

SEAWHEEL LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED

31 DECEMBER 2003

REGISTERED N° : 860767



SEAWHEEL LIMITED

Annual Report for the year ended 31 December 2003

Directors & Other Advisers

Directors

A. B. Jones
M. T. A. Naylor
D. Bardsley
G. E. Ruffell

Secretary

M. T. A. Naylor

Principal Bankers

Barclays Bank plc
Lombard Street
LONDON
EC3V 9EX

Principal Solicitors

Birketts
20-32 Museum Street
Ipswich
IP1 1HZ

Kimbells LLP
Power House
Davy Avenue
Knowlhill
Milton Keynes
MK5 8RR

Auditors

Ernst & Young LLP
Compass House
80 Newmarket Road
Cambridge
CB5 8DZ

Registered Office

Western House
Hadleigh Road
Ipswich
IP2 0HP

SEAWHEEL LIMITED

Annual Report for the year ended 31 December 2003

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**Directors' Report
for the year ended 31 December 2003**

The Directors present their annual report and the audited financial statements for the year ended 31 December 2003.

Business & Financial Review

The principal activities of the Company consist of the international carriage of goods in containers and freight forwarding.

Results & Dividends

A summary of the results for the year is given in the profit and loss account on page 5. The Directors do not recommend the payment of a dividend and the resulting loss for the year of £10,464,970 (2002 : £9,827,000 loss) will be transferred to reserves.

Review of the Business

On the 4 August 2003, a management buy-out took place, in which Simon Group plc sold its shares in Seawheel Holdings Limited to Seawheel Group Limited. The management buy-out was led by four directors of Seawheel Limited – A. B. Jones, M. T. A. Naylor, D. Bardsley and G. E. Ruffell.

Directors

The Directors who held office during the year and at the date of this report were as follows:-

| | |
|-----------------|-----------------------------|
| A. B. Jones | |
| R. J. Catt | (resigned 4 August 2003) |
| T. J. Redburn | (resigned 4 August 2003) |
| S. T. Duncan | (resigned 21 July 2003) |
| R. A. Holmes | (resigned 3 February 2003) |
| M. T. A. Naylor | (appointed 3 February 2003) |
| J. B. Quinn | (resigned 25 April 2003) |
| D. Bardsley | (appointed 3 February 2003) |
| G. E. Ruffell | (appointed 13 January 2003) |

Directors' Interests

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company.

SEAWHEEL LIMITED

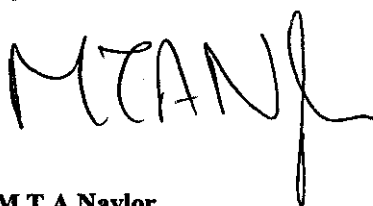
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Directors' Report (*continued*)

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution to re-appoint the auditors, Ernst & Young LLP, will be proposed at the Company's annual general meeting.

By order of the Board

A handwritten signature in black ink, appearing to read 'MTANL' with a long, sweeping tail stroke.

M T A Naylor
Company Secretary

DATE 16 September 2004

Seawheel Limited
Western House
Hadleigh Road
Ipswich IP2 0HP

Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss 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;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditors' Report to the Members of Seawheel Limited

We have audited the Company's financial statements for the year ended 31 December 2003 which comprise the Profit and Loss account, Balance Sheet, Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 21. These financial statements have been prepared on the basis of 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 auditor's 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 & 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 United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you 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 and consider the implications for our report if we become aware of any apparent misstatements within it

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 affairs of the company as at 31 December 2003 and of loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Cambridge

DATE *17 September 2004*

SEAWHEEL LIMITED**5****Profit & Loss Account
for the year ended 31 December 2003**

| | Note | 2003 £'000 | 2002 £'000 |
|---|------|------------------|-----------------|
| Turnover | | | |
| Continuing Operations | | 103,154 | 83,453 |
| Acquisitions | | - | 8,170 |
| | 2 | <u>103,154</u> | <u>91,623</u> |
| Cost of sales | | <u>(102,854)</u> | <u>(87,751)</u> |
| Gross profit | | 300 | 3,872 |
| Administration expenses | | (10,412) | (12,745) |
| Operating Loss | | <u>(10,112)</u> | <u>(8,873)</u> |
| Continuing Operations | | (10,112) | (9,225) |
| Acquisitions | | - | 352 |
| Total Operating Loss | 5 | <u>(10,112)</u> | <u>(8,873)</u> |
| Exceptional Items | 6 | - | (4,619) |
| Loss on ordinary activities before Interest and Taxation | | <u>(10,112)</u> | <u>(13,492)</u> |
| Other interest receivable and similar income | 7 | 5 | 2 |
| Interest payable and similar charges | 8 | (410) | (576) |
| Income from shares in group undertakings | | - | 580 |
| Loss on Ordinary Activities Before Taxation | | <u>(10,517)</u> | <u>(13,486)</u> |
| Taxation on loss on ordinary activities | 9 | 52 | 3,659 |
| Loss on Ordinary Activities After Taxation | 17 | <u>(10,465)</u> | <u>(9,827)</u> |

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year, and their historical equivalents.

The results for the year are equivalent to the total recognised gains and losses for the year. Accordingly, a separate statement of recognised gains and losses has not been prepared.

SEAWHEEL LIMITED

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Balance Sheet for the year ended 31 December 2003

| | Notes | 2003 £'000 | 2002 £'000 |
|---|-------|-----------------|-----------------|
| Fixed Assets | | | |
| Tangible assets | 10 | 7,459 | 8,689 |
| Investments | 11 | 658 | 661 |
| | | <u>8,117</u> | <u>9,350</u> |
| Current Assets | | | |
| Debtors | 12 | 18,504 | 20,305 |
| Cash at bank & in hand | | 1,269 | 781 |
| | | <u>19,773</u> | <u>21,086</u> |
| Creditors : amounts falling due within one year | 13 | <u>(30,123)</u> | <u>(28,980)</u> |
| Net Current Liabilities | | <u>(10,350)</u> | <u>(7,894)</u> |
| Total Assets less Current Liabilities | | <u>(2,233)</u> | <u>1,456</u> |
| Creditors : amounts falling due after more than one year | 14 | (8,167) | (1,391) |
| Provisions for Liabilities & Charges | 15 | - | - |
| Net (Liabilities) / Assets | | <u>(10,400)</u> | <u>65</u> |
| Capital & Reserves | | | |
| Called up share capital | 16 | 3,002 | 3,002 |
| Share premium account | 17 | 7,700 | 7,700 |
| Profit & loss account | 17 | (21,102) | (10,637) |
| Shareholders' Funds | | <u>(10,400)</u> | <u>65</u> |
| Analysed as: | | | |
| Equity interests | | (11,401) | (936) |
| Non-equity interests | | 1,001 | 1,001 |
| | | <u>(10,400)</u> | <u>65</u> |

These financial statements were approved by the board of directors and were signed on its behalf by:-

A B JONES
Director

DATE

AB
16. September 04

SEAWHEEL LIMITED

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Reconciliation of Movements in Shareholders' Funds for the year ended 31 December 2003

| | 2003 £'000 | 2002 £'000 |
|--------------------------------------|------------------------|------------------|
| Loss for the Financial Year | (10,465) | (9,827) |
| New Share Capital Subscribed | - | 2,000 |
| Premium on Issue of Shares | - | 7,700 |
| Net Reduction in Shareholder's Funds | <u>(10,465)</u> | <u>(127)</u> |
| Opening shareholders' funds | <u>65</u> | <u>192</u> |
| Closing shareholders' funds | <u><u>(10,400)</u></u> | <u><u>65</u></u> |

**Notes to the Financial Statements
for the year ended 31 December 2003****1 Principal Accounting Policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The following accounting policies have been applied consistently.

Basis of Accounting

The financial statements have been prepared in accordance with the historical cost convention, modified to include the revaluation of certain assets.

Turnover

Turnover comprises total charges to customers, excluding recoverable duty and Value Added Tax.

Fixed Assets & Depreciation

Tangible fixed assets are stated at cost or valuation after deducting accumulated depreciation. The basis of depreciation is to write off the cost of assets less their estimated residual values over their estimated useful lives, as follows:

| | | |
|-------------------|---|---------------|
| Service equipment | - | 4 to 13 years |
| Plant | - | 5 to 10 years |
| Motor Vehicles | - | 4 years |

Pension Scheme Contributions

The Company operates a group personal pension scheme and a stakeholder pension scheme for staff members. They are defined contribution schemes and assets are held in individual pension accounts administered by Norwich Union and Clerical Medical respectively.

Deferred Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Foreign Currency Translations

Balances denominated in foreign currencies have been translated into sterling at the rates of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account. Overseas income has been translated into sterling at the rates ruling when that income was earned and overseas costs have been translated into sterling at the rates ruling when those costs were incurred.

Finance & Operating Leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the group substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting period. Assets held under finance leases are depreciated over the useful lives of equivalent owned assets.

Exceptional Items

Material gains and losses which derive from events or transactions that fall within the ordinary activities of the company, but which need to be disclosed separately by reason of their size or incidence if the financial statements are to give a true and fair view, are treated as exceptional items in the profit and loss account.

Cash Flow Statement

In accordance with the exemption granted under Financial Reporting Standard 1, a cash flow statement has not been prepared as the details of this Company's cash flows are included in the cash flow statement prepared by the ultimate holding company Seawheel Group Limited.

Related Party Disclosures

Under Financial Reporting Standard 8, the Company is exempt from the requirement to disclose transactions with group companies on the grounds that it is a wholly-owned subsidiary undertaking. (see note 21).

2 Turnover

Turnover consists of sales made in the United Kingdom and in Europe and relates solely to the principal activities described in the Directors' report.

Turnover split by origin is as follows:-

| | 2003 £'000 | 2002 £'000 |
|----------------|----------------|---------------|
| United Kingdom | 103,154 | 91,623 |
| Rest of Europe | - | - |
| | <u>103,154</u> | <u>91,623</u> |

Turnover split by destination is as follows:

| | 2003 £'000 | 2002 £'000 |
|----------------|----------------|---------------|
| United Kingdom | 19,659 | 15,668 |
| Rest of Europe | 83,495 | 75,955 |
| | <u>103,154</u> | <u>91,623</u> |

3 Directors' Emoluments

| | 2003 £'000 | 2002 £'000 |
|---------------------------------|---------------|---------------|
| Directors' Emoluments | | |
| Aggregate emoluments | 510 | 420 |
| Compensation for loss of office | - | 166 |
| Company pension contributions. | 38 | 50 |
| | <u>548</u> | <u>636</u> |

Highest Paid Director

| | | |
|---------------------------------|------------|------------|
| Aggregate emoluments | 145 | 216 |
| Compensation for loss of office | - | 106 |
| Company pension contributions. | 13 | 21 |
| | <u>158</u> | <u>343</u> |

4 Employee Information

The average weekly number of persons (including executive directors) employed by the Company during the year was:-

| | 2003 Number | 2002 Number |
|-------------------------------------|----------------|----------------|
| Sales and administration | <u>105</u> | <u>102</u> |
| Staff costs (for the above persons) | 2003 £'000 | 2002 £'000 |
| Wages & salaries | 2,457 | 2,502 |
| Social security costs | 298 | 240 |
| Other pension costs | <u>88</u> | <u>106</u> |
| | <u>2,843</u> | <u>2,848</u> |

5 Operating Loss

| | 2003 £'000 | 2002 £'000 |
|---|---------------|---------------|
| Operating Loss is stated after charging/(crediting): | | |
| Loss on disposal of tangible fixed assets | 132 | - |
| Depreciation charge for the year: | | |
| - Tangible fixed assets owned | 849 | 436 |
| - Tangible fixed assets held under finance leases | 537 | 529 |
| - Impairment of Fixed Assets | 498 | - |
| Auditors' remuneration for: | | |
| - Audit fees | 75 | 39 |
| - Accounting | - | 7 |
| Charter Hire | 10,696 | 9,695 |
| Hire of Equipment | 1,683 | 1,786 |
| Land and Buildings Lease | 123 | 48 |
| Hire of motor vehicles | 112 | 121 |
| Hire of other assets | 62 | 17 |
| Foreign exchange (profit)/loss | <u>(374)</u> | <u>(19)</u> |
| Exceptional Items | | |
| Provisions for irrecoverable debtors | <u>-</u> | <u>1,868</u> |

6 Non-operating exceptional Items

| | 2003 £'000 | 2002 £'000 |
|---|---------------|---------------|
| Restructuring Costs | - | 1,645 |
| Loss on disposal and write down of fixed assets | - | 573 |
| Write off purchased goodwill | - | 2,202 |
| Write off of investment net of provisions | <u>-</u> | <u>199</u> |
| | <u>-</u> | <u>4,619</u> |

7 Interest Receivable

| | 2003 £'000 | 2002 £'000 |
|---------------------------|---------------|---------------|
| Other interest receivable | <u>5</u> | <u>2</u> |

8 Interest Payable

| | 2003 £'000 | 2002 £'000 |
|--------------------------------------|---------------|---------------|
| On bank loans and overdrafts | 110 | 189 |
| On finance leases | 300 | 204 |
| On amounts due to Parent Undertaking | - | 183 |
| | <u>410</u> | <u>576</u> |

9 Tax on Loss on Ordinary Activities

| | 2003 £'000 | 2002 £'000 |
|--|---------------|---------------|
| <i>UK corporation tax</i> | | |
| Group relief receivable for the period | - | 3,560 |
| Adjustments in respect of prior periods | 52 | - |
| <i>Deferred tax</i> | | |
| Origination/reversal of timing differences | - | 99 |
| Tax credit on loss on ordinary activities | <u>52</u> | <u>3,659</u> |

Factors affecting the tax charge for the current period:

The current tax credit for the period is lower (2002 : lower) than the standard rate of corporation tax in the UK of 30% (2002 : 30 %). The differences are explained below:-

| | 2003 £'000 | 2002 £'000 |
|--|-----------------|-----------------|
| Current tax reconciliation | | |
| Loss on ordinary activities before tax | <u>(10,517)</u> | <u>(13,486)</u> |
| Current tax at 30 % (2002 : 30 %) | 3,155 | 4,046 |
| Effects of: | | |
| Expenses not deductible for tax purposes | (9) | (728) |
| Capital allowances for period in excess of depreciation | (109) | 175 |
| Other timing differences | 392 | (972) |
| Tax free income | - | 174 |
| Group relief (payable at less than) / receivable in excess of standard rate of corporation tax | (661) | 865 |
| Unrelieved tax losses | (2,768) | - |
| Adjustment in respect of previous periods | 52 | - |
| Total current tax credit (see above) | <u>52</u> | <u>3,560</u> |

Factors that may affect future tax charges:

The company has tax losses available to set against future taxable profits of approximately 14 million

| 10 Tangible Fixed Assets | Service Equipment £'000 | Plant £'000 | Motor Vehicles £'000 | Total £'000 |
|---|--|------------------------|-------------------------------------|------------------------|
| Cost | | | | |
| At 1 January 2003 | 14,935 | 2,414 | 4 | 17,353 |
| Additions | 783 | 92 | - | 875 |
| Disposals | (1,908) | - | - | (1,908) |
| At 31 December 2003 | 13,810 | 2,506 | 4 | 16,320 |
| Depreciation | | | | |
| At 1 January 2003 | 6,801 | 1,862 | 1 | 8,664 |
| Charge for the year | 1,218 | 168 | - | 1,386 |
| Impairment charge | 498 | - | - | 498 |
| Disposals | (1,687) | - | - | (1,687) |
| At 31 December 2003 | 6,830 | 2,030 | 1 | 8,861 |
| Net book value at 31 December 2003 | 6,980 | 476 | 3 | 7,459 |
| Net book value at 31 December 2002 | 8,134 | 552 | 3 | 8,689 |

The net book value of tangible fixed assets includes £5,006,000 (year to 31 December 2002 £4,437,000) in respect of assets held under finance leases.

11 Investments

| | Interests in Group Undertakings £'000 | Interests in Associated Undertakings £'000 | Other investments £'000 | Total £'000 |
|------------------------|--|---|-------------------------------|----------------|
| Cost | | | | |
| As at 1 January 2003 | 400 | 232 | 29 | 661 |
| Additions | 35 | - | - | 35 |
| Disposals | - | (38) | - | (38) |
| As at 31 December 2003 | 435 | 194 | 29 | 658 |

The names of the principal subsidiary and associated undertakings are as follows:

| Name of Undertaking | Country of Incorporation or Registration | Proportion of Nominal Value of Issued Shares Held | |
|------------------------------------|---|--|---------------|
| | | Direct % | Indirect % |
| IFF Overseas Limited* | England | 100 | - |
| Rheintainer Limited | England | 100 | - |
| Rheintainer Linie Limited * | England | 100 | - |
| Seawheel BV | Holland | - | 100 |
| Seawheel GmbH | Germany | 26 | 74 |
| Seawheel Ireland Limited | Ireland | - | 100 |
| Seawheel Nederland BV * | Holland | - | 100 |
| Seawheel NV | Belgium | - | 100 |
| Seawheel Overseas Limited * | England | 100 | - |
| Seawheel Vapores Suardiaz SA | Spain | 50 | - |
| Seawheel Vermögensverwaltung GmbH* | Germany | - | 100 |

Those companies marked * did not trade during the period. Seawheel Vermögensverwaltung GmbH and Seawheel Nederland BV have commenced liquidation proceedings.

The nature of the business of the Company's trading subsidiaries is the international carriage of goods in containers and freight forwarding.

In the opinion of the directors the aggregate value of the investments is not less than the amount stated in the balance sheet.

As the company was a wholly-owned subsidiary of Seawheel Group Limited (see note 21), the company is exempt from the requirement to prepare consolidated accounts.

12 Debtors

| | 2003 £'000 | 2002 £'000 |
|-------------------------------------|---------------|---------------|
| Trade debtors | 14,709 | 14,390 |
| Amounts owed by group companies | 176 | 250 |
| Amount owed by associated companies | 1,149 | 830 |
| Other debtors & prepayments | 2,470 | 1,744 |
| Group tax relief | - | 3,091 |
| | <u>18,504</u> | <u>20,305</u> |

13 Creditors - amounts falling due within one year

| | 2003 £'000 | 2002 £'000 |
|-----------------------------------|---------------|---------------|
| Bank loans & overdrafts | 410 | 3,740 |
| Trade creditors | 18,800 | 18,603 |
| Advances on factored debtors | 1,971 | - |
| Amounts due to group undertakings | 5,847 | 2,217 |
| Corporation tax | - | 52 |
| Accruals & deferred income | 2,072 | 3,041 |
| Other tax and social security | 114 | 233 |
| Obligations under finance leases | 909 | 1,094 |
| | <u>30,123</u> | <u>28,980</u> |

The advances on factored debtors are secured over the total value of trade debtors, as per Note 12.

14 Creditors – amounts falling due after more than one year

| | 2003 £'000 | 2002 £'000 |
|--------------------------------------|---------------|---------------|
| Amounts due to former parent company | 3,825 | - |
| Obligations under finance leases | 3,059 | 1,391 |
| Other Creditor | 1,283 | - |
| | <u>8,167</u> | <u>1,391</u> |

The net finance lease obligations to which the Company is committed are payable as follows:

| | 2003 £'000 | 2002 £'000 |
|--------------------------|---------------|---------------|
| Within one year | 909 | 1,094 |
| Between one & two years | 909 | 459 |
| Between two & five years | 2,150 | 932 |
| Over five years | - | - |
| | <u>3,968</u> | <u>2,485</u> |

15 Deferred Tax

The total potential deferred tax asset / (liability) is analysed as follows:

| | 2003 Provided £'000 | 2003 Unprovided £'000 | 2002 Provided £'000 | 2002 Unprovided £'000 |
|--|---------------------------|-----------------------------|---------------------------|-----------------------------|
| Tax effect of timing difference due to: | | | | |
| Excess of capital allowances over depreciation | - | (272) | 810 | - |
| Other timing differences | - | (477) | (810) | (183) |
| Tax losses | - | (4,209) | - | (609) |
| | <u>-</u> | <u>(4,958)</u> | <u>-</u> | <u>(792)</u> |

16 Called Up Share Capital

| | 2003 £'000 | 2002 £'000 |
|---|---------------|---------------|
| Authorised | | |
| 2,001,000 Ordinary Shares of £1 each | 2,001 | 2,001 |
| 50,000 5.95% Cumulative redeemable preference shares of £1 each | 50 | 50 |
| 1,001,000 1% Non-cumulative preference shares of £1 each | 1,001 | 1,001 |
| | <u>3,052</u> | <u>3,052</u> |
| Allotted, Called Up & Fully Paid | | |
| 2,001,000 Ordinary Shares of £1 each (2002: 1,000 Ordinary Shares of £1 each) | 2,001 | 2,001 |
| 1,001,000 1% Non-cumulative preference shares of £1 each | 1,001 | 1,001 |
| | <u>3,002</u> | <u>3,002</u> |

17 Reserves

| | Profit & Loss Account £'000 | Share Premium Account £'000 | Total £'000 |
|----------------------------|-----------------------------------|-----------------------------------|-----------------|
| At 31 December 2002 | (10,637) | 7,700 | (2,937) |
| Retained loss for the year | (10,465) | - | (10,465) |
| At 31 December 2003 | <u>(21,102)</u> | <u>7,700</u> | <u>(13,402)</u> |

18 Contingent Liabilities

| | 2003 £'000 | 2002 £'000 |
|-------------------------|---------------|---------------|
| Bonds & bank guarantees | <u>41</u> | <u>841</u> |

19 Commitments

a) Capital commitments at the end of the financial year for which no provision has been made are as follows:

| | 2003 £'000 | 2002 £'000 |
|------------|---------------|---------------|
| Contracted | - | 755 |

b) In addition to the above at the end of the financial year, the company had entered into commitments amounting to £nil (2002 £2,485,000) in respect of finance leases, the inception of which occurs after the year end.

c) At 31 December 2003 the Company had annual commitments under non-cancellable operating leases as follows:-

| | 2003 £'000 Plant and Machinery | 2002 £'000 Plant and Machinery |
|---|---|---|
| Expiring within one year | 3,143 | 1,698 |
| Expiring between two & five years inclusive | 428 | 424 |
| | <u>3,571</u> | <u>2,122</u> |

20 Related Party Disclosures

The related parties of Seawheel Limited as defined by Financial Reporting Standard 8, the nature of the relationship and the extent of transactions with them are summarised below:

| Party | Relationship | Transaction | Transactions in the Year Ended 31/12/03 £'000 | Amounts Owed to / (by) £'000 |
|----------------------------------|---------------|--|--|------------------------------------|
| Seawheel Vapores Suardiaz S.A | Joint Venture | Net value of transactions for agency services | 569 | (1,149) |

21 Ultimate Parent Company

The Company is a wholly owned subsidiary of Seawheel Holdings Limited. The ultimate parent undertaking is Seawheel Group Limited.

The Company's results are included in the 2003 consolidated accounts of Seawheel Group Limited and can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.