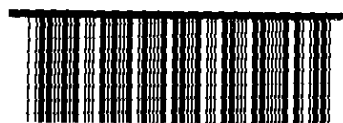


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STIRLING SHIPPING COMPANY LIMITED

Report and Accounts

31<sup>st</sup> December 2001



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# Stirling Shipping Company Limited

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# **Stirling Shipping Company Limited**

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## **COMPANY INFORMATION**

### **DIRECTORS**

I.V.R. Harrison, C.B.E., Chairman (non-executive) – retired 30<sup>th</sup> June 2002

J.A.F. Cowderoy, Managing Director – resigned 31<sup>st</sup> May 2002

D.G. Baird

P.C.L. Harrison – resigned 31<sup>st</sup> July 2002

J.M. Gellert – appointed 4<sup>th</sup> May 2001

R.D.M. Lenthall – appointed 4<sup>th</sup> May 2001

R.J. Ryan – appointed 4<sup>th</sup> May 2001

A.H. Farley, (non-executive) – resigned 4<sup>th</sup> May 2001

A.C. Salvesen, (non-executive) – resigned 4<sup>th</sup> May 2001

### **SECRETARY**

S.M. Alais

### **AUDITORS**

Ernst & Young LLP

### **BANKERS**

Bank of Scotland

### **SOLICITORS**

McGrigor Donald, Glasgow

Watson Farley & Williams, London

### **REGISTERED OFFICE**

Merchants House

87 Waterloo Quay

Aberdeen, AB11 5DE

### **REGISTERED NUMBER**

Scotland, Number 159842

# **Stirling Shipping Company Limited**

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## **DIRECTORS' REPORT**

The directors submit their report and accounts for the year ended 31<sup>st</sup> December 2001.

### **RESULTS AND DIVIDENDS**

The profit on ordinary activities, after taxation, is £6,690,000. As detailed in Note 4, interim dividends paid total £5,528,000, leaving £1,162,000 to be transferred to Reserves.

### **PRINCIPAL ACTIVITIES**

During the year the Group traded as shipowners and ship managers. A list of subsidiaries is given on page 10.

### **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

All vessels performed well during the year in good market conditions.

On 4<sup>th</sup> May 2001 a group reconstruction was undertaken following which the newly created holding company of the Stirling Shipping group was acquired by Seacor Smit Inc.

### **DIRECTORS**

Details of directors who served during the year are shown on page 2.

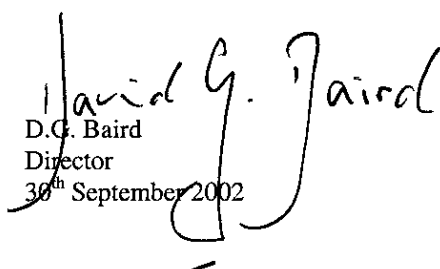
### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

Until 4<sup>th</sup> May 2001 the Company maintained liability insurance for its directors and officers as permitted by Section 310(3) of the Companies Act 1985.

### **AUDITORS**

A resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

  
D.G. Baird  
Director  
30<sup>th</sup> September 2002

# Stirling Shipping Company Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31<sup>st</sup> December 2001

	<i>Notes</i>	<i>2001</i> <i>£000</i>	<i>2000</i> <i>£000</i>
<b>TURNOVER</b>		-	-
Cost of sales		<u>-</u>	<u>-</u>
<b>GROSS PROFIT</b>		-	-
Net operating expenses		<u>( 359)</u>	<u>( 285)</u>
<b>OPERATING LOSS</b>	2	( 359)	( 285)
Income from investments		<u>7,013</u>	<u>1,400</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		6,654	1,115
Taxation credit	3	<u>36</u>	<u>80</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		6,690	1,195
Dividends (including non equity dividends)	4	<u>(5,528)</u>	<u>(1,355)</u>
<b>RETAINED PROFIT/(LOSS) FOR THE YEAR</b>	9	<u><u>1,162</u></u>	<u><u>( 160)</u></u>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

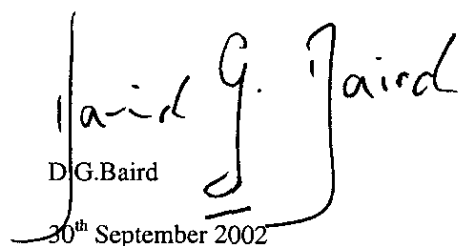
for the year ended 31<sup>st</sup> December 2001

There are no recognised gains or losses for the year other than the profit on ordinary activities after taxation of £6,690,000 (2000: £1,195,000).

# Stirling Shipping Company Limited

## BALANCE SHEET at 31<sup>st</sup> December 2001

	Notes	2001 £000	2000 £000
<b>FIXED ASSETS</b>			
Investments	5	<u>696</u>	<u>1,219</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due after one year	6	5,000	5,000
amounts falling due within one year	6	<u>3,081</u>	<u>3,034</u>
		8,081	8,034
Cash at bank and in hand		<u>7</u>	<u>5</u>
		8,088	8,039
<b>CREDITORS: amounts falling due within one year</b>	7	<u>1,820</u>	<u>3,577</u>
<b>NET CURRENT ASSETS</b>		<u>6,268</u>	<u>4,462</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,964</u>	<u>5,681</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	821	802
Share premium account	9	4,839	4,737
Profit and loss account	9	<u>1,304</u>	<u>142</u>
Shareholders' funds including non equity interests		<u>6,964</u>	<u>5,681</u>

  
D.G. Baird  
30<sup>th</sup> September 2002

Director

# Stirling Shipping Company Limited

## NOTES TO THE ACCOUNTS

at 31<sup>st</sup> December 2001

### 1. BASIS OF PREPARATION OF ACCOUNTS

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

### 2. OPERATING LOSS

	2001 £000	2000 £000
(a) This is stated after charging:		
Auditors' remuneration - Audit	9	13
- Tax	50	19
- Other	-	18
	<u>£000</u>	<u>£000</u>
(b) Directors' remuneration		
Fees	<u>18</u>	<u>33</u>

### 3. TAXATION

(a) Analysis of credit in period	2001 £000	2000 £000
Current tax:		
Group relief	<u>36</u>	<u>80</u>
(b) Factors affecting the tax charge for the period:		
Profit on ordinary activities	<u>6,654</u>	<u>1,115</u>
Profit on ordinary activity multiplied by the UK standard Corporation tax rate of 30%	(1,996)	(335)
Income/expenses not allowable for tax	<u>2,032</u>	<u>415</u>
Current tax credit	<u>36</u>	<u>80</u>

### 4. DIVIDENDS

	2001 £000	2000 £000
Equity dividends on ordinary shares		
Interim dividend proposed	1,994	955
Dividend in specie	<u>2,701</u>	<u>-</u>
	<u>4,695</u>	<u>955</u>
Non equity dividends on 'A' ordinary shares		
Interim dividend paid	833	266
Interim dividend proposed	<u>-</u>	<u>134</u>
	<u>833</u>	<u>400</u>
	<u>5,528</u>	<u>1,355</u>

# Stirling Shipping Company Limited

## NOTES TO THE ACCOUNTS at 31<sup>st</sup> December 2001

### 5. INVESTMENTS

	2001 £000	2000 £000
<i>Subsidiaries</i>		
Cost:		
At 1 <sup>st</sup> January 2001	1,219	1,219
Disposals	<u>( 523)</u>	<u>-</u>
At 31 <sup>st</sup> December	<u>696</u>	<u>1,219</u>

On 2<sup>nd</sup> May 2001 two subsidiary companies were disposed of by the Company, by means of a dividend in specie, as part of a group reconstruction.

### 6. DEBTORS

	2001 £000	2000 £000
Amounts due by group companies	8,081	8,027
Other debtors	<u>-</u>	<u>7</u>
	<u>8,081</u>	<u>8,034</u>

Amount falling due after more than one year included above is:

	2001 £000	2000 £000
Amount due by subsidiary	<u>5,000</u>	<u>5,000</u>

### 7. CREDITORS: amounts falling due within one year

	2001 £000	2000 £000
Trade creditors	-	10
Amounts due to group companies	1,811	-
Other taxes and social security costs	-	1
Accruals and prepaid income	9	29
Proposed dividend	<u>-</u>	<u>3,537</u>
	<u>1,820</u>	<u>3,577</u>



# Stirling Shipping Company Limited

## NOTES TO THE ACCOUNTS at 31<sup>st</sup> December 2001

### 8. CALLED UP SHARE CAPITAL

Shares of £1:	Authorised 2001		Authorised 2000	
	No.	£000	No.	£000
Ordinary shares	551,044	551	551,044	551
Redeemable 'A' Ordinary shares	236,162	236	236,162	236
'B' Ordinary shares	41,432	42	41,432	42
Deferred Ordinary shares	83,248	83	-	-
Undesignated shares	88,114	88	171,362	171
	<u>1,000,000</u>	<u>1,000</u>	<u>1,000,000</u>	<u>1,000</u>
Shares of £1:	Allotted, issued and fully paid 2001		Allotted, issued and fully paid 2000	
	No.	£000	No.	£000
Ordinary shares	551,044	551	551,044	551
Redeemable 'A' Ordinary shares	152,914	153	236,162	236
'B' Ordinary shares	33,477	34	14,804	15
Deferred Ordinary shares	83,248	83	-	-
	<u>820,683</u>	<u>821</u>	<u>802,010</u>	<u>802</u>

During 2001 options over 18,673 'B' Ordinary Shares were exercised at the option price of £6.50 under the terms of the Company's share option scheme.

The Redeemable 'A' Ordinary Shares have a right to an annual fixed cumulative preferential dividend of £1.6938 per share together with a further cumulative preferential dividend which is dependent upon and variable with the after tax profit of the Stirling Shipping Group, excluding the effects of any fixed asset sales.

The directors may declare an annual dividend in respect of the Ordinary Shares of an amount up to that paid on the Redeemable 'A' Ordinary Shares as detailed above.

Each class of shares has equivalent voting rights, being one vote per share, and on any return of assets the holders of each class of share participate in proportion to the amounts paid up, or credited as paid up, on their shareholding.

# Stirling Shipping Company Limited

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## NOTES TO THE ACCOUNTS

at 31<sup>st</sup> December 2001

### 9. RESERVES

	<i>Share Premium Account £000</i>	<i>Profit &amp; Loss Account £000</i>
At 1 <sup>st</sup> January 2001	4,737	142
Premium on shares issued	102	-
Retained profit for the year	-	1,162
At 31 <sup>st</sup> December 2001	<u>4,839</u>	<u>1,304</u>

### 10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<i>2001 £000</i>	<i>2000 £000</i>
Profit on ordinary activities after taxation	6,690	1,195
Dividends	(5,528)	(1,355)
Share issues in year	<u>121</u>	<u>38</u>
Net addition to shareholders' funds	1,283	( 122)
Opening shareholders' funds	<u>5,681</u>	<u>5,803</u>
Closing shareholders' funds	<u>6,964</u>	<u>5,681</u>
Shareholders' funds are represented by:		
Equity	2,073	790
Non equity	<u>4,891</u>	<u>4,891</u>
	<u>6,964</u>	<u>5,681</u>

### 11. RELATED PARTY TRANSACTIONS

In the year to 31<sup>st</sup> December 2001 a subsidiary, Stirling Shipmanagement Limited, leased property from Woodside Crescent Limited, a related party by virtue of common board members. Lease payments for the year amounted to £60,000 (2000: £60,000).

### 12. ULTIMATE HOLDING COMPANY

Following a group reconstruction and its subsequent acquisition, the Company's parent company is Stirling Shipping Holdings Limited, a company registered in Scotland. The accounts of Stirling Shipping Holdings Limited are available at Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB.

The Company's ultimate holding company is Seacor Smit Inc., a company incorporated in Delaware U.S.A. Copies of group financial statements can be obtained from 11200 Richmond Avenue, Suite 400, Houston, Texas 77082, USA

# **Stirling Shipping Company Limited**

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## **NOTES TO THE ACCOUNTS**

at 31<sup>st</sup> December 2001

### **PRINCIPAL COMPANIES OF THE GROUP**

<i>Subsidiaries</i>	<i>Percentage of equity owned</i>	<i>Nature of Business</i>	<i>Country of incorporation</i>
Stirling Offshore Limited	100%	Shipowning	Scotland
Stirling Marine Limited	100%	Shipowning	Scotland
Stirling Shipmanagement Limited	100%	Shipmanagement	Scotland
Bruce Marine Limited	100%	Administration	Scotland

### **DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the directors to prepare accounts 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 of the Company for that year. In preparing those accounts 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 accounts 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 accounts comply with the Companies Act. 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.

# **Stirling Shipping Company Limited**

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## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STIRLING SHIPPING COMPANY LIMITED**

We have audited the company's accounts for the year ended 31 December 2001 which comprise the Profit and Loss Account, Statement of Recognised Gains and Losses, Balance Sheet and the related notes 1 to 12. These accounts have been prepared on the basis of the accounting policies set out therein.

### **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 accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

### **Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 2001 and of the profit 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  
Glasgow

30<sup>th</sup> September 2002