Registered Number 2286034

SEASCOPE SHIPPING HOLDINGS LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED

31ST DECEMBER 1994

SEASCOPE SHIPPING HOLDINGS LIMITED

DIRECTORS' REPORT

The directors of the company at 31 December 1994, all of whom have been directors for the whole of the year ended on that date are listed below.

T.D.H.	Young - Chairman
T.T.	Austin
J.F.R.	Bolland
C.R.	Buckley
T.F.	Dixon
J.M.	Kinross
I.M.	Shaw
V.G.	Ward

The directors present their report and audited accounts of the group for the year ended 31st December 1994.

NATURE OF BUSINESS AND FUTURE DEVELOPMENTS

The group's principal activity is undertaken by Seascope Shipping Limited, a company incorporated in the United Kingdom, which is engaged in shipping activities comprising dry cargo and tanker chartering, ship sale and purchase broking and offshore broking. Both the level of business and the year end financial position were satisfactory and the directors expect that these activities will continue in the foreseeable future.

PROFIT AND LOSS ACCOUNT

The results of the group are dealt with on page 6.

CHANGES IN FIXED ASSETS

The movements in fixed assets are set out in note 9 of the accounts.

CHARITABLE DONATIONS

The contributions made by the group during the year for charitable purposes amounted to £1,843 (1993:£2,609).

SEASCOPE SHIPPING HOLDINGS LIMITED

DIRECTORS' REPORT

DIVIDENDS AND TRANSFERS TO RESERVES

The directors have declared or now recommend the following dividends in respect of the year ended 31st December 1994

	£	£
Ordinary shares of £1 each		
Proposed final of £0.00p per share	-	-
'A' Ordinary shares of £1 each		
Interim of £0.3706p per share paid on 01-07-1994	72,563	
Interim of £0.3706p per share paid on 01-01-1995	72,564	

		145,127
12.5% Cumulative redeemable preference shares of £1 each		
Interim of £0.0625p per share paid 01-07-1994	93,750	
Final of £0.0625p per share paid 01-01-1995	93,750	

		187,500
5% Cumulative convertible redeemable preference share of £1 each		
Interim of £0.025p per share paid 01-07-1994	18,750	
Final of £0.025p per share paid 01-01-1995	18,750	

		37,500
5% Cumulative redeemable preference shares of £1 each		
Interim of £0.025p per share paid 01-07-1994	12,500	
Final of £0.025p per share paid 01-01-1995	12,500	

		25,000

		£395,127
		=======

After payment of the above dividends a loss of £329,366 for the financial year will be transferred to group revenue reserves.

SEASCOPE SHIPPING HOLDINGS LIMITED

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES OF THE COMPANY

The interests, including family interests, of directors holding office at 31st December 1994 in shares of Seascope Shipping Holdings Limited according to the register maintained in compliance with the Companies Act 1985 were as follows:-

		Number of Fully Paid Ordinary Shares of £1 each		Number of Options for Ordinary Shares of £1 each	
		31-12-1994	01-01-1994	31-12-1994	01-01-1994
T.D.H.	Young	29,700	29,600	NIL	NIL
T.T.	Austin	9,080	8,880	NIL	NIL
J.R.F.	Bolland	NIL	NIL	16,280	16,280
C.R.	Buckley	23,690	23,680	NIL	NIL
T.F.	Dixon	23,700	23,680	NIL	NIL
J.M.	Kinross	23,690	23,680	NIL	NIL
I.M.	Shaw	23,700	23,680	NIL	NIL
V.G.	Ward	23,715	23,680	NIL	NIL

No director at 31st December 1994 had any Fully Paid convertible preference shares of £1 each (01-01-1994: Nil)

No director had any interest in the shares of other group companies.

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 the group as at the end of the financial year and of the profit or loss of the group for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1994. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SEASCOPE SHIPPING HOLDINGS LIMITED

DIRECTORS' REPORT

AUDITORS

A resolution to re-appoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By Order of the Board

J C Southern
Secretary

10/11 Grosvenor Place
London
SW1X 7JG
22 March 1995

REPORT OF THE AUDITORS

TO THE MEMBERS OF SEASCOPE SHIPPING HOLDINGS LIMITED

We have audited the financial statements on pages 6 to 23.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of 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 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 and the group at 31 December 1994 and of the results and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand.

Coopers & Lybrand
Chartered Accountants and Registered Auditors
London
22 March 1995

SEASCOPE SHIPPING HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1994

	Notes	12 months to 31-12-1994 £	12 months to 31-12-1993 £
Turnover	1(b)	5,047,184	5,065,081
Administrative expenses		(4,411,819)	(4,110,665)
Operating profit	2	635,365	954,416
Interest receivable and similar income		22,911	23,473
Interest payable and similar charges	3	(98,418)	(146,562)
Operating profit after interest		559,858	831,327
Goodwill amortisation		(280,000)	(280,000)
Profit on ordinary activities before taxation		279,858	551,327
Taxation on profit on ordinary activities	4	(214,097)	(340,922)
Profit on ordinary activities after taxation		65,761	210,405
Dividends (including dividends in respect of non-equity shares)	5	(395,127)	(452,551)
Retained (loss) for the year	6	(329,366)	(242,146)
Accumulated profit brought forward		669,543	911,689
Retained profit carried forward	7	£340,177	£669,543

All activities relate to continuing operations and there were no acquisitions and no operations were discontinued during the year.

The group has no recognised gains or losses other than those included in the consolidated profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

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

The notes on pages 10 to 23 form part of these accounts.

SEASCOPE SHIPPING HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 1994

	Notes		Consolidated 31-12-1994 £		Consolidated 31-12-1993 £
Fixed Assets					
Intangible asset: Goodwill	8		4,693,694		4,973,694
Tangible assets	9		604,546		978,216
Investments	10		778		778
			5,299,018		5,952,688
Current Assets					
Debtors	11	1,106,089		1,100,489	
Cash at bank and in hand		724,521		740,891	
		1,830,610		1,841,380	
Creditors: amounts falling due within one year	12	(1,220,129)		(1,737,957)	
Net current assets			610,481		103,423
Total assets less current liabilities			5,909,499		6,056,111
Creditors: amounts falling due after more than one year	13		(560,062)		(377,308)
			£5,349,437		£5,678,803
Capital and Reserves					
Called up share capital	14(b)		3,232,920		3,232,920
Capital Redemption Reserve	14(c)		396,380		396,380
Share Premium	16		1,379,960		1,379,960
Profit and Loss account			340,177		669,543
Total shareholders' funds	15		£5,349,437		£5,678,803
Comprising:					
Equity shareholders' funds			2,599,437		2,928,803
Non-equity shareholders' funds			2,750,000		2,750,000

The accounts on pages 6 to 23 were approved by the board of directors on 22 March 1995 and were signed on its behalf by:

) Directors

The notes on pages 10 to 23 form part of these accounts.

SEASCOPE SHIPPING HOLDINGS LIMITED

COMPANY BALANCE SHEET AS AT 31ST DECEMBER 1994

	Notes	31-12-1994 £	31-12-1994 £	31-12-1993 £	31-12-1993 £
Fixed Assets					
Investments	10		6,859,343		6,859,343
Current Assets					
Debtors	11	558,191		1,129,467	
Cash at bank and in hand		28		34	
		558,219		1,129,501	
Creditors: amounts falling due within one year	12	(1,445,018)		(2,207,522)	
Net Current (Liabilities)			(886,799)		(1,078,021)
Total assets less current liabilities			5,972,544		5,781,322
Creditors: amounts falling due after more than one year	13		(500,000)		(250,000)
Net Assets			£5,472,544		£5,531,322
Capital and Reserves					
Called up share capital	14(b)		3,232,920		3,232,920
Capital Redemption Reserve	14(c)		396,380		396,380
Share Premium	16		1,379,960		1,379,960
Profit and Loss account			463,284		522,062
Total Shareholders' funds			£5,472,544		£5,531,322
Comprising:					
Equity shareholders' funds			2,722,544		2,781,322
Non-equity shareholders' funds			2,750,000		2,750,000

The accounts on pages 6 to 23 were approved by the board of directors on 22 March 1995 and were signed on its behalf by:

) Directors

The notes on pages 10 to 23 form part of these accounts.

SEASCOPE SHIPPING HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 1994

	Notes		12 Months to 31-12-1994 £		12 Months to 31-12-1993 £
Net cash inflow from operating activities	19		1,015,802		1,390,784
Returns on investments and servicing of finance					
Interest received		21,839		23,766	
Interest paid		(104,393)		(150,655)	
Dividends paid		(452,551)		(450,425)	
			(535,105)		(577,314)
Taxation					
UK Corporation tax paid			(288,679)		(366,235)
Investing activities					
Payments to acquire tangible fixed assets		(44,261)		(72,736)	
Receipts from sale of tangible fixed assets		5,521		26,126	
			(38,740)		(46,610)
Net cash inflow/(outflow) before financing			153,278		400,625
Financing					
Loan Repayment		-		(250,000)	
Re-financed fixed assets		-		185,929	
Payment of principal under finance lease	20	(169,648)		(153,928)	
			(169,648)		(217,999)
(Decrease)/Increase in cash and cash equivalents	21		£(16,370)		£182,626

SEASCOPE SHIPPING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies which have been applied consistently is set out below

a) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

b) Turnover

Turnover consists of commission arising from Dry Cargo and Tanker charter broking, Sale and Purchase broking and Offshore broking. The policies for accounting for turnover are as follows:

(i) Dry Cargo and Tanker charter broking - commission income is recognised when related invoices are issued, in general when the company has evidence of satisfaction of the terms of the charters.

(ii) Ship sale and purchase broking - commission is credited to income as instalment payments become due in accordance with the agreement in the case of ships under construction and on delivery for other ships.

(iii) Offshore broking - commission is recognised at the time that charter hire becomes earned and payable by principals.

c) Basis of consolidation

The consolidated profit & loss and balance sheet include the accounts of the company and all its subsidiary undertakings made up to 31st December 1994. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the date of their acquisition or up to the date of their disposal. Intra-group sales and profits are eliminated fully on consolidation and all sales and profit figures relate to external transactions only.

d) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the market rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the effective rate achieved during the year. Forward exchange contracts relating to income earned in the year but held in currency are valued at market rates applicable to their respective maturities. Differences on exchange are taken to the profit and loss account except that differences on exchange relating to forward exchange contracts entered into to fix the exchange rates applicable to estimated future income are not recognised until the period in which the income arises.

SEASCOPE SHIPPING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

e) Fixed Assets

(i) Tangible Fixed Assets

These are shown at historical cost less accumulated depreciation.

Depreciation is provided at rates calculated to write-off the cost, less estimated residual value of each asset, on a straight line basis over its expected useful life as follows:

Motor vehicles	- 4 years
Computers	- 4 years
Fixtures and equipment	- 4 years
Leasehold improvements	- 4 years

(ii) Investments

Shares in the subsidiary company are stated at cost. Other investments are shown at the lower of cost and market value.

f) Goodwill

Goodwill arising on consolidation being the excess of the purchase price over the value of the net assets of the subsidiary undertakings at the date of acquisition, is capitalised as an asset in the consolidated balance sheet and written off over a period of 20 years.

g) Deferred Taxation

Provision for deferred taxation is made in respect of taxation deferred by capital allowances and other timing differences to the extent that those timing differences may be expected, with reasonable certainty, to crystallise as taxation liabilities in the future.

h) Pension Scheme Arrangements

Seascope Shipping Limited operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. Contributions of £6,920 were due to the fund at the year end (1993: £708).

SEASCOPE SHIPPING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

i) Finance and 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 in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

2 Operating Profit

	12 months to 31-12-1994 £	12 months to 31-12-1993 £
(a) The profit is stated after crediting:		
Profit on disposal of tangible fixed assets	4,580	12,739
	======	======
And after charging:		
Auditors' remuneration	13,000	14,485
(Company: 1994:£1,500 1993:£1,485)		
Operating lease payments for land and buildings	242,370	232,641
Depreciation on tangible fixed assets		
owned assets	296,838	312,146
leased assets	151,252	148,288
Staff costs (see (d) below)	2,500,354	2,227,760
	=========	=========

(b) Remuneration of the company's auditors for the provision of non-audit services to the company and its subsidiary undertakings was £11,113 (1993:£23,515). Other services in the year were primarily in respect of taxation compliance and advisory fees.

	12 months to 31-12-1994 £	12 months to 31-12-1993 £
(c) Directors' emoluments		
Remuneration	674,181	685,707
Pension scheme costs	66,007	-
	------------	------------
	£740,188	£685,707
	=======	======
Amounts excluding pension contributions		
Chairman and Highest paid Director	£163,193	£161,644
	=======	=======

SEASCOPE SHIPPING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

During the year a fee of £32,714 (1993: £32,105) was paid to Plymvale Consultants Limited, a company of which Mr.T.T.Austin is a director, in respect of the services of Mr.T.T.Austin.

The number of directors (including the Chairman and Highest paid Director) who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	31-12-1994 Number	31-12-1993 Number
£ 0 to £ 5,000	1	1
£ 75,001 to £ 80,000	1	-
£ 80,001 to £ 85,000	2	3
£ 85,001 to £ 90,000	1	1
£ 90,001 to £ 95,000	2	1
£ 95,001 to £100,000	-	1
£160,001 to £165,000	1	1

	12 months to 31-12-1994 £	12 months to 31-12-1993 £
(d) Staff costs (including directors)		
Wages and salaries	2,050,527	1,970,093
Social security costs	219,005	206,554
Other pension costs	230,822	51,113
	£2,500,354	£2,227,760

The average number of employees (including directors) during the year, all of whom were employed in shipbroking, was 42 (1993:42).

3 Interest payable and similar charges

	12 months to 31-12-1994 £	12 months to 31-12-1993 £
On debentures, bank loans, overdrafts and other loans:-		
Repayable within 5 years, not by instalments	93	37
Repayable within 5 years, by instalments	71,811	99,025
On finance leases	26,514	47,500
	98,418	146,562

SEASCOPE SHIPPING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

4 Taxation

The tax charge is based on the profits for the year adjusted for items disallowable for tax purposes

	12 months to 31-12-1994	12 months to 31-12-1993
	£	£
UK corporation tax at 33% (1993:33%)	265,876	340,922
Adjustment for prior years	(51,779)	-
	214,097	340,922

5 Dividends

	31-12-1994	31-12-1993
	£	£
a) On equity shares		
Ordinary shares of £1 each		
Final of £0.00p per share proposed*(1993 £0.20p per share)	-	57,424
'A' Ordinary shares of £1 each		
Interim paid 01-07	72,563	72,563
Interim paid 01-01	72,564	72,564
Final of £0.00p per share proposed*(1993 £0.00p per share)	-	-
	145,127	145,127
b) On non-equity shares		
12.5% cumulative redeemable preference shares of £1 each		
Interim paid 01-07	93,750	93,750
Final paid 01-01	93,750	93,750
	187,500	187,500
5% cumulative convertible redeemable preference shares of £1 each		
Interim paid 01-07	18,750	18,750
Final paid 01-01	18,750	18,750
	37,500	37,500
5% cumulative redeemable preference shares of £1 each		
Interim paid 01-07	12,500	12,500
Final paid 01-01	12,500	12,500
	25,000	25,000
	£395,127	£452,551

* Subject to approval by class resolution at the Annual General Meeting.

SEASCOPE SHIPPING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

6 Loss for the financial year

In accordance with the exemptions allowed by section 230 of the Companies Act 1985, the company has not presented its own profit and loss account. Of the results for the year to 31st December 1994 a loss of £58,778 (31st December 1993: loss of £275,051) has been dealt with in the accounts of the company.

7 Retained profits/(losses) at 31st December

		1994	1993
		£	£
Retained by:	The company	463,284	522,062
	Subsidiary undertakings	(123,107)	147,481
		£340,177	£669,543

8 Intangible Fixed Assets: Goodwill

The company has no intangible fixed assets. Details of those relating to the group are as follows:

	£
COST	
At 1st January 1994	5,599,794
Additions	-
At 31st December 1994	5,599,794
AMORTISATION	
At 1st January 1994	626,100
Charge for the year	280,000
At 31st December 1994	906,100
NET BOOK VALUE	
At 1st January 1994	4,973,694
NET BOOK VALUE	
At 31st December 1994	4,693,694

SEASCOPE SHIPPING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

9 Tangible Fixed Assets

The company has no tangible fixed assets. Details of those relating to the group are as follows:-

	Motor Cars	Computers	Fixtures & Equipment	Leasehold Improvements	Total
	£	£	£	£	£
COST					
At 01-01-94	503,753	276,439	501,972	750,892	2,033,056
Additions	46,679	27,600	4,653	1,009	79,941
Disposals	(28,014)	(15,203)	(9,728)	-	(52,945)
At 31-12-94	522,418	288,836	496,897	751,901	2,060,052
DEPRECIATION					
At 01-01-94	329,283	160,913	242,951	321,693	1,054,840
Charge for the year	103,961	62,051	104,741	177,337	448,090
Removed on disposal	(28,014)	(11,097)	(8,313)	-	(47,424)
At 31-12-94	405,230	211,867	339,379	499,030	1,455,506
NET BOOK VALUE					
At 01-01-94	£174,470	£115,526	£259,021	£429,199	£978,216
At 31-12-94	£117,188	£76,969	£157,518	£252,871	£604,546

The net book value of tangible fixed assets includes an amount of £171,961 (1993:£276,535) in respect of assets held under finance leases.

SEASCOPE SHIPPING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

10 Fixed Asset: Investments

	1994 £	1993 £
Group		
Unlisted shares at cost	778	778
Company		
Investment in Seascope Shipping Limited at cost	1,300,000	1,300,000
Investment in Jacobs Offshore Limited at cost	5,559,343	5,559,343
	6,859,343	6,859,343

The following companies are part of the Seascope Shipping Holdings Limited group at 31st December 1994.

	Activity	Country of Registration	Type of shares
Seascope Shipping Limited	Shipbroking	England & Wales	Ordinary
Jacobs Offshore Limited	Dormant	England & Wales	Ordinary
Seascope Sale & Purchase Limited	Dormant	England & Wales	Ordinary
Seascope Shipbrokers (Dry Cargo) Ltd	Dormant	England & Wales	Ordinary
Oilscope Limited	Dormant	England & Wales	Ordinary
Seascope Shipping Services (Holdings) Ltd	Dormant	England & Wales	Ordinary
Seascope Shipping Services Limited	Dormant	England & Wales	Ordinary
Seascope Shipbrokers Limited	Dormant	England & Wales	Ordinary

With the exception of Seascope Shipping Limited and Jacobs Offshore Limited, all of whose shares are owned directly by Seascope Shipping Holdings Limited, the share holdings of subsidiary undertakings are held by Seascope Shipping Limited or by a wholly owned subsidiary of Seascope Shipping Limited.

SEASCOPE SHIPPING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

11 Debtors

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Amounts falling due after more than one year				
Other Debtors (see a) below)	101,040	101,040	101,040	101,040
Amounts falling due within one year				
Trade debtors	751,388	722,200	-	-
VAT	10,512	11,487	-	-
Other debtors	50,739	51,235	17,760	17,760
Prepayments and accrued income	143,019	142,814	-	-
ACT recoverable	49,391	71,713	49,391	71,713
Group dividend receivable	-	-	390,000	300,000
Amounts due from subsidiary undertakings	-	-	-	638,954
	£1,106,089	£1,100,489	£558,191	£1,129,467

a) Other debtors at 31st December 1994 comprise loans to six employees of Seascope Shipping Limited.

12 Creditors

	Group		Company	
Amounts falling due within one year	1994	1993	1994	1993
	£	£	£	£
Trade creditors	87,701	100,878	-	-
UK corporation tax	144,772	219,354	-	-
Other taxation and social security	81,358	77,990	8,979	11,973
Obligations under finance lease	93,465	160,187	-	-
Accruals and other creditors	315,878	352,847	30,489	37,482
ACT payable	49,391	71,713	49,391	71,713
Dividends payable	197,564	254,988	197,564	254,988
Due to subsidiary undertakings	-	-	908,595	1,331,366
Loan	250,000	500,000	250,000	500,000
	£1,220,129	£1,737,957	£1,445,018	£2,207,522

SEASCOPE SHIPPING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

13 Creditors

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Amounts falling due after more than one year				
Obligations under finance leases	60,062	127,308	-	-
Loan	500,000	250,000	500,000	250,000
	560,062	377,308	500,000	250,000

The net finance lease obligations to which the group is committed are:

	31-12-1994	31-12-1993
	£	£
In one year or less	93,465	160,187
Between two and five years	60,062	127,308
	153,527	287,495

The terms of repayments of the loan are as follows:

Repayment Date	Amount
	£
31st December 1995	250,000
31st December 1996	500,000

except that the company may voluntarily repay the loan in whole or part in multiples of £100,000 at any time, giving three months notice to the lender.

The rate of interest par annum applied to the loan is 2.5% above the higher of 7% per annum and the LIBOR rate.

Group Companies have given fixed and floating charges over all of the group's assets up to a limit of £1,300,000 to secure the above loan and overdraft facility.

SEASCOPE SHIPPING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

14 Share Capital

a) Authorised

	1994 £	1993 £
Ordinary shares of £1 each	414,500	414,500
'A' ordinary shares of £1 each	195,800	195,800
12.5% cumulative redeemable preference shares of £1 each	1,500,000	1,500,000
5% cumulative convertible redeemable preference shares of £1 each	750,000	750,000
5% cumulative redeemable preference shares of £1 each	500,000	500,000
	£3,360,300	£3,360,300

b) Allotted, called up, and fully paid

	1994 £	1993 £
Ordinary shares of £1 each	287,120	287,120
'A' ordinary shares of £1 each	195,800	195,800
12.5% cumulative redeemable preference shares of £1 each	1,500,000	1,500,000
5% cumulative convertible redeemable preference shares of £1 each	750,000	750,000
5% cumulative redeemable preference shares of £1 each	500,000	500,000
	£3,232,920	£3,232,920

SEASCOPE SHIPPING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

The 12.5% preference shares may be redeemed at par by the company at its own option at any time but in any event not later than the dates set out below:

Redemption date	Number of shares redeemable
31st December 1995	750,000
31st December 1996	750,000

The 5% convertible preference shares may be redeemed by the company at any time on agreement with the holder at par but in any event not later than 31st December 1996. Should the company obtain a share listing prior to the 31 December 1996, the then holders of convertible preference shares, if any, have the right to convert the par value of the convertible preference shares held into Ordinary shares at 90% of the Flotation Price.

The 5% redeemable preference shares may be redeemed at par by the company at any time in multiples of 50,000 shares but in any event not later than the 31st December 1996.

All of the preference shares are non-voting and rank equally before all other classes of shares for return of capital upon winding up. The 'A' ordinary shares rank ahead of the ordinary shares for return of capital upon winding up.

c) Capital redemption reserve	£
At 1st January 1994	396,380
Transferred from profit & loss account	-
At 31st December 1994	396,380

d) Share options

The company has outstanding options over 66,600 of the company's Ordinary shares. These options are held by directors of the company and other group companies and are exercisable between 20 October 1995 and 19 October 2002 at an exercise price of £18 per share.

SEASCOPE SHIPPING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

15 Reconciliation of movement in shareholders' funds

	1994	1993
	£	£
Retained (loss) for the year	(329,366)	(242,146)
Net (reduction)/addition to shareholders' funds	(329,366)	(242,146)
Opening shareholders' funds	5,678,803	5,920,949
Closing shareholders' funds	5,349,437	5,678,803

16 Share Premium

	£
At 1st January 1994 and At 31st December 1994	1,379,960

17 Forward foreign exchange commitments

At 31st December 1994 the group had entered into forward contracts for the sale of US dollars amounting to $Nil in the ordinary course of business (31st December 1993: $2,400,000).

18 Capital expenditure and other financial commitments

At 31st December capital commitments were:

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Authorised but not contracted for	-	20,000	-	-

As at 31st December 1994 the group had annual commitments in respect of land and buildings under non cancellable operating leases as follows:

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Expiring in over five years	244,000	241,000	-	-

SEASCOPE SHIPPING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

19 Reconciliation of operating profit to net cash inflow from operating activities

	12 Months to 31-12-1994	12 Months to 31-12-1993
	£	£
Operating profit	635,365	941,677
Depreciation charge	448,090	460,433
(Increase)/Decrease in debtors	(27,825)	(29,692)
(Decrease)/Increase in creditors	(39,828)	18,366
	1,015,802	1,390,784

20 Analysis of changes in financing during the year

Finance lease obligations	1994	1993
	£	£
Balance at 1 January	287,630	183,245
New capital leases	35,680	258,313
Cash outflow from financing	(169,648)	(153,928)
Balance at 31 December	153,662	287,630

21 Analysis of changes in cash and cash equivalents during the year

	1994	1993
	£	£
Balance at 1 January	740,891	558,265
Net cash (outflow)/inflow	(16,370)	182,626
Balance at 31 December	724,521	740,891

22 Major non-cash transactions

During the year the group entered into finance lease arrangements with a capital value at the inception of the leases of £35,680 (1993:£258,313).