
|---|-------------------|------------------|
| Amounts falling due within one year | | |
| Trade debtors | 3,128,938 | 3,980,809 |
| Prepayments and accrued income | 81,472 | 125,039 |
| Income tax recoverable | 72,795 | 54,515 |
| Other debtors | 260,440 | 265,965 |
| | <u>3,543,645</u> | <u>4,426,328</u> |
| Amounts falling due after more than one year | | |
| Amounts owed by other group undertakings | 12,134,291 | 3,803,297 |
| Other debtors | 65,110 | 332,456 |
| | <u>12,199,401</u> | <u>4,135,753</u> |
| | <u>15,743,046</u> | <u>8,562,081</u> |

10. Creditors: amounts falling due within one year

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

| | 1995 | 1994 |
|---|------------------|------------------|
| Amounts due to other group undertakings | 2,459,940 | 4,134,626 |
| Accruals | 10,000 | 37,500 |
| Taxation | 203,872 | 20,032 |
| | <u>2,673,812</u> | <u>4,192,158</u> |

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

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

| | 1995 | 1994 |
|---|-------------------|-------------------|
| Amounts due to other group undertakings | <u>29,511,224</u> | <u>20,510,467</u> |

12. Deferred tax

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

Notes to the financial statements (continued)

13. Called-up share capital

Authorised, allotted, called-up and fully paid:

| | 1995 | 1994 |
|--|---------------|---------------|
| 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.

14. Reserves

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

| | 1995 | 1994 |
|--------------------------------|---------------------|---------------------|
| Distributable | | |
| Profit and loss account | (14,596,103) | (14,894,370) |
| Cumulative translation reserve | (160,627) | (205,522) |
| Non-distributable | | |
| Share premium account | 236,120 | 236,120 |
| | <u>(14,520,610)</u> | <u>(14,863,772)</u> |

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

15. Reconciliation of movements in shareholders' funds

| | 1995 | 1994 |
|--|---------------------|---------------------|
| Profit for the financial year | 298,267 | 1,170,013 |
| Movement on cumulative translation reserve | 44,895 | 191,225 |
| | <u>343,162</u> | <u>1,361,238</u> |
| Opening shareholders' funds | (14,807,733) | (16,168,971) |
| Closing shareholders' funds | <u>(14,464,571)</u> | <u>(14,807,733)</u> |

Notes to the financial statements (continued)

16. Guarantees and other financial commitments

a) Capital and lease commitments

At the end of the year the company had no capital commitments (1994 nil) and had no lease commitments (1994 nil).

b) Contingent liabilities

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

17. 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.

18. Parent undertakings

At 30 November 1995, the company was a direct subsidiary undertaking of Stolt-Nielsen 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.