

**DIAMOND SHIPPING LIMITED**

**Report and Financial Statements**

**31 March 2004**



**Deloitte & Touche LLP**  
**Cardiff**

**REPORT AND FINANCIAL STATEMENTS 2004**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Hugh G Williams (appointed 14 January 2003)  
David Ellis (appointed 14 January 2003)  
Christopher J G Davies (appointed 14 January 2003)  
Albert E Le Blond (appointed 14 January 2003)

**SECRETARY**

Victoria M Dwyer

**REGISTERED OFFICE**

113-116 Bute Street  
Cardiff  
CF10 5TE

**BANKERS**

Bank of Scotland

**SOLICITORS**

Eversheds LLP

**AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
Cardiff

## **DIRECTORS' REPORT**

The directors present their first report and the audited financial statements for the 68 weeks ended 31 March 2004.

### **ACTIVITIES**

The company's principal activity is in ship investments.

### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The company was incorporated on 12 December 2002 as Placebyte Limited and changed its name to Diamond Shipping Limited on 6 February 2003, and commenced trading on that date.

The results for the financial period are set out in detail on page 5.

During the first period of trading, Mr Le Blond loaned \$5,308,466 and Graig Shipping Plc loaned \$328,846 to the company. The company then made loans of \$2,818,656 to BIG Shipping Limited and \$2,818,656 to GIB Shipping Limited, and these loans were repaid in the same period. The loan to Mr Le Blond and \$328,000 of the loan to Graig Shipping Plc was also repaid.

The directors are satisfied with the performance of the company during the financial period and consider its prospects to be satisfactory.

### **DIVIDENDS**

The directors do not recommend the payment of a dividend.

### **DIRECTORS**

The present membership of the Board, together with dates of appointment, is as set out on page 1.

Instant Companies Limited was appointed as a director on 12 December 2002 and resigned on 14 January 2003.

As at 31 March 2004, Mr Le Blond held 942 shares in the company. The remaining 58 shares are held by Graig Shipping Plc. The interests of Mr H G Williams are shown in the directors' report of Idwal Williams and Company Limited, the ultimate parent company of Graig Shipping Plc. No other director holds any shares, either directly or indirectly, in Diamond Shipping Limited.

### **AUDITORS**

Deloitte & Touche LLP were appointed as the company's auditors during the financial period and have indicated their willingness to continue in office. A resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

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



V M Dwyer  
Secretary

Date ..... 8/10/04 .....

**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; and
- 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for 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 DIAMOND SHIPPING LIMITED

We have audited the financial statements of Diamond Shipping Limited for the 68 weeks ended 31 March 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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 period 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 31 March 2004 and of its loss for the 68 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
Cardiff

Date 8 October 2004

**DIAMOND SHIPPING LIMITED****PROFIT AND LOSS ACCOUNT**  
**68 weeks ended 31 March 2004**

	Note	2004 \$
<b>TURNOVER: continuing operations</b>	1	-
Gross profit		-
Administrative expenses		(1,969)
<b>OPERATING LOSS</b>	3	(1,969)
Interest receivable		274
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(1,695)
Tax on loss on ordinary activities	4	-
<b>RETAINED LOSS FOR THE FINANCIAL PERIOD</b>	9	(1,695)

There have been no recognised gains and losses for the period other than as stated in the profit and loss account.

# DIAMOND SHIPPING LIMITED

## BALANCE SHEET 31 March 2004

	Note	2004 \$
<b>FIXED ASSETS</b>		
Investments	5	6,000
<b>CURRENT ASSETS</b>		
Debtors	6	1,642
Cash at bank and in hand		988
		2,630
<b>CREDITORS: amounts falling due within one year</b>	7	(8,683)
<b>NET CURRENT LIABILITIES</b>		(6,053)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(53)
<b>CAPITAL AND RESERVES</b>		
Called up share capital	8	1,642
Profit and loss account	9	(1,695)
<b>TOTAL EQUITY SHAREHOLDERS' DEFICIT</b>		(53)

These financial statements were approved by the Board of Directors on 2 October 2004.  
Signed on behalf of the Board of Directors



C J G Davies  
Director



# NOTES TO THE FINANCIAL STATEMENTS

68 weeks ended 31 March 2004

## 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

### Accounting convention

The financial statements are prepared under the historical cost convention.

### Basis of preparation

The financial statements have been presented in US dollars, which the directors consider to be the functional currency of the company.

### Consolidation

Under section 228 of the Companies Act 1985, the company is exempt from producing consolidated accounts as it is itself a subsidiary and the results of the company and its subsidiary are consolidated into the financial statements of the parent company.

### Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of value added tax.

### Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

### Foreign currency

Transactions denominated in foreign currencies are translated into US dollars at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

### Cash flow statement

Under Financial Reporting Standard 1, the company is not required to prepare a cash flow statement

## 2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors were the only employees of the company during the financial period.

## 3. OPERATING LOSS

	2004
	\$
Operating loss is after charging	
Auditors' remuneration	1,837
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**NOTES TO THE FINANCIAL STATEMENTS**  
**68 weeks ended 31 March 2004**

**4. TAX ON LOSS ON ORDINARY ACTIVITIES**

	2004 \$
<b>Current taxation</b>	
United Kingdom corporation tax:	
Current tax on income for the period at 30%	-
	<u>-</u>
The difference between the current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:	
	\$
Loss on ordinary activities before tax	(1,695)
	<u>-</u>
Tax on loss on ordinary activities before tax at 30%	509
<b>Factors affecting charge for the period</b>	
Utilisation of tax losses	(509)
	<u>-</u>
<b>Current tax charge for period</b>	<u>-</u>

**5. INVESTMENTS**

				2004 \$
Additions and at 31 March 2004				6,000
<b>Name of subsidiary</b>	<b>Country of incorporation</b>	<b>% of voting shares held</b>	<b>Type of share</b>	
BIG Shipping Limited	Bahamas	60%	3,000	\$1 ordinary shares
GIB Shipping Limited	Bahamas	60%	3,000	\$1 ordinary shares

The principal activity of the subsidiaries is the construction of ship hulls. Financial statements for the subsidiaries are not currently available.

**6. DEBTORS**

	2004 \$
Unpaid share capital	1,642
	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**68 weeks ended 31 March 2004**

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2004 \$
Accruals and deferred income	1,837
Amounts due to Graig Shipping Plc	846
Amounts due to BIG	3,000
Amounts due to GIB	3,000
	<u>8,683</u>

**8. CALLED UP SHARE CAPITAL**

	2004 \$
<b>Authorised</b>	
1,000 £1 ordinary shares	<u>1,642</u>
<b>Allotted and fully paid</b>	
1,000 £1 ordinary shares	<u>1,642</u>

1,000 ordinary shares were issued in the period at par for cash.

**9. COMBINED STATEMENT OF MOVEMENTS ON RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	Profit and loss account \$	Share capital \$	Total 2004 \$
Shares issued	-	1,642	1,642
Loss for the period	<u>(1,695)</u>	<u>-</u>	<u>(1,695)</u>
At end of the period	<u>(1,695)</u>	<u>1,642</u>	<u>(53)</u>

**10. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is considered to be Albert Le Blond.

**11. RELATED PARTY TRANSACTIONS**

During the period of trading, Mr Le Blond loaned \$5,308,466 and Graig Shipping Plc loaned \$328,846 to the company. The company then made loans of \$2,818,656 to BIG Shipping Limited and \$2,818,656 to GIB Shipping Limited, and these loans were repaid in the same period. The loan to Mr Le Blond and \$328,000 of the loan to Graig Shipping Plc was also repaid.