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OCEAN TRANSPORT & TRADING plc

1984
ANNUAL REPORT & ACCOUNTS

OCEAN



Ocean is an international Group
providing industrial services
to major organisations.

The Group contributes to the economies
of some 28 countries worldwide
and in its main markets
has experience stretching back over 100 years.
The principal sectors
are:

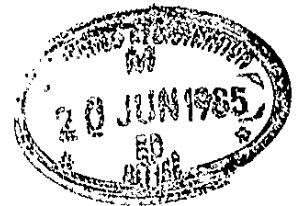
Fuel distribution and offshore oil support

Global freight forwarding

International shipping and ship support services

Bulk liquid storage and specialised warehousing

Aggregates and waste management



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1984 SUMMARY OF INFORMATION

OCEAN'S YEAR

	£ million	
	<u>1984</u>	<u>1983</u>
Group turnover	779.8	659.7
Trading profit	16.2	8.9
Profit before taxation	28.7	7.2
Profit/(loss) attributable to stockholders	14.1	(49.2)
Stockholders' funds	214.3	214.2
Net borrowings	110.0	77.7
Debt/equity ratio	.51:1	.36:1
Earnings per stock unit (net basis)	16.8p	(3.8)p
Dividend per stock unit (net)	5.5p	4.5p
Number of employees	7,578	9,721

1984

January

O.I.L. buys Norscot offshore supply base in Shetland. Combined with the company's existing adjacent base it is the largest facility of its type in Europe

Ocean sells 'Sherbro'

March

MSAS buys UK forwarding company, Owen Irwin & Co

O.I.L. presented with Queen's Award for Export

Ocean sells its 36 per cent holding in the Oakwood Group

Blue Funnel Bulkships sells 'Ajax'

O.I.L. sells specialist pipe laying vessel 'Oil Hunter'

April

World's largest roll-on, roll-off ships, including Ocean's 'Barber Hector,' enter service in the Barber Blue Sea round-the-world service

Ocean sells 'Shonga'

Panocean sells 'Pass of Chisholm'

May

Cory Waste Management buys toxic waste treatment company, Stablax

Ocean sells specialist shipbuilder James W Cook (Wivenhoe)

Panocean sells 'Pass of Cairnwell'

June

Blue Funnel Bulkships sells 'Tantalus'

Panocean Anco sells 'Anco Charger'

July

Cory Ship Towage orders two Z-poller tugs

October

MSAS buys French domestic forwarding and warehousing company, CTE

Blue Funnel Bulkships sells 'Charon'

Cory Sand & Ballast buys additional mineral resources

November

Panocean sells 'Pass of Dirriemore' and 'Pass of Dromochler'

Ocean acquires 100 per cent of Century Laboratories, Philadelphia

December

Cory Ship Towage takes delivery of new tug, 'Oakgarth'

1985

January

Ocean sells container and trailer refurbishment company, Repcon

February

Ocean sells 'Mentor'

Wm Cory buys ACC Gases

McGregor Cory enters into joint venture with Banbury Tea Warehouses

BOARD OF DIRECTORS AND GROUP STRUCTURE

BOARD

EXECUTIVE COMMITTEE



W N Menzies-Wilson CBE
Chairman

William Menzies-Wilson (58) has been Chairman of the Group since 1980. Previously in the steel industry, he joined Ocean as an executive director in 1973.



R J Gooseman FCA
Finance Director

Ronald Gooseman (52) has been Finance Director of the Group since 1983. He has been an executive director of Ocean since 1980. A chartered accountant he joined Wm Cory in 1963.

EXECUTIVE DIRECTORS



C D St Johnston
Managing Director
Ocean Cory

Colin St Johnston (50) has been an executive director of Ocean since 1973. He joined the Group in 1970 having previously been Managing Director of United Rum Merchants.

Coal and oil distribution
Towage services
International freight forwarding
Aggregates and waste management
Specialised warehousing
Tyre services



N C F Barber
Managing Director
Ocean Marine

Nicholas Barber (44) an executive director of Ocean since 1980, was appointed Managing Director of Ocean Marine in 1984. He has been with the Group since 1964.

West African liner trades
Round-the-world re-ro service
Ship management services
Technical marine services
Cargo handling services
OCL



K Wright
Director & Secretary

Ken Wright (61) has been an executive director of Ocean since 1980 and Company Secretary since 1983. A chartered secretary, he has served with Ocean since 1950.

Legal and secretarial
Offshore oil support and servicing
Shipbroking
Insurance
Bulk liquid storage
Bulk shipping
LNG

NON-EXECUTIVE DIRECTORS



***D de Bruyne CBE**
Deputy Chairman
Dirk de Bruyne joined Ocean in 1982 following his retirement as Chairman of the Committee of Managing Directors of The Royal Dutch/Shell Group. He is also a non-executive director of Royal Dutch Petroleum Company, and other international companies.

Registered office India Buildings
Liverpool L2 0RB



Sir Lindsay Alexander
Lindsay Alexander is Chairman of Lloyds Bank International. He is a non-executive director of BP and Hawker Siddeley, and a former Chairman of Ocean.

Auditors Price Waterhouse
Chartered Accountants
London



***H B Chrimes DL**
Harry Chrimes is Pro-Chancellor of Liverpool University. He joined Ocean in 1960, was appointed Deputy Chairman in 1971, and in 1975 became a non-executive director. He was Chairman of Trinity International Holdings and a director of Universities Superannuation Scheme Ltd.



***F R Hurn**
Roger Hurn is Chief Executive and Managing Director of Smiths Industries. He became a non-executive director of Ocean in 1982. He is also a non-executive director of Pilkington Brothers plc.

Registrars Lloyds Bank Plc
Goring-by-sea Worthing
West Sussex BN12 6DA



T P Lankester
Tim Lankester is head of the Home Finance Group, HM Treasury, and recently nominated as Economic Minister at HM Embassy, Washington, and Executive Director of the IMF and World Bank.

*Members of the Audit Committee

SENIOR MANAGEMENT

OCEAN CORY



T A Loughhead
Director
International freight forwarding
MSKS Group



H Poulton
Director
Tyre services
Specialised warehousing & distribution



H J Smeeton
Director
Coal & oil distribution
Aggregates & waste management



J J Sayers
Director
Finance & planning

OCEAN MARINE



J D B Bell
Director
Ship management



K H Birch
Director
West Africa trades



W H Falconer
Director

OFFSHORE OIL SUPPORT AND SERVICING



P D Graham
Managing Director
O.I.L.

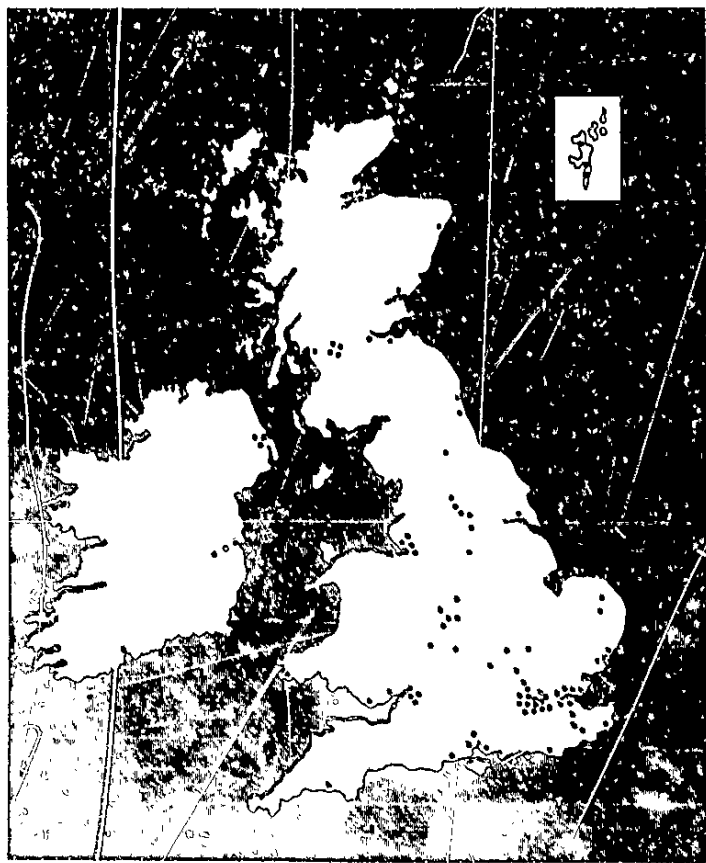
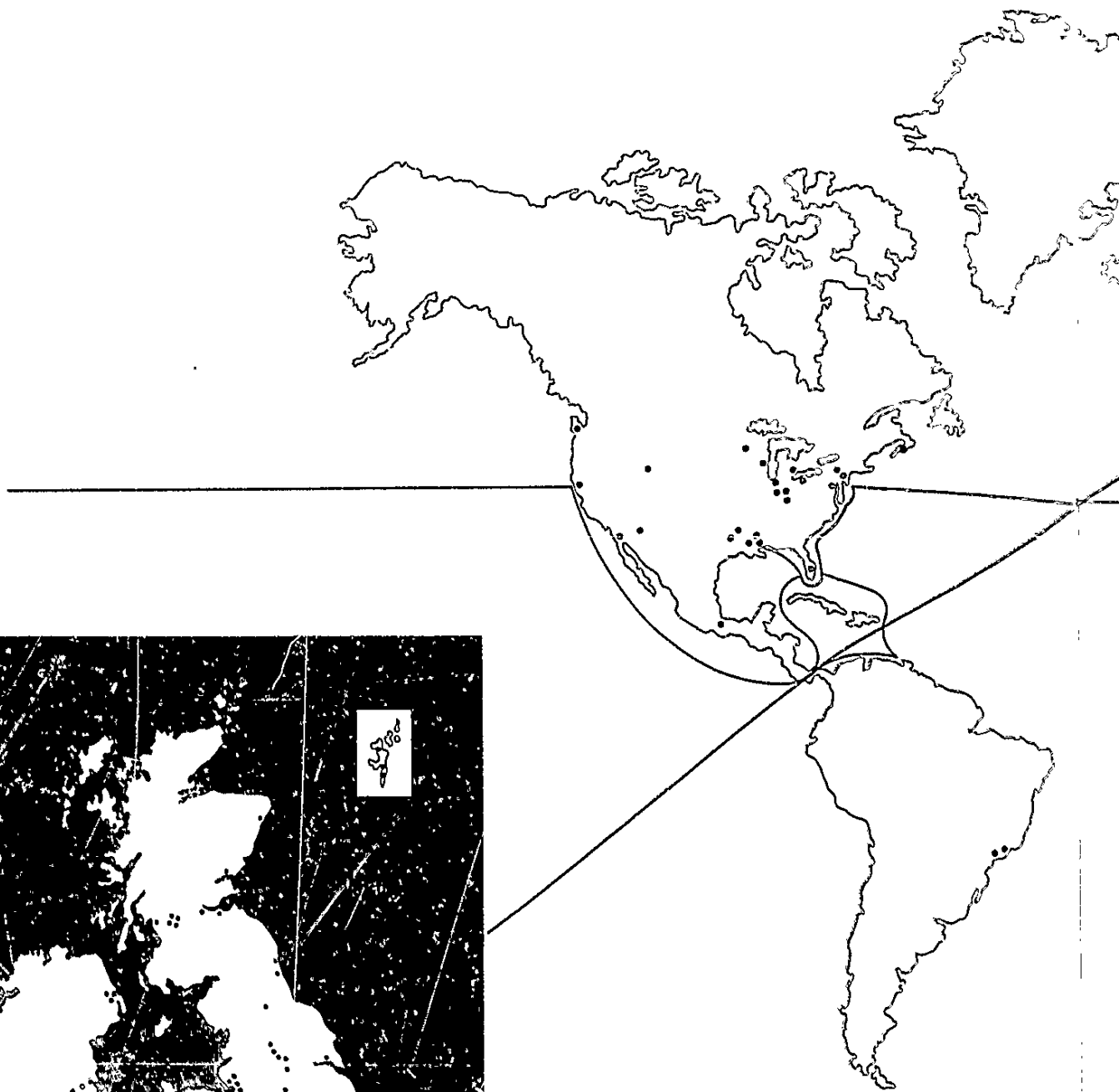
CORPORATE SERVICES

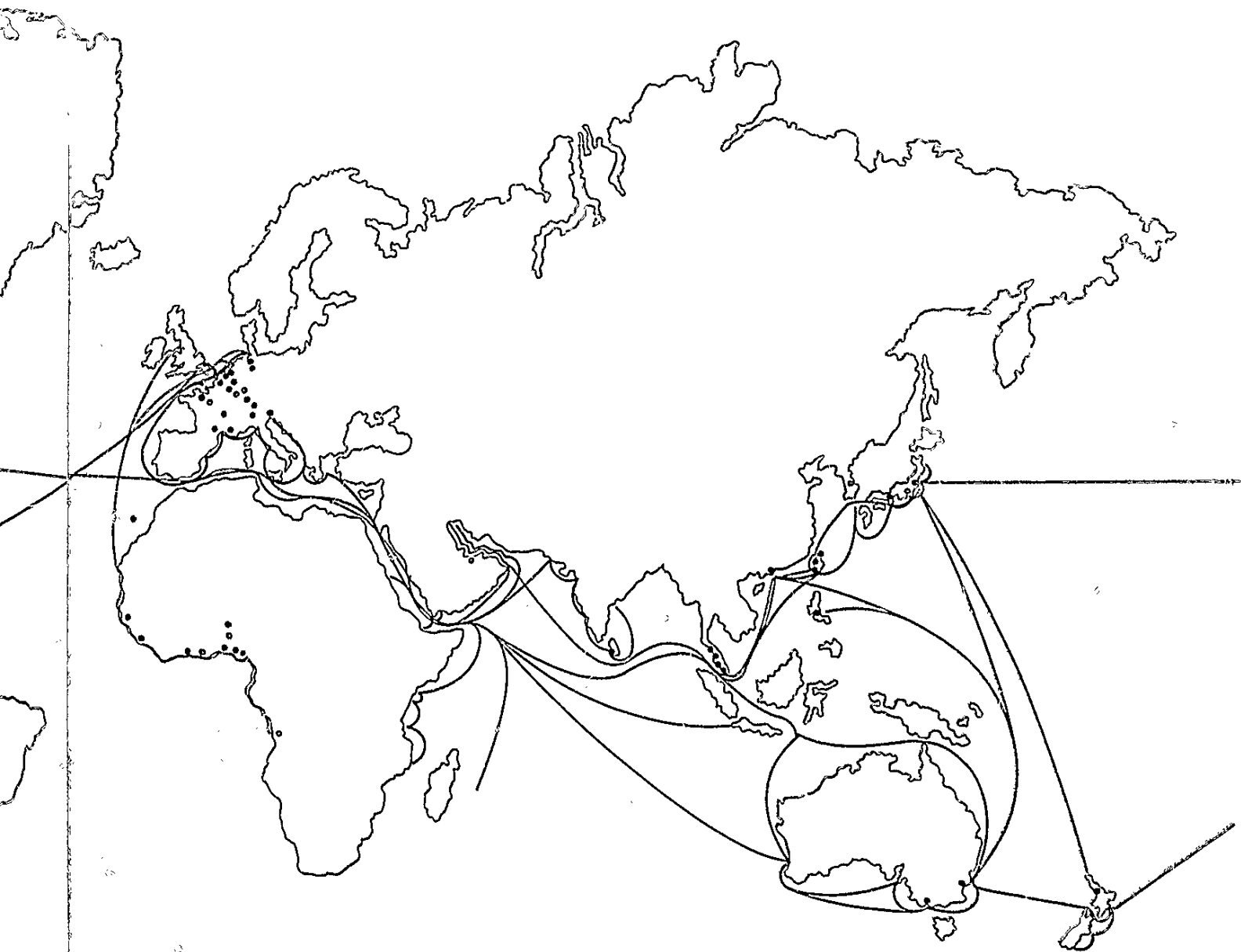


D Collinson
Group Personnel and Central Services Director



G S Jackson
Group Financial Controller





- ▣ ELDER DEMPSTER LINES
- ▣ BLUE FUNNEL LINE (BBS)
- ▣ OVERSEAS CONTAINERS (33%)
- SUBSIDIARY COMPANIES
- ASSOCIATED COMPANIES

CHAIRMAN'S STATEMENT



W N Mozzles-Wilson

1984 RESULTS

Pre-tax profits of £28.7m are a great improvement on our depressed 1983 figures. The increase has come from most parts of the company, although in varying degrees. Ocean Cory continued to make steady progress, O.I.L. had an especially good year, and our marine businesses overall showed some recovery. Our major associate company, OCL, also produced substantially improved profits through increased efficiency and from the strength of the US dollar.

While the results of our fully owned marine activities have improved, this was mainly as a result of actions taken in 1983 rather than through improved trading conditions. Except for OCL, our marine businesses are still not profitable.

The liner charter markets remain very depressed. As a result of this and the strength of the US dollar we have added to the provision for losses on ships chartered for trades which have been discontinued. This has been dealt with as an extraordinary item.

DIVIDENDS

Your Board will be recommending to the Annual General Meeting a final dividend of 3.35p per stock unit (2.35p in 1983) making a total of 8.5p for the year.

OCEAN CORY

Ocean Cory had another good year in 1984 with profits higher after adjusting the 1983 results for some exceptional profits. The improvement would have been greater but for the miners' strike and the associated dock strikes.

Our strategy of concentrating our resources and building upon existing strengths, led to a number of acquisitions and also the sale of two small businesses.

Our worldwide freight forwarding business, MSAS, had its best

year ever and performed strongly in the US and Europe as well as in its traditional stronghold, the Far East. During the year, the business was further strengthened by the acquisition of two businesses, one in the UK and the other in France.

The development of Cory Waste Management continued with the purchase of a company specialising in the safe disposal of industrial waste. In 1985 Cory Waste Management's performance will be enhanced by the start of the 15-year contracts for the disposal of London's waste.

Since the year end we have bought ACC Gases, a liquefied petroleum gas distributor for Shell in South East England. This business fits well with our Shell distributorship for central heating and other oils.

While our coal trading was disrupted by the miners' strike, all parts of the business responded well to minimise the effects, but John Kelly & Son (50 per cent) was seriously set back by this prolonged dispute.

Our specialised warehousing operator, McGregor Cory, had a successful year, and early in 1985 concluded an important joint venture agreement with Banbury Tea Warehouses.

Bandag, our commercial tyre retreading specialist, had a satisfactory year. A new factory was opened at Maidstone early in 1985 and there are plans for satellite production units in South Wales, West Yorkshire and Scotland.

The benefit of all these investments will show through in the current year.

O.I.L.

O.I.L. had an excellent year in 1984. The underlying performance of this business proves that our confidence in buying the balance of the equity was well founded.

We were able to avoid the worst effects of the downturn in North Sea supply boat rates because of forward cover and the fact that many of the company's vessels are employed outside the UK North Sea sector. A subsidised and protected trade in their home waters has allowed some of our foreign competitors profits which enable them to upgrade their fleets and take a large and growing share in the British North Sea sector. Our own Government has so far failed to come up with adequate counter measures and so long as this attitude persists we can expect to see a steady erosion in the British share of offshore business.

Early in the year we purchased a large North Sea supply base in Shetland, which was amalgamated with our existing and adjacent base. It is now one of the largest bases of its type in Europe and is showing good results.

Despite the supply boat problems in the North Sea, which may affect O.I.L.'s 1985 results, the future prospects for the company remain strong. Future growth will come from both marine and land-based support services to the offshore oil industry on a worldwide basis and particularly overseas.

OCEAN MARINE

1984 saw the continuation of a very difficult shipping market. The economic activity in Nigeria was further depressed and our West African businesses had a particularly difficult year. Barber Blue Sea improved with the completion of our standardised SuperCarrier fleet.

The economic recovery in the USA, which sucked in large quantities of imports, benefited the trans-Pacific leg of BBS's round-the-world ro-ro joint service. This improvement was counter-balanced by the performance of the USA-Middle East leg where the strong dollar depressed US exports.

In West Africa, the tightening of Nigerian import restrictions, following the coup at the end of 1983, resulted in tonnage shipped in the year being only 40 per cent of what we would regard as normal volumes. Nonetheless we remain committed to this trade as we consider that it will return to solid profitability. We have great experience in West Africa and this will stand us in good stead for the future.

During the year we have sold 10 ships, of which four were from our bulk fleet, and I anticipate that the last ship in that fleet will be sold during 1985. Four of the ships sold were the container ships which were chartered to OCL and which have now been purchased by OCL. Since the end of the year we have sold one further liner ship and we have identified other liners which we intend to sell in due course. Meantime, the sale and purchase market remains depressed and we will continue to operate these ships until market forces improve second-hand prices to a level more in line with newbuilding costs.

The bulk trades saw little change in 1984 and the continuing oversupply and consequent depression of rates have justified our decision to withdraw from this business.

OCL

Our main associate, OCL, achieved sharply increased profits in 1984. These resulted from improved trading and the strong dollar.

Much work has been done in recent years at OCL to reduce costs right across the business, rationalise trades and integrate the new services.

During 1985, OCL will gain the full benefit of these measures, placing the company in a strong position to combat the increasing competition which will build up through the year.

EMPLOYEES

We have been rationalising and restructuring our business during the past few years and such changes have borne heavily on some sections of our employees.

Our new structure is defined in a statement on the opening page of this Report where a new wider role as an industrial services group is emphasised.

Success in the service sector implies that we shall depend even more on the enthusiasm, dedication and integrity of our people.

Our progress last year indicates that our employees displayed all these qualities in full measure and I would like to express my thanks to them for their hard work.

BOARD

Mr H B Chrimes has given notice that he wishes to retire at the forthcoming Annual General Meeting. Mr Chrimes has been associated with this company for 25 years. He was Deputy Chairman until his retirement from executive duties in 1975, since when he has been a non-executive member of the Board. His wise counsel and his concern for those employed in the company earned the respect of his colleagues on the Board and of employees throughout the Group. I personally will very much miss his advice and support always given so helpfully and willingly.

Early in 1985, Mr C D Lenox-Conyngham left the company. He joined Ocean in 1960, and early in his career played an important role in the containerisation and successful transfer of our Far Eastern cargo liner trades to OCL. He joined the Board of Ocean in 1974 with responsibilities for our liner cargo businesses and, more recently, he had the difficult task of reducing our fleet to meet the requirements of our trades. He has been a valued colleague and we all wish him every success in his new career.

During the year, Mr T P Lankester, an Under-Secretary at the Treasury, joined the Board as a non-executive Director. I believe that this is the first time that a full time member of the Treasury has served on the Board of a quoted public company. It is, therefore, with great regret that we have to accept his resignation at the forthcoming AGM, on his move to Washington and appointment to the Board of the International Monetary Fund.

OUTLOOK

I am confident that Ocean Cory will continue to make steady progress and will benefit from the investments made in 1984.

OCL's wide spread of businesses and services will help to counter the effect of a depressed supply boat market which has affected the profitability of many other companies operating in this sector.

1985 will be a year of increasing competition for our container shipping interests. However, OCL, with its many trades and strong cargo base, is better equipped than most to compete effectively and stay profitable. BBS will have the benefit of operating for a full year with its versatile ro-ro fleet, but its results will depend on the continued growth of the US and world economies and to a certain extent on currency rates.

The trading situation in Nigeria is still difficult. Whilst we cannot be optimistic about a significant improvement in 1985, we remain confident that our West African businesses will return to satisfactory profitability.

In view of the continuing highly competitive nature of the shipping industry, it remains your Board's strategy to concentrate on the development of the Group's non-marine activities, both through organic growth and by further investment.

W N Menzies-Wilson

W N Menzies-Wilson
3 April 1985



Cory's oil distribution depot at Hammersmith, London.



A service call to an industrial customer by a Cory Heating Services engineer.

REVIEW OF ACTIVITIES

OCEAN CORY

Ocean Cory's trading profits in 1984 showed a useful advance over the previous year after allowing for some exceptional items in 1983.

The increase would have been higher but for the dock and miners' strikes.

Our programme of building on our major businesses and withdrawing from some smaller activities has resulted in a more concentrated and stronger grouping. During the year we sold, as going concerns, James W Cook of Wivenhoe, our builder of small ships; and the St Albans depot of Cory Distribution. Repcon, a container repair company, was sold early in 1985.

Every one of our major businesses has taken successful measures to strengthen its market position. These expansion moves are described under the separate business headings.

The benefit of these investments will show through in the current year and, combined with the start-up of Cory Waste Management's major contract, should ensure further progress in 1985.

Wm Cory Oil Distribution

Due to the continuing over-supply of oil, price competition has been severe. Despite this and the mild Autumn, with Shell's support, volume and market share have been increased, and the company is confident of finding ways to achieve further profitable expansion.

Overall results from Cory Oil and Fuel Supplies (CI) have been satisfactory.

Early in 1985 the purchase of ACC Gases was announced. This company has an LPG filling plant and depot in North London and is one of Shell UK Oil's largest packed LPG distributors.

Cory Heating Services

Despite low demand in the mild Autumn, results from the domestic maintenance service advanced over 1983.

Development of the domestic boiler control equipment market shows promise.

The installation business improved in the London area but suffered from strong competition elsewhere.

A Southampton based heating business was acquired.

The company expects to make gains in all its markets in the coming year.

The Shell distributor in East Anglia, South East England and, as Fuel Supplies (CI) in the Channel Islands. Supplies kerosene, gas oil, derv and lubricants to the domestic, agricultural and industrial markets. In the Channel Islands also supplies the retail, marine and aviation markets.

Repairs and services boilers for all types of fuel throughout East Anglia and the South East of England.

Britain's leading private coal trading company with offices and preparation plants throughout the country. Also has a team of international coal traders serving principally UK and Western Europe.

Cory Coal

Despite the year being heavily influenced by the partial UK miners' strike, Cory Coal has succeeded in progressing its development plans both within UK and the rest of Western Europe.

In Britain industrial and household volumes and market shares have been increased and the company's capacity to prepare coals for individual customer requirements has been extended.

The strength of the international side of the company enabled Cory to meet UK household market demand which was unsatisfied because of UK production shortfalls.

Penetration into the industrial sector in other European countries was increased significantly as a result of consistent sales efforts and good buying through our operations in America and elsewhere.

Our ship chartering activity, Crawford Duff, was able to take advantage of the buoyant short sea trade and had an excellent year.

Cory Coal's base has been strengthened in 1984 and the prospects for future years are favourable.

Operates in the Republic of Ireland providing a wide range of services spanning coal importing and distribution, agricultural products, new and retread tyres, ships' agency and forwarding and timber importing and processing.

Suttons

General economic conditions in the Republic of Ireland remained depressed, and this particularly affected the company's agricultural division and sales of materials to the construction industry.

Rationalisation of activities, which began in 1983, continued in 1984 and the results reflected the costs of redundancies and closures.

In the company's substantial coal business, increased volumes were achieved but margins were temporarily reduced because of the rise in the cost of coal paid for in US dollars.

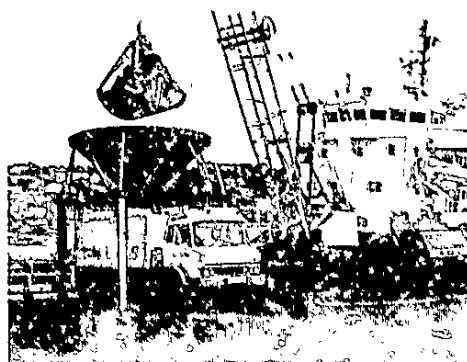
In October, Suttons was appointed as Esso's authorised oil distributor for the south and west of Ireland, an area covering one third of the country. The full benefit of this new source of profits will be felt in 1985.

John Kelly (50 per cent)

An associate company in Northern Ireland is a leading fuel distributor covering the whole province with a network of coal distribution depots.

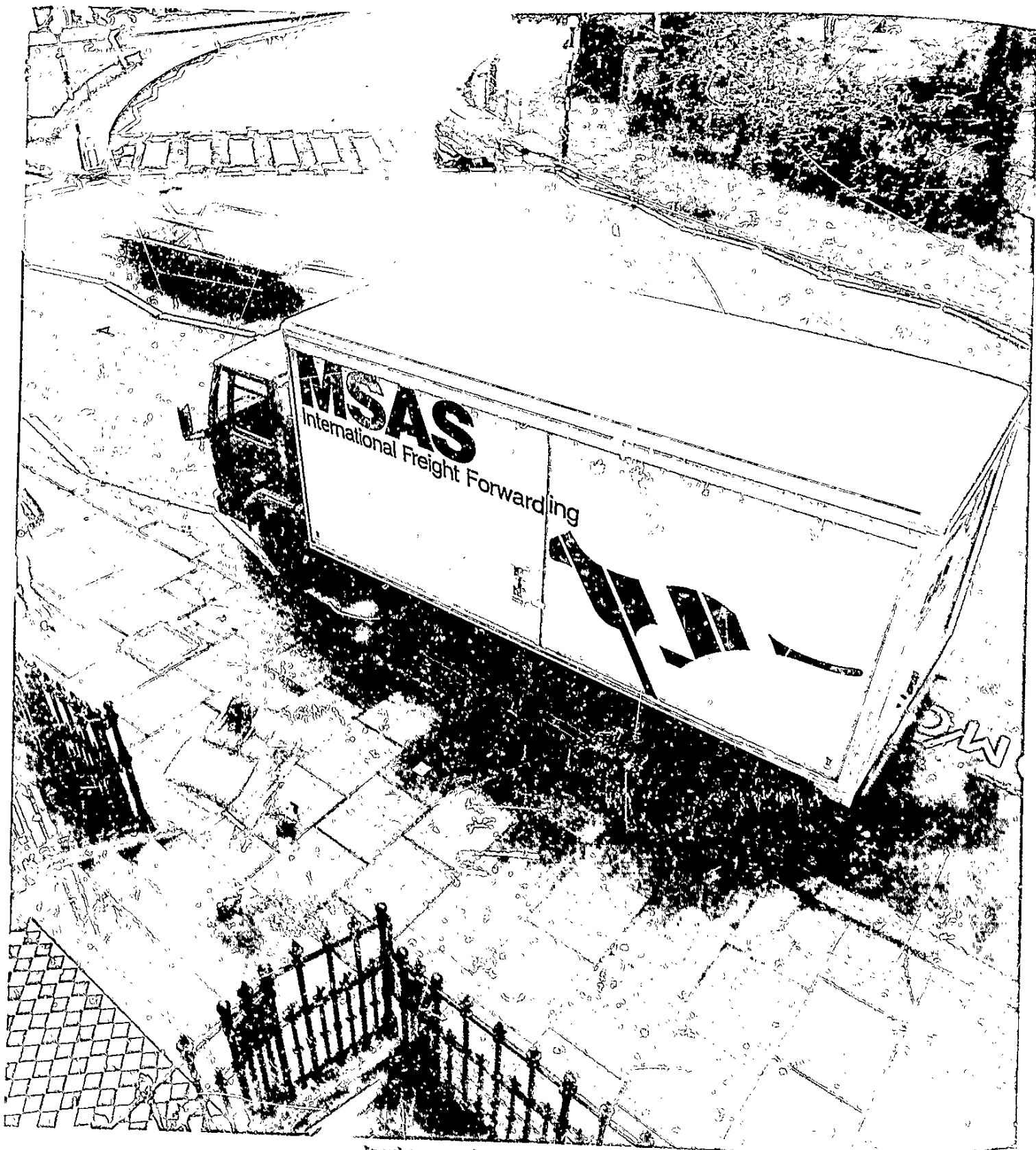
This company was able to maintain its market share in coal and its other fuel activities despite having to cope with major interruptions in supply caused by the NUM strike. Shipping suffered for several months due to support action by the NUS, although negotiation with the union resulted in coal being shipped again from the Autumn onwards.

However, strong results in the first quarter pre-strike period helped the company almost to break-even over the whole year. Once NCB supplies are resumed results will bounce back.



Grading solid fuel at Cory Coal, Rochester, Kent.

Suttons Group discharging coal at Cork Harbour, Ireland.



An early morning airfreight delivery in central London.

REVIEW OF ACTIVITIES

This international freight forwarding Group includes MSAS, Transflash and MCCA.

MSAS provides airfreight forwarding services through a global network with 72 offices covering 23 major countries in America, Asia/Pacific and Europe. The company employs 1,400 staff and handles over a million shipments a year.

Transflash has 13 depots in UK and Ireland offering groupage and other surface forwarding services to destinations in Europe, the Mediterranean, North America, the Far East, Australia and Africa.

MCCA offers international deepsea and project forwarding worldwide together with export packing on Merseyside.

International Freight Forwarding

Improvements in world trade in 1984 helped the MSAS Group to substantially increase its turnover and this, combined with greater productivity and tight control of costs, resulted in record profits.

On airfreight routes, MSAS's record export activity in the USA was supported by a marked increase in imports, boosted by the strong dollar. Equally successful was the UK region which produced its best ever contribution. The Far East maintained its traditional strength, although margins were under pressure in the South Pacific.

Despite intense competition, in 1984 MSAS won several new large contracts from government bodies and multi-national companies.

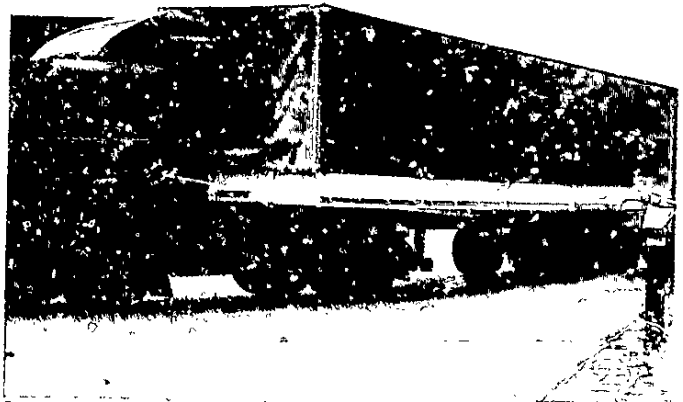
Two dock strikes in close succession in the UK had an adverse affect on Transflash volumes and revenues, and the general slowdown in major project business continued to affect MCCA.

The MSAS Group's long term goal of becoming an integrated, multi-modal forwarder was furthered in 1984 in three ways.

Firstly by two acquisitions - Owen Irwin in the UK and CTE in France, which broadened the service range.

Secondly, the Group's network was extended by the opening of new offices in Salt Lake City, Oslo, Fukuoka, Aberdeen, Gatwick and Bristol.

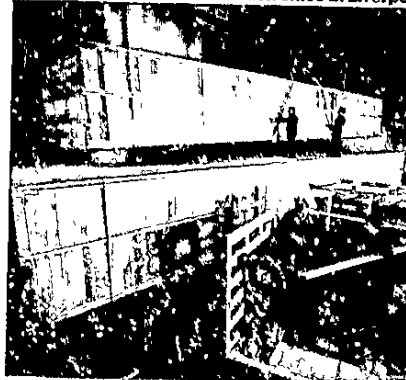
And thirdly, the introduction of new seafreight services to the Far East by Transflash and MCCA. In addition, MSAS extended its 'Airbridge' operation with a new service from Hong Kong to Europe via Dubai.



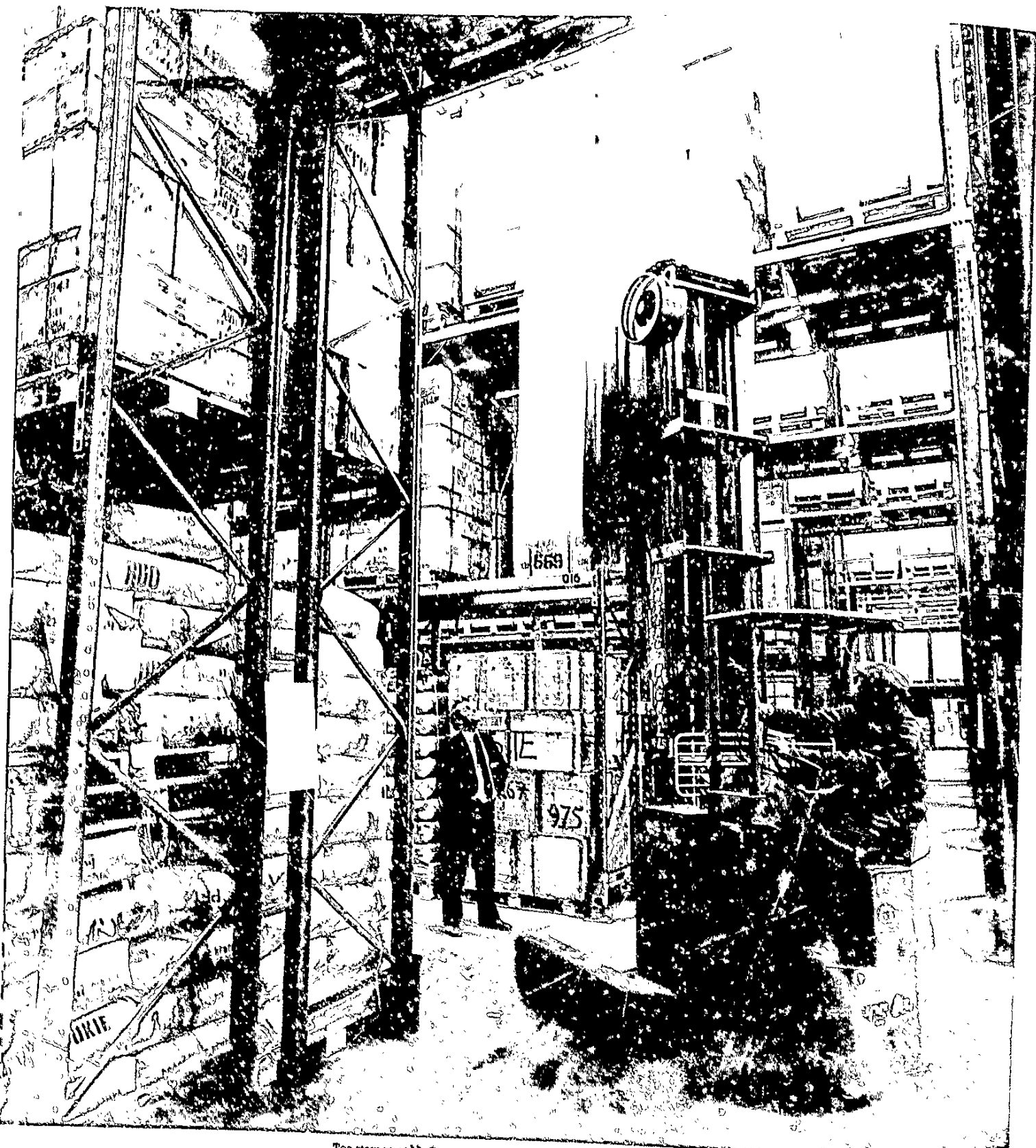
A groupage trailer ready for transit to the Continent



MCCA's seafreight documentation office in Liverpool.



A large overseas contract being packed for shipment on Merseyside.



Tea storage at McGregor Cory Banbury's Avonmouth warehouse.

REVIEW OF ACTIVITIES

Specialised warehousing totalling two million square feet spread strategically throughout UK, Holland, Belgium, Italy and Germany. Most of the company's warehouses are customs bonded and approved by the London Metal Exchange, the Cocoa and Coffee Terminal Markets and the Rubber Trade Association.

McGregor Cory Warehousing

Throughput and stock levels were similar to the previous year. However, higher profits were achieved by better space utilization and improved margins, despite the set back of a major fire at Cricklewood.

This business, which concentrates on specialised warehousing, developed a consolidation/distribution centre at Manchester, and a wet bond at Liverpool during the year. In addition, the wet bond at Worcester was extended.

Several new warehousing/forwarding services were introduced for major customers both in the UK and mainland Europe.

Early in 1988 McGregor Cory entered into a joint venture with Banbury Tea Warehouses.

The company will continue to develop specialised facilities for major clients. Benefits will accrue from the development, and increasing use, of computer systems.

The leading commercial tyre retreading process. Ocean holds the franchise for England, Scotland and Wales and has six manufacturing plants and 20 depots throughout Britain.

Bandag

Another good year with better marketing helping to increase demand for this company's first class product.

Productivity at the Walsall factory was improved by the installation of a mono-rail system. A similar system has been installed at the new facility at Maldstone, which opened in early 1988.

Three new satellite production units, in South Wales, West Yorkshire and Scotland, will be inaugurated in 1988.

Demand from public service vehicle operators, a market sector opened in 1984, is expected to increase significantly.

Hull Blyth

Overseas agencies in Angola, The Canary Islands and Holland.

Overall a satisfactory year with the level of agency business in Angola staying steady in spite of difficult trading conditions.

Meyek, in Holland, and Miller, in the Canaries, achieved reasonable results in the face of the continued low level of world seaborne trade.

The 40 per cent holding in three businesses in Cyprus was sold mid-year.

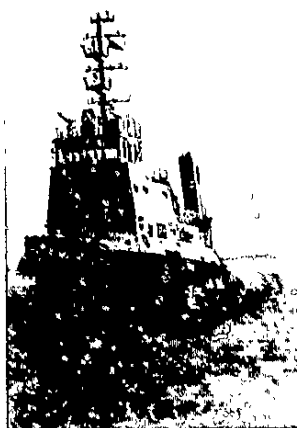
The company will remain active in Angola and opportunities will be examined as and when they occur.



Developing a tyre prior to cure, at Bandag's Walsall factory.



A planning meeting at Hull Blyth's office in London.



Miller group tug 'Bandama' at Las Palmas.



MAX. GW. 20320 KG
TARE 2200 KG

The nearly completed Cory Waste Management terminal at Mucking, Essex, part of the company's new totally containerised bulk refuse handling system.

REVIEW OF ACTIVITIES

Cory Waste Management

Provides the full range of waste management services in the South East of England. These include contracts to transport domestic waste by lighterage on the Thames to our landfill sites in Essex.

Continued its development into a major waste management company with the acquisition, in May, of the Stablex waste treatment business in Essex.

As a result two operating divisions were formed covering the domestic waste and industrial waste markets. In the latter case this was accompanied by the relocation of Dioxidec and its integration with Stablex.

Results for the year were adversely affected by the dock strikes.

The investment programme for the new 18 year contracts for London's waste has been largely completed, and operations start in Spring 1985.

This contract, and the subsequent fourfold increase in domestic waste disposal volumes, will substantially improve earnings and provide a strong base for further expansion.

Cory Sand & Ballast

Supplies high quality sand and gravel to the construction industry from its own quarries and processing plants in Essex. Also merchants other construction materials.

Maintained its share and position in the Essex aggregates market.

During the year additional reserves of raw materials were secured for the quarries, thereby extending their lives.

Cory Ship Towage

One of Europe's largest port, coastal and deepsea towage companies. Operates a fleet of over 40 tugs in nine major ports in the UK, two tugs in Ireland, and two in Angola. In conjunction with partners, Cory operates a further 20 tugs in UK and the Eastern Seaboard of Canada.

In our traditional UK ports demand for services remained at the level of recent years except for the dislocation caused by the UK dock strikes.

In Ireland we successfully entered the third year of our contract and in South Wales a significant contract at Milford Haven was renewed. In addition, better revenues from salvage were recorded.

Our scheduled replacement programme continued with the delivery of two further modern design, multi-purpose tugs built in a British yard. The purchase of a secondhand tug in excellent condition allowed us to replace an ageing vessel in South Wales.

Progress was made in consolidating the company's position in the offshore market with the extension of the Angolan contract.

The advanced design of our latest tugs, combined with the experience we are gaining in Angola, puts us in a good position to win further overseas business.

Owens a modern terminal in Hamburg which can handle both containerised and conventional cargo.

Lager & Spedition (33 per cent)

Benefited from the better trading situation in the Port of Hamburg.

Over the past three years there has been extensive work carried out to enlarge the container terminal and to instal the most modern facilities for cargo handling. This was completed towards the end of 1984 and these new facilities provide a good base for further improvement in trading.

Distribution Services

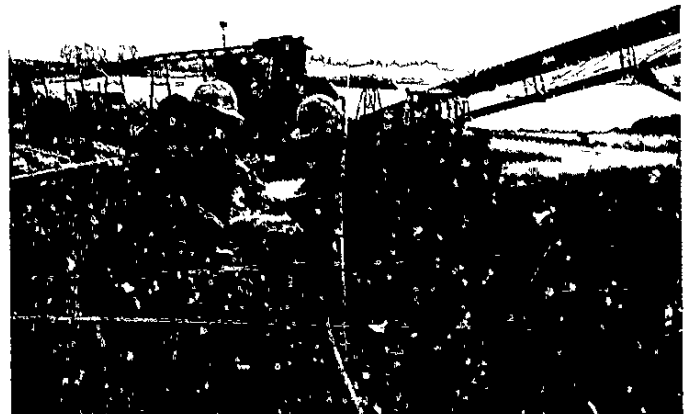
Cory Distribution, from its Hackbridge, South London, depot and Archbalds Storage, near Leeds, provide distribution services for leading retailers and manufacturers of fast moving consumer goods

Cory Distribution, at Hackbridge, with major contracts for J Sainsbury and Watney Mann & Truman, continued to trade satisfactorily.

In July the Newport depot was closed following Sainsbury's decision to transfer their business.

The St Albans depot was sold as a going concern to Hunter Saphir P/C in September.

Archbalds maintained its valuable relationship with Asda Supermarkets, but was unable to continue its recovery due to high costs in handling peak volumes and changes in client requirements. It is expected that improved use of capacity will bear fruit in 1985.



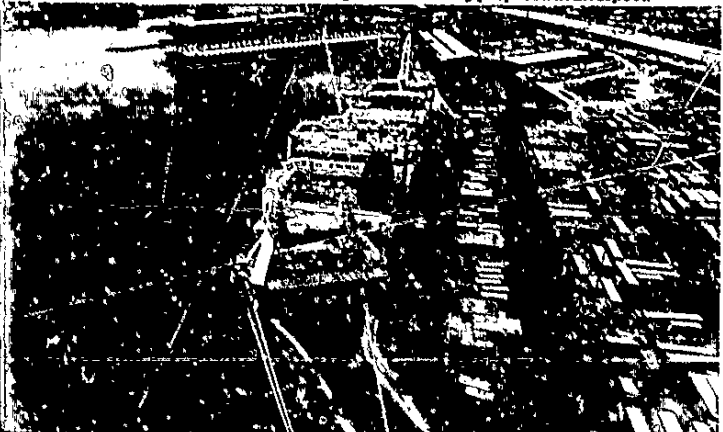
Inspecting aggregates extracted from Cory Sand & Ballast's Gobions Quarry.



Cory Ship Towage's latest tug 'Oakworth' now working in Angola.



An Elder Dempster vessel's loading schedule being prepared in Liverpool.



BBS's 'Barber Hector' alongside in Baltimore, USA.



OCL's 'Liverpool Bay' leaving Hong Kong.

REVIEW OF ACTIVITIES

OCEAN MARINE

A year of continuing recovery against a background of very difficult trading conditions and the two UK dock strikes.

Two multi-purpose cargo liners 'Shonga' and 'Sherbro' were sold and 'Mentor' has been sold since the year end. We now have 13 cargo liners and expect to reduce this to our target fleet of 10 ships during 1985.

Disposal of the bulk shipping fleet continued throughout the year. At the year end one product carrier remained and this is expected to be sold during 1985. Comment on this sector is on page 18.

In 1985 we are looking for recovery in Elder Dempster's West African trades and some improvement in Barber Blue Sea's round-the-world service.

Our developing shipping support services are profitable and successfully obtaining further new business.

Elder Dempster

The change of Government in Nigeria at the end of 1983 resulted in trade virtually coming to a halt during the first quarter of 1984.

From then on there was some improvement but the trade continued to be affected by Nigerian import restrictions, a depressed ship charter market and the two UK dock strikes.

The overall effect was that for the year tonnage shipped to Nigeria was only 40 per cent of 1981 levels, the most recent normal year.

There should be a gradual but modest improvement in 1985 as long as Nigeria continues to be able to sell its oil at reasonable prices.

Barber Blue Sea

Three new SuperCarriers, one owned by Ocean, were introduced into the trade during the first-half of the year enabling the combo ships to be withdrawn.

BBS now has a nine SuperCarrier fleet and these new ships proved operationally successful from the outset.

The completion of our plans for an all SuperCarrier fleet, together with the weakness of sterling, brought about a sharp improvement in the results.

Imports to the USA were strong throughout the year resulting in a good performance from BBS's trans-Pacific trade. This was counterbalanced by the strength of the dollar which undermined US exports to the Middle East and severely hit this leg of the service.

There is scope for profitable co-operation with other liner operators in this trade and we are pursuing certain possibilities.

Cargo liner services between UK and Continent and a 3,500 mile stretch of West African coastline from Mauritania, in the North, to Angola, in the South.

Round-the-world ro-ro shipping services between USA Mediterranean/Middle East/Far East. A joint service of Ocean, Wilhelmsen of Norway, and Transatlantic of Sweden.

Fleet services for Ocean and non-Group vessels.

Ship Management

The fleet, both owned and managed, numbered 20 ships at the end of 1984; of these three were operated for other owners.

The large ro-ro ship, 'Barbar Hector', was delivered during the year and successfully and speedily integrated into the fleet. With its fuel-efficient engine and crew of only 21, this ship is at the forefront of marine technology.

Our traditional high standards of fleet operation were maintained and time out of service reduced again. It is one of our key objectives to retain these standards while holding costs at world competitive levels.

Ship design, marine and electrical engineering for the maritime industry worldwide.

Marine Services

1984 was a profitable year for Ocean Fleets Technical Services which, in the second-half, obtained almost all its income from non-Group customers.

Further contracts for plan approval and shipyard supervision have been agreed for eight American and Mexican owned newbuildings.

The business is now established as a free-standing, profitable concern which no longer has to depend on in-house work.

Advice on marine fuel use and related problems.

Ocean Fleets Consultancy Service continued to expand in its main market of selling fuel test kits and advising on diesel engine fuel use and related problems.

Specialist in non-destructive testing.

During the year Ocean Fleets Laboratory was involved in the growing area of expert witness testimony and also obtained a number of international assignments.

Bulk handling terminal in Birkenhead.

Rea Bulk Handling

The NUM strike and two national dock strikes put this business into loss. However, successful efforts have been made to find cargoes other than coal. These, together with coal when trading resumes, should ensure an early return to profit.

Inland Container bases in Nigeria.

Inland Containers (Nigeria) (40 per cent)

Throughput at the two depots was down by 33 per cent but the business still managed to break even.

The company depends on the levels of Nigerian imports and as these return the company will again make a useful profit.

Container shipping services between UK and Europe and Middle East/Africa/Far East/South East Asia/Australasia.

OCL (33 per cent)

Profits increased significantly at OCL due to improved trading, reduced costs and the strength of the dollar. The improvement was achieved despite the two UK dock strikes and the prolonged stoppage at Southampton.

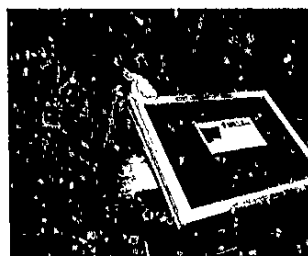
In the Europe/Far East trade profitability was higher than the year before with better rates, cost savings and currency gains more than offsetting lower volumes and the UK docks problems.

The Australia/New Zealand trade benefited from rationalisation and the ship re-engining programme which was completed at the start of the year. The Pacific basin services also made a useful contribution.

Most of the new trades introduced in the early 1980's have emerged from their start-up phase and they are now solidly profitable overall.

The sale to OCL of Ocean's four Far East Bay class ships was completed in November.

OCL has implemented vigorous cost-cutting measures throughout the business during the past two years. These measures have established a lower cost base for the future and this, combined with the company's wide range of trades, means that OCL is in good shape to withstand the forthcoming increase in competition.



Testing bunkered fuel with an Ocean Fleets Consultancy Service 'Fuelab'.



Ship design at drawing board stage at Ocean Fleets Technical Services.



Discharging animal feed at the Rea Bulk Handling terminal, Birkenhead.



IC(N)'s inland container depot at Kano, Nigeria.

FLEET LIST

as at 31 December 1984

	Number of ships	Capacity	Date built		Number of ships	Capacity	Date built
SuperCarrier class - ro-ro	2	1,780 teu	1979	Product carrier	1	55,200 dwt	1976
	1	2,750 teu	1984	RFA tanker	1	19,400 dwt	1950
'M' class - twin hatch combos	7	900 teu	1977-80	LNG carrier	1	62,600 dwt	1977
'ST' class - twin hatch combos	4	440 teu	1976-80			(120,000 m ³)	

REVIEW OF ACTIVITIES

O.I.L.

Provides supply and support services to the offshore oil industry in UK, West Africa, Mexico, Arabian Gulf and Ireland.

The company owns a fleet of 34 specialised vessels; has oilfield bases serving the North Sea and other parts of the world; and provides high quality engineering services to offshore operators.

Overall this company had a very successful year. In spite of the marked downturn in charter rates for supply boats, our own vessels performed well due to forward cover and their wide geographic spread of location.

In February we acquired a major North Sea supply base at Lerwick, Shetland, which has now been integrated with O.I.L.'s existing smaller base at the same location. The combined base, which covers 50 acres and has berths for 12 vessels, has already proved successful.

Overseas expansion continued and the results were assisted by the strength of the dollar.

Other items of note during the year were - important new contracts for the offshore supply vessels in West Africa and North America; the participation of 'Oil Endeavour' in the Gulf of Suez mine sweeping operation; full employment for the supply boats throughout the year; and a number of new contracts for the engineering company in Aberdeen.

Prospects for 1985 are less bright, particularly on the marine side where subsidised foreign competition, bolstered by protected home markets, is making serious inroads into the UK sector.

When fleets such as ours, which receive no support or protection from the British Government, look overseas for new markets we meet protectionist measures imposed by foreign governments.

O.I.L. continues to expand and future growth will come from both marine and land-based services, particularly overseas.

OTHER MARINE ACTIVITIES

Blue Funnel Bulkships

During 1984 we continued the disposal of our bulk shipping fleet. 'Ajax' was sold in March, 'Tantalus' in June and 'Charon' in October.

'Plumleaf's' bareboat charter to the Ministry of Defence was extended for another year in August with an option for a further year which would take it through to August 1986.

Our remaining product carrier, 'Clytneus', is expected to be sold during the year, thereby completing our withdrawal from the bulk market.



Supply ship 'Maersk Rider' loading at O.I.L.'s Shetland base.



Ocean McGregor brokers on the floor of the Baltic Exchange.



Worldwide bulk shipping

A survey by Ocean Ajax Insurance Brokers at a client's vegetable processing business.

Shipbroker for ship sale, purchase and chartering for Ocean and non-Group clients.

Ocean McGregor

It was a difficult year for this business with increasing concentration on third-party clients as involvement with direct Group business diminished.

Service to customers will be improved in 1985 with the computerisation of the sale and purchase and dry cargo records and systems.

Marine underwriters

INSURANCE

Underwriting

In 1984 Odyssey Insurance (Bermuda) ceased writing new business and at the end of the year Odyssey Insurance also stopped writing third-party business.

Except for our involvement in Hong Kong, with Cornhill Ocean (Far East) we have now ceased all non-Group underwriting.

Broking

Ocean Ajax Insurance Brokers and Jamieson Grieco had another successful year and together continued to expand non-Group related insurance broking.

Liquefied natural gas (LNG) transportation by sea.

LNG

Both 'Nestor' and Nedlloyd's 'Gastor' remained in lay-up throughout the year.

We regard the prospects of the vessels finding ultimate employment with PacIndonesia sufficiently slight that our marketing company Gastransco continues to search for alternative business for the vessels, both short and long-term.

Insurance brokers for most classes of insurance.

Chemical tankers and coasters.

Panocean Anco/Nedlloyd Panocean

Our remaining large chemical tanker, 'Anco Charger', was sold in June completing our retraction from the deepsea chemical market.

In addition, together with our partner P&O, we sold four of the remaining chemical coasters in 1984. We expect to sell the last two in 1985.

USA DEVELOPMENT

About 18 months ago a small team was brought together in the USA to explore non-marine opportunities in markets where Ocean's skills could be used at a premium. As a result we have started development of three businesses in growth areas. They are:

Tariff Resources (44 per cent)

This company provides ocean freight rates and other shipping information from an on-line, interactive database. Our partners in this new venture are Mitsui (USA) and TRG, a Washington transportation consultancy.

CHEMICAL STORAGE

Panocean Storage & Transport (50 per cent)

Bulk liquid storage specialist with facilities in Holland, Belgium, USA and UK.

Our major terminal in Antwerp had a record year but this was offset by the decline in demand at the terminals in Holland and America.

Overall it was a year of consolidation, assisted by the acquisition of a small terminal adjacent to our facility at Southland, Savannah.

We expect some improvement in results from our Dutch and American terminals in 1985.

A fully computerised, integrated stock control system will be introduced in Rotterdam during 1985 and this will lead to improved service for customers. A similar system will be introduced at Antwerp in 1986.

Marine information communications company.

Analysis and monitoring of hazardous industrial waste.

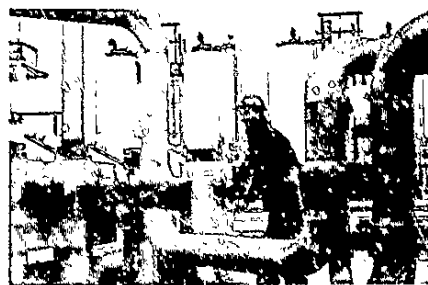
Advice on diesel engines, fuel and related problems.

Century Environmental Testing Laboratory

Situated in New Jersey, the laboratory is well placed to take advantage of the US demand for a hazardous waste clean up and monitoring service.

Ocean Fleets Services

Here we are making good use of our knowledge of large scale diesel engines in a country reared on the now expensive to run steam turbine. This company, which includes a joint venture with the American Bureau of Shipping, is offering highly innovative consultation and monitoring services to both the marine and industrial markets.



Panocean Storage & Transport's installation, Botlek, Holland.

GROUP PROFIT AND LOSS ACCOUNT

For the year ended 31 December 1984

Notes		£m	
		1984	1983
1	Turnover	<u>779.8</u>	<u>659.7</u>
2	Trading profit	16.2	8.9
	Profit on disposal of ships	7.8	6.6
3	Net interest	(11.3)	(14.2)
4	Share of profits less losses of associated companies	16.0	5.9
	Profit on ordinary activities before taxation	<u>28.7</u>	<u>7.2</u>
5	Taxation on profit on ordinary activities	(7.8)	(6.8)
	Profit on ordinary activities after taxation	<u>20.9</u>	<u>1.3</u>
	Minority interests	(0.4)	(1.2)
	Exchange adjustments	(1.5)	(4.4)
6	Extraordinary items	(4.9)	(44.9)
7	Group profit/(loss) for the year attributable to stockholders	<u>14.1</u>	<u>(49.2)</u>
8	Dividends	(6.2)	(5.1)
21	Profit retained/(amount withdrawn)	<u>7.9</u>	<u>(54.3)</u>
9	Earnings/(loss) per stock unit		
	Net basis	16.8p	(3.8)p
	Nil distribution basis	18.2p	(2.7)p
Movement on profit and loss account			
	Reserves at 1 January 1984	134.0	128.6
	Profit retained/(amount withdrawn)	7.9	(54.3)
	Exchange differences on translation of net assets: parent and subsidiaries	4.3	2.4
	associates	1.6	(1.3)
	Reinstatement of deferred taxation in associates	(12.6)	—
	Other movements	(1.4)	2.4
	Transfer on sale of Straits Steamship Co Limited	—	53.2
21	Reserves at 31 December 1984	<u>133.8</u>	<u>134.0</u>

BALANCE SHEETS

As at 31 December 1984

		£m			
		Group		Parent company	
		1984	1983	1984	1983
Notes	Net assets employed				
	10				
	Fixed assets				
	Tangible assets	240.7	208.6	99.2	63.3
	Investments				
	11 Subsidiary companies	—	—	69.1	44.8
	4 Associated companies	77.0	83.3	25.1	25.6
	12 Other	5.0	9.7	—	—
		<u>322.7</u>	<u>301.6</u>	<u>193.4</u>	<u>133.7</u>
	Current assets				
	13 Stock	19.4	14.1	0.1	0.1
	14 Debtors	123.4	107.9	6.1	11.6
	22 Cash and bank balances	23.1	20.7	0.5	7.8
		<u>165.9</u>	<u>142.7</u>	<u>6.7</u>	<u>19.7</u>
	Current liabilities				
	Creditors: amounts falling due within one year				
	15 Trade and other	(121.1)	(104.3)	(14.9)	(14.6)
	16 Finance debts	(16.5)	(29.1)	(7.6)	(11.0)
	22 Short term loans and overdrafts	(17.1)	(10.7)	(9.1)	(1.2)
		<u>(154.7)</u>	<u>(144.1)</u>	<u>(31.8)</u>	<u>(27.6)</u>
	Net current assets/(liabilities)	11.2	(1.4)	(25.1)	(7.9)
	Total assets less current liabilities	<u>333.9</u>	<u>300.2</u>	<u>168.3</u>	<u>125.8</u>
	Creditors: amounts falling due after more than one year				
	16 Finance debts	(99.5)	(58.6)	(48.5)	(11.3)
	17 Provisions for liabilities and charges	(19.2)	(25.7)	(5.4)	(10.3)
		<u>215.2</u>	<u>215.9</u>	<u>114.4</u>	<u>104.2</u>
Capital and reserves	18 Called up stock	28.3	28.2	28.3	28.2
	19 Share premium account	41.3	41.2	41.3	41.2
	20 Revaluation reserve	16.9	10.8	—	—
	21 Profit and loss account	133.8	134.0	44.8	34.8
	Stockholders' funds	214.3	214.2	114.4	104.2
	Minority interests	0.9	1.7	—	—
		<u>215.2</u>	<u>215.9</u>	<u>114.4</u>	<u>104.2</u>

On behalf of the Board
 W N Menzies-Wilson Chairman
 R J Gooseman Director
 3 April 1985

W N Menzies-Wilson
R J Gooseman

ACCOUNTING POLICIES

The accounting policies adopted by the Group are set out below and after taking account of Statement of Standard Accounting Practice No 20 in relation to foreign currencies (see below) are consistent with those of the previous year. The comparatives for 1983 have been restated on this basis.

BASIS OF CONSOLIDATION

The Group accounts consolidate the audited accounts of the Company and its subsidiaries, all of which are made up to 31 December. The accounts of subsidiary companies acquired during the year are included in Group figures from the effective dates of acquisition and those of companies sold up to the dates of disposal. The accounts are prepared under the historical cost convention except for certain freehold and long leasehold land and buildings which have been included on a revaluation basis.

TRADING RESULTS

Results of voyages completed during the year are included in trading profit. No amount is included in respect of voyages which had not been completed at the end of the year. Period time charters and non-shipping activities are accounted for on an accrual basis.

TAXATION

The provision for taxation relates to the liability estimated to arise on the profits for the year and advance corporation tax on the dividends for the year. Provision is made for deferred taxation where a liability is likely to arise in the foreseeable future.

FOREIGN CURRENCIES

The costs of ships are expressed at the rates of exchange ruling when they were acquired, except for ships which have related dollar borrowings and are used in dollar trades. These are accounted for as a dollar branch and exchange differences arising on the translation of these ships and loans are taken to reserves in accordance with Statement of Standard Accounting Practice No 20.

Other assets, liabilities and trading results of foreign subsidiaries are expressed at the rate of exchange ruling at the balance sheet date.

Differences on exchange arising from the opening net assets of foreign subsidiaries are taken to reserves.

Other differences arising from currency fluctuations, except for the settlement of day to day transactions, are shown as a separate item in the profit and loss account.

GOODWILL

On the acquisition of a business, fair values are attributed to the net assets acquired. The surplus or deficit of the consideration over the value attributed to the net assets is dealt with through reserves as it arises.

TANGIBLE ASSETS

Depreciation of the fleet is provided evenly over the expected useful lives of the ships in the trades operated by the Group, which are normally:

Supply vessels	13 years
Containerships	15 years
Ore/oil and chemical carriers	16 years
Product and dry bulk carriers	20 years
Cargo liners	20 years

Depreciation is based on the net costs of assets and after taking account of estimated residual values at current scrap prices.

Depreciation is not normally charged in respect of the Group's freehold and long leasehold land. All other assets are depreciated evenly over their estimated lives which generally do not exceed 20 years.

LEASED FLEET

The capital element of fleet leasing repayments is treated as a separate category within fixed assets and the commitment to repay these sums is included as a ship financing liability. Depreciation of the leased fleet is consistent with the normal Group depreciation policy.

SURVEY COSTS

The fleet is maintained generally on a continuous survey basis. In arriving at the trading profit, survey expenses are charged in the year in which they are incurred.

INVESTMENT IN ASSOCIATED COMPANIES

The Group profit and loss account includes the Group's share of the results of its associated companies as shown by their audited accounts or unaudited management accounts for years ended not earlier than 30 November.

STOCK

Stock is valued at the lower of cost and net realisable value. Cost includes, where appropriate, the relevant overheads.

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	£m	
	1984	1983
Sources:		
Profit on ordinary activities before taxation	28.7	2.2
Adjustment for items not involving the movement of funds:		
Depreciation	21.6	21.5
Exchange adjustments	(10.0)	(2.6)
Associates	(16.3)	(5.9)
Other	<u>(4.1)</u>	<u>(0.8)</u>
	(8.8)	12.2
Disposals of tangible assets	24.3	19.7
Disposals of investments	17.9	16.6
Dividends from associates	<u>3.5</u>	<u>3.6</u>
	65.6	69.3
Applications:		
Additions to tangible assets	65.4	10.8
Additions to investments	8.8	13.3
Taxation paid	1.6	8.2
Dividends paid to stockholders	5.1	8.1
Dividends paid to minorities	0.2	0.3
Working capital increase/(decrease):		
Stock	5.3	0.2
Debtors	15.3	19.0
Creditors	(15.0)	(0.3)
Provisions	<u>11.4</u>	<u>7.8</u>
	17.0	22.7
Funds absorbed by operations	<u>(32.5)</u>	<u>(4.1)</u>
Other movements:		
Sale of Straits Steamship Co Limited	—	88.0
Stock issues	<u>0.2</u>	<u>0.1</u>
	<u>(32.3)</u>	<u>84.0</u>
(Increase)/reduction in net borrowings:		
Finance debts	(28.3)	63.7
Short term loans	(0.2)	3.5
Cash and bank balances	<u>(3.8)</u>	<u>11.8</u>
	<u>(32.3)</u>	<u>84.0</u>

GROUP ACTIVITIES

The principal activities of the Group are described in the Directors' Report. The results of the main businesses are summarised in the following table.

	£m					STRAITS* TOTAL	
	CORY	O.I.L.	MARINE	OTHERS	TOTAL		
1984							
Turnover	608.0	31.2	129.1	11.5	779.8	—	779.8
Cost of sales	(536.6)	(22.4)	(124.0)	(9.7)	(692.7)	—	(692.7)
Other expenses	(57.6)	(3.0)	(5.1)	(5.2)	(70.9)	—	(70.9)
Trading profit/(loss)	13.8	5.8	—	(3.4)	16.2	—	16.2
Profit on disposal of ships	—	—	7.8	—	7.8	—	7.8
Net interest	(1.5)	(0.7)	(9.1)	—	(11.3)	—	(11.3)
Share of profits less losses of associated companies	1.4	0.2	14.7	(0.3)	16.0	—	16.0
Profit/(loss) on ordinary activities before taxation	13.7	5.3	13.4	(3.7)	28.7	—	28.7
Capital employed	78	33	216	4	331		331
Capital expenditure	17.5	4.4	42.6	0.9	65.4		65.4
1983							
Turnover	464.1	25.7	124.5	4.7	619.0	40.7	659.7
Cost of sales	(399.2)	(18.7)	(125.0)	(3.4)	(546.3)	(32.5)	(578.8)
Other expenses	(50.9)	(3.2)	(7.8)	(3.8)	(65.7)	(6.3)	(72.0)
Trading profit/(loss)	14.0	3.8	(8.3)	(2.5)	7.0	1.9	8.9
Profit on disposal of ships	—	—	6.6	—	6.6	—	6.6
Net interest	(1.4)	(0.8)	(9.6)	(0.8)	(12.6)	(1.6)	(14.2)
Share of profits less losses of associated companies	2.4	0.1	3.0	—	5.5	0.4	5.9
Profit/(loss) on ordinary activities before taxation	15.0	3.1	(8.3)	(3.3)	6.5	0.7	7.2
Capital employed	59	27	199	19	304		304
Capital expenditure	5.9	4.6	5.9	0.4	16.8		16.8

* To date of sale (sold 1983)

NOTES TO THE ACCOUNTS

1 Turnover

Turnover is stated net of inter-group transactions and, in respect of ship operating, represents total net freight and charter hire receivable; for other activities it represents total revenue receivable from the sale of goods and services.

	£m	
	1984	1983
Geographical analysis:		
UK	331.9	350.8
Rest of Europe	108.2	67.1
Far East and Australasia	130.8	132.7
America	146.3	96.1
Africa	12.6	13.0
	<u>729.8</u>	<u>659.7</u>

Freight revenue is allocated on the basis of country of origin.

2 Trading profit

The following amounts have been charged/(credited) in arriving at the trading profit:

Depreciation	21.6	21.8
Auditors' remuneration	0.6	0.5
Directors' emoluments	0.6	0.5
Employee costs	80.7	83.8
Income from fixed asset investment	<u>(1.0)</u>	<u>(1.4)</u>

Directors' emoluments:

	£'000	
Fees	32	31
Remuneration including company pension contributions	364	363
Payments to former Directors	120	81
Payments to retired Directors	<u>14</u>	<u>13</u>
	<u>590</u>	<u>488</u>
Emoluments (excluding pension contributions): of the Chairman	<u>£64,509</u>	<u>£59,634</u>

The emoluments of the other Directors fell into the following scales:

	1984	1983
£0- £3,000	—	1
£3,001-£10,000	3	4
£10,001-£15,000	1	—
£30,001-£35,000	—	1
£40,001-£45,000	1	2
£45,001-£50,000	—	3
£50,001-£55,000	4	—

In 1984 one Director waived his rights to emoluments aggregating to £3,500. No waivers were made in 1983.

NOTES TO THE ACCOUNTS

2 Trading profit (cont'd)

Employee costs:

Wages and salaries
Social security costs
Pension costs

	£m	
	1984	1983
Wages and salaries	69.9	76.7
Social security costs	6.3	5.2
Pension costs	4.5	4.9
	<u>80.7</u>	<u>86.8</u>

The Group operates contributory pension schemes covering the majority of its permanent employees. The schemes' funds are administered by external trustees and are independent of the Group's finances. The schemes are funded on an adequate basis to meet accrued and prospective liabilities, and contributions are paid in accordance with actuarial advice. The Group's contributions are charged in the profit and loss account in the year in which contributions are made.

Average number of employees:

	1984	1983
Cory	5,243	5,761
O.I.L.	703	641
Marino	1,247	1,761
Others	385	319
	<u>7,578</u>	<u>8,471</u>
Straits (sold 1983)	—	1,250
	<u>7,578</u>	<u>9,721</u>

Remuneration of employees:

Excluding Directors of the Company and those employees working wholly or mainly outside the United Kingdom, the number of employees whose emoluments, excluding pension contributions, exceeded £30,000 was:

	1984	1983
£30,001 - £35,000	3	5
£35,001 - £40,000	6	3

3 Net interest

	£m	
	1984	1983
Interest payable		
Loans not fully repayable within five years	4.0	3.0
Loans and bank overdrafts repayable within five years:		
Associated companies	1.6	0.2
Others	1.3	7.0
Leasing	5.0	5.0
	<u>12.5</u>	<u>15.2</u>
Less interest receivable	<u>(1.2)</u>	<u>(1.0)</u>
	<u>11.3</u>	<u>14.2</u>

4 Associated companies

Share of profits less losses for the year

In view of the large contribution by associated companies to the Group's profit, the Group's share is set out below.

	£m	
	1984	1983
Turnover	236.1	239.2
Trading profit before depreciation	40.1	25.6
Depreciation	(17.2)	(14.0)
Net interest	<u>(6.9)</u>	<u>(5.7)</u>
Profit on ordinary activities before taxation and extraordinary items as shown in the Group profit and loss account	<u>16.0</u>	<u>5.9</u>

Investment

	£m				Parent company		
	Shares	Group Loans	Share of retained profits	Total	Shares	Loans	Total
Cost							
At 1 January 1984	30.5	6.2	50.9	87.6	25.5	0.7	26.2
Additions	0.4	—	—	0.4	0.5	—	0.5
Disposals	(1.9)	(0.5)	(0.1)	(2.4)	(1.1)	(0.5)	(1.6)
Movement for the year	—	—	(5.1)	(5.1)	—	—	—
At 31 December 1984	<u>29.1</u>	<u>5.7</u>	<u>45.7</u>	<u>80.5</u>	<u>24.9</u>	<u>0.2</u>	<u>25.1</u>
Amounts provided							
At 1 January 1984	0.8	—	3.5	4.3	0.6	—	0.6
Additions	—	—	0.4	0.4	—	—	—
Disposals	(0.8)	—	(0.4)	(1.2)	(0.6)	—	(0.6)
At 31 December 1984	<u>—</u>	<u>—</u>	<u>3.5</u>	<u>3.5</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net book amount							
At 31 December 1984	<u>29.1</u>	<u>5.7</u>	<u>42.2</u>	<u>77.0</u>	<u>24.9</u>	<u>0.2</u>	<u>25.1</u>
At 31 December 1983	29.7	6.2	47.4	83.3	24.9	0.7	25.6

NOTES TO THE ACCOUNTS

		£m			
		Group			
		1984	1984	1983	1983
4 Associated companies (cont'd)	Net assets				
	Associated companies are represented by net assets as follows:				
	Tangible assets: Shipping activities	395.4		361.3	
	Other	34.0		38.3	
			429.4		393.6
	Investments: Associated companies	17.0		15.1	
	Other	8.1		7.3	
			25.1		22.4
	Loans to shareholders: Group	0.4		0.3	
	Other	—		1.3	
			0.4		1.6
	Current assets	150.8		152.0	
	Less current liabilities	(205.6)		(186.7)	
			(54.8)		(34.7)
			400.1		388.9
	Less: Borrowings from shareholders: Group	(5.7)		(6.2)	
	Other	(5.0)		(7.0)	
		(10.7)		(13.2)	
	Other borrowings	(125.6)		(140.8)	
	Deferred taxation	(53.2)		(7.7)	
	Minority interests	(9.2)		(7.9)	
			(198.7)		(169.6)
	Net assets		201.4		219.3
	The Group's share of which is		77.0		83.3

The investments in associated companies are unlisted.

In the opinion of the Directors, the value of the shares in associates is in excess of net book amount. Details of the principal associated companies are given on page 42. The accounts of Elder Dempster Agencies (Nigeria) Ltd, Inland Containers (Nigeria) Ltd, Gastransco Ltd, Panoscean Storage & Transport Ltd and Lager und Spedition GmbH are audited by Price Waterhouse. The remainder are audited by other firms.

5 Taxation

	£m	
	1984	1983
United Kingdom taxation:		
Corporation tax at 46.25% (1983 50.5%)	0.2	0.1
Relief for overseas taxation	(0.2)	(0.1)
Advance corporation tax	1.6	1.2
Overseas taxation	1.2	2.1
United Kingdom and overseas taxation on share of profits of associated companies	<u>5.5</u>	<u>2.7</u>
	8.3	6.0
Prior year adjustment	<u>(0.5)</u>	<u>(0.1)</u>
	<u>7.8</u>	<u>5.9</u>

If full provision had been made for deferred taxation the Group's taxation charge would have been increased/(reduced) as follows:

Parent and subsidiaries		
Accelerated capital allowances	9.3	(1.1)
Other timing differences	<u>(2.2)</u>	<u>1.4</u>
	7.1	0.3
Advance corporation tax	<u>(1.6)</u>	<u>(1.2)</u>
	5.5	(0.9)
Associated companies	<u>1.2</u>	<u>(1.1)</u>
	<u>6.7</u>	<u>(2.0)</u>

The amount of deferred taxation not provided at 31 December calculated under the liability method is as follows:

Parent and subsidiaries		
Accelerated capital allowances after fleet write down	47.7	45.2
Other timing differences	<u>(17.6)</u>	<u>(17.8)</u>
Advance corporation tax	<u>(40.7)</u>	<u>(39.2)</u>
	<u>(10.6)</u>	<u>(11.8)</u>
Associated companies	<u>20.9</u>	<u>45.1</u>

The reduction in the amount relating to associated companies takes account of the reinstatement of deferred taxation of £12.6m during the year – see movement on profit and loss account (note 21)

See also contingent liabilities (note 25)

NOTES TO THE ACCOUNTS

		1984	1983
		£m	
6 Extraordinary items	Closure costs of discontinued trades and businesses	—	(6.8)
	Provision for continuing charter losses arising from discontinued trades	(4.9)	(12.1)
	Write down of fleet	—	(30.3)
	Profit on sale of Straits Steamship Co Limited	—	4.3
		<u>(4.9)</u>	<u>(44.9)</u>
7 Profit of the parent company	The parent company has not presented its own profit and loss account as permitted by Section 149(6)(b)(ii) of the Companies Act 1948. Profit for the year dealt with in the parent company after dividends from subsidiaries and associated companies	<u>12.5</u>	<u>17.2</u>
8 Dividends	Interim 2.18p (1983 2.18p)	2.5	2.8
	Proposed final 3.35p (1983 2.35p)	<u>3.7</u>	<u>2.6</u>
		<u>6.2</u>	<u>5.1</u>
9 Earnings/ (loss) per stock unit	Earnings/(loss) before extraordinary items	19.0	(4.3)
	Advance corporation tax	<u>1.6</u>	<u>1.2</u>
	Earnings/(loss) – Nil distribution basis	<u>20.6</u>	<u>(3.1)</u>
	Number of stock units ('000)	<u>113,035</u>	<u>112,621</u>
	Earnings/(loss) per stock unit		
	Net basis	16.8p	(3.8)p
	Nil distribution basis	18.2p	(2.7)p

The loss per stock unit in 1983 has been restated to take account of the change in treatment of exchange adjustments as explained in the accounting policy on foreign currencies on page 24.

10 Tangible assets

Group Cost or valuation

	Total	Deep-sea fleet		£m Smaller vessels, containers and plant	Land and buildings Freehold	Leasehold	
		Owned	Leased			Long	Short
At 1 January 1984	427.0	243.8	99.5	53.6	21.4	3.2	5.6
Additions	65.4	44.4	3.6	11.4	3.1	1.9	1.1
Reclassification	—	2.6	(2.6)	—	0.1	(0.3)	0.2
Exchange adjustments	13.8	12.4	—	1.1	0.2	0.1	—
Disposals	(33.1)	(72.2)	—	(8.1)	(1.6)	(0.5)	(0.7)
At 31 December 1984	423.1	231.0	100.4	57.9	23.2	4.4	6.2

Accumulated depreciation

At 1 January 1984	218.4	163.2	26.0	31.2	3.4	0.5	2.1
Depreciation for the year	21.6	10.1	5.1	5.5	0.4	0.1	0.4
Reclassification	—	0.8	(0.8)	—	0.1	(0.1)	—
Exchange adjustments	0.4	—	—	0.4	—	—	—
Disposals	(58.0)	(51.9)	—	(5.5)	(0.3)	(0.1)	(0.2)
At 31 December 1984	182.4	114.2	30.3	31.6	3.6	0.4	2.3
Net book amount							
At 31 December 1984	240.7	116.8	70.1	26.3	19.6	4.0	3.9
At 31 December 1983	208.6	88.6	73.6	22.3	18.0	2.7	3.6

(a) Freehold and long leasehold land and buildings of the Group include certain investment properties which are valued on an open market value basis by external and internal Chartered Surveyors. Other fixed assets are included at cost.

Cost or valuation is represented by:	£m	
	Freehold	Long leasehold
Valuation in 1980	0.6	0.9
Valuation in 1982	10.0	—
Cost	12.7	3.5
	<u>23.2</u>	<u>4.4</u>

On an historical cost basis land and buildings would have been included at:

	£m			
	Freehold		Long leasehold	
	1984	1983	1984	1983
Cost	14.2	12.4	3.5	2.2
Accumulated depreciation	(3.5)	(3.4)	(0.4)	(0.4)
	<u>10.7</u>	<u>9.0</u>	<u>3.1</u>	<u>1.8</u>

(b) Deep-sea fleet of the Group and parent company includes £1.9m (1983 £7.9m) in respect of assets under construction.

(c) Deep-sea fleet of the Group and parent company includes an amount of £0.7m in respect of interest capitalised during the period of construction of a ship, of which £0.3m was capitalised in 1984 (1983 £0.4m).

NOTES TO THE ACCOUNTS

10 Tangible assets (cont'd)

Parent company Cost

At 1 January 1984
Additions
Exchange adjustments
Disposals
At 31 December 1984

Total	Deep-sea fleet Owned	£m Leased	Smaller vessels, containers and plant	Land and buildings Freehold
113.1	87.8	22.1	1.5	1.7
42.6	42.1	0.1	0.4	—
12.4	12.4	—	—	—
(45.9)	(45.7)	—	(0.2)	—
122.2	96.6	22.2	1.7	1.7

Accumulated depreciation

At 1 January 1984
Depreciation for the year
Disposals
At 31 December 1984

49.8	43.6	5.0	0.7	0.5
7.5	5.9	1.1	0.5	—
(34.3)	(34.1)	—	(0.2)	—
23.0	15.4	6.1	1.0	0.5

Net Book amount

At 31 December 1984

99.2	81.2	16.1	0.7	1.2
------	------	------	-----	-----

At 31 December 1983

63.3	44.2	17.1	0.8	1.2
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11 Investment in subsidiary companies

Parent company Cost

At 1 January 1984
Transfer from sub group
Additions
At 31 December 1984

Shares	Advances to	£m Advances from	Total
39.5	145.7	(23.9)	162.3
3.5	3.6	(3.7)	3.4
0.9	42.7	(12.5)	31.1
43.9	193.0	(40.1)	196.8

Amounts provided

At 1 January 1984
Transfer from sub group
Provided in the year
At 31 December 1984

4.2	113.3	—	117.5
0.5	3.1	—	3.6
—	0.6	—	0.6
4.7	123.0	—	127.7

Net book amount

At 31 December 1984
At 31st December 1983

39.2	70.0	(40.1)	69.1
35.3	53.4	(23.9)	64.8

The investments in subsidiary companies are unlisted.
Details of the principal subsidiary companies are given on page 42.

NOTES TO THE ACCOUNTS

12 Other investments

Group	Cost	£m Amounts provided	Net book amount
At 1 January 1984	10.8	(1.1)	9.7
Additions	8.4	(0.1)	8.3
Exchange adjustments	0.4	—	0.4
Disposals	(13.4)	—	(13.4)
At 31 December 1984	6.2	(1.2)	5.0

Investments at net book amount include:

Investments listed on recognised stock exchanges	4.2	8.9
Unlisted investments	0.8	0.8
	<u>5.0</u>	<u>9.7</u>

The aggregate market value of the listed investments is £5.3 m (1983 £10.3 m) of which investments amounting to £3.2 m (1983 £4.8 m) are held by subsidiaries in conjunction with non-Group insurance business.

13 Stock

Group	£m		Parent company	
	1984	1983	1984	1983
Raw materials	2.8	2.4	0.1	0.1
Work in progress	0.3	0.8	—	—
Finished goods	16.3	11.2	—	—
	<u>19.4</u>	<u>14.1</u>	<u>0.1</u>	<u>0.1</u>

There was no significant difference between the replacement cost of stock and the amount at which it is stated in the accounts.

14 Debtors

Trade debtors	105.0	88.6	4.2	4.3
Prepayments and accrued income	6.6	6.0	0.6	0.4
Taxation recoverable	0.5	0.3	—	—
Other	11.3	16.0	1.3	7.1
	<u>123.4</u>	<u>107.9</u>	<u>6.1</u>	<u>11.8</u>

15 Trade and other creditors

Trade creditors	75.2	64.1	6.3	4.8
Accruals and deferred income	17.4	11.6	1.3	4.1
Overseas taxation payable	1.1	0.9	—	—
Advance corporation tax	1.6	1.2	1.6	1.2
Other taxation and social security	3.8	2.8	0.4	0.4
Proposed dividend	2.7	2.6	3.7	2.6
Other	18.3	21.2	1.6	1.5
	<u>121.1</u>	<u>104.3</u>	<u>14.9</u>	<u>14.6</u>

		Group		£m	
		1984	1983	1984	1983
16 Finance debts					
Long term	(Loans with over five years to maturity)				
	Sterling fixed rate	3.6	4.2	—	—
	Sterling variable rate	1.0	—	—	—
	Currency fixed rate	47.9	2.7	45.0	—
	Currency variable rate	0.4	2.5	—	—
	Loans from minority shareholders	0.2	0.2	—	—
		<u>53.1</u>	<u>9.6</u>	<u>45.0</u>	<u>—</u>
	Sterling lease finance	49.1	53.8	11.3	13.1
	Currency lease finance	4.2	3.7	—	—
	Total long term	<u>103.4</u>	<u>67.1</u>	<u>56.3</u>	<u>13.1</u>
Medium term	(Repayable within 5 years)				
	3¼% fixed mortgage sterling debenture stock 1985	—	0.2	—	—
	Loans:				
	Sterling fixed rate	0.1	0.4	—	—
	Sterling variable rate	0.3	11.1	—	10.0
	Currency fixed rate	0.2	7.2	—	—
	Currency variable rate	2.5	1.7	—	—
		<u>3.1</u>	<u>20.6</u>	<u>—</u>	<u>10.0</u>
	Sterling lease finance	6.5	—	—	—
	Total medium term	<u>9.6</u>	<u>20.6</u>	<u>—</u>	<u>10.0</u>
	Total finance debts (note 22)	<u>116.0</u>	<u>87.7</u>	<u>56.3</u>	<u>23.1</u>
	Secured on assets of group companies	112.2	77.4	53.3	23.1
	Unsecured	3.8	10.3	—	—
		<u>116.0</u>	<u>87.7</u>	<u>56.3</u>	<u>23.1</u>
Repayable					
	5 years and over	37.1	22.4	17.3	4.1
	Between 2 and 5 years	46.7	26.9	23.4	5.4
	Between 1 and 2 years	15.7	9.3	7.8	1.8
		<u>99.5</u>	<u>58.6</u>	<u>48.5</u>	<u>11.3</u>
	Under 1 year	16.5	29.1	7.8	11.8
		<u>116.0</u>	<u>87.7</u>	<u>56.3</u>	<u>23.1</u>

Fixed rate loans carry interest rates in the range 7% to 11¾%.

Variable rate loans carry margins of between ¾% and 1½% over market rates.

NOTES TO THE ACCOUNTS

	£m					
	Redundancy and closure costs	Group Charter losses	Total	Redundancy and closure costs	Parent company Charter losses	Total
17 Provisions for liabilities and charges						
At 1 January 1984	14.8	10.9	25.7	7.8	2.5	10.3
Charged to profit and loss account	2.7	4.9	7.6	0.1	0.1	0.2
Utilised during year	(8.0)	(6.1)	(14.1)	(3.3)	(1.8)	(5.1)
At 31 December 1984	9.5	9.7	19.2	4.6	0.8	5.4

	Number of units '000	£m	
		1984	1983
18 Called up stock			
Authorised	128,000	32.0	32.0
Issued and fully paid (stock units of 25p each)	113,035	28.3	28.2

During the year a number of options, granted under the Company's stock option scheme, were exercised and consequently 76,140 stock units were issued. In addition 138,921 stock units were issued under the Company's savings related stock option scheme. The aggregate consideration received was £0.2 m.

The following options remained outstanding at 31 December 1984

	Number of units '000	Option price per unit (p)	Period over which exercisable
Savings related stock option scheme 1982	919	67.50	1986
	875	67.50	1990
Stock option scheme 1974	134	122.50	1985
	89	95.00	1985-1986
	12	93.00	1985-1986
	87	113.00	1985-1987
	50	126.00	1985-1987
	99	130.00	1985-1988
	18	115.00	1985-1988
Stock option scheme 1984	1,110	126.00	1987-1994
Overseas stock option scheme	20	130.00	1985-1988

		Group	Parent company	£m Subsidiary companies	Associated companies
19 Share premium	At 1 January 1984	41.2	41.2	—	—
	Share option issue	0.1	0.1	—	—
	At 31 December 1984	41.3	41.3	—	—
20 Revaluation reserve	At 1 January 1984	10.8	—	9.9	0.9
	Movement	0.1	—	—	0.1
	At 31 December 1984	10.9	—	9.9	1.0
21 Profit and loss account	At 1 January 1984	134.0	34.8	52.7	46.5
	Profit retained/(amount withdrawn)	7.9	6.3	(4.3)	5.9
	Exchange differences	5.9	3.7	0.6	1.6
	Deferred taxation	(12.6)	—	—	(12.6)
	Other movements	(1.4)	—	(1.2)	(0.2)
	At 31 December 1984	133.8	44.8	47.8	41.2
22 Net borrowings	Bank loans and overdrafts	1984 16.5	1983 10.3	1984 6.5	1983 6.8
	Other short term loans	0.6	0.4	0.6	0.4
		<u>17.1</u>	<u>10.7</u>	<u>9.1</u>	<u>1.3</u>
	Finance debts (note 16)	116.0	87.7	56.3	23.1
		<u>133.1</u>	<u>98.4</u>	<u>65.4</u>	<u>24.3</u>
	Cash and bank balances	(23.1)	(20.7)	(0.5)	(7.8)
		<u>110.0</u>	<u>77.7</u>	<u>64.9</u>	<u>16.5</u>
	Bank balances amounting to £2.4 m (1983 £0.6 m) are held by subsidiaries in conjunction with non-Group insurance business.				
23 Bank loans and overdrafts	The aggregate amount of bank loans and overdrafts included in net borrowings is	<u>76.0</u>	<u>40.1</u>	<u>53.5</u>	<u>10.8</u>
24 Capital commitments	Capital expenditure for which contracts have been placed but which is not otherwise provided for in these accounts	<u>3.5</u>	<u>43.3</u>	<u>—</u>	<u>42.5</u>
	Capital expenditure authorised by the Directors but for which contracts had not been placed at the balance sheet date	<u>2.6</u>	<u>11.3</u>	<u>—</u>	<u>—</u>

NOTES TO THE ACCOUNTS

25 Contingent liabilities		Group		£m	
		1984	1983	1984	1983
	Guarantees in respect of shipbuilding and other loans and bank overdrafts of Overseas Containers Ltd, its subsidiaries and associated companies	—	1.3	—	1.3
	Group's share of amount payable if a subsidiary of Overseas Containers Ltd is unsuccessful in resolving a dispute with the Inland Revenue	3.3	4.1	3.3	4.1
	Guarantees on behalf of:				
	Subsidiary companies	—	—	66.9	47.0
	Associated companies	—	0.3	—	0.3
	Other guarantees, mainly performance bonds	3.5	11.0	—	—
		<u>11.8</u>	<u>16.7</u>	<u>70.2</u>	<u>52.7</u>

AUDITORS' REPORT

To the Members of Ocean Transport & Trading plc

We have audited the financial statements on pages 22 to 40 and 42 in accordance with approved Auditing Standards.

In our opinion, based on our examination and the reports of other auditors of certain associated companies, the financial statements give a true and fair view of the state of affairs of the Company and the Group at 31 December 1984 and of the profit and the source and application of funds of the Group for the year then ended and comply with the Companies Acts 1948 to 1981. The financial statements do not contain the current cost statements required by Statement of Standard Accounting Practice No. 16.

PRICE WATERHOUSE
Chartered Accountants
London
3 April 1985

Price Waterhouse

GROUP FIVE YEAR RECORD

				£m		
		1980	1981	1982	1983	1984
Turnover		594.5	672.7	714.8	659.7	779.8
Profit on ordinary activities before taxation		35.5	33.4	13.9	7.2	20.7
Taxation		(8.3)	(9.3)	(7.4)	(5.9)	(7.8)
Profit/(loss) attributable to stockholders		26.3	12.3	(46.8)	(49.2)	14.1
Profit retained/(amount withdrawn)		16.2	2.2	(54.3)	(54.3)	7.0
Stockholders' funds		281	317	265	214	214
Net assets employed		814	592	572	304	331
Earnings/(loss) per 25p stock unit						
Net basis	(p)	23.5	13.8	(0.2)	(3.8)	16.0
Dividends per 25p stock unit	(p)	9.0	9.0	6.7	4.5	5.5
UK employees						
Number	('000)	9.5	8.7	7.7	6.3	5.5

PRINCIPAL SUBSIDIARY AND ASSOCIATED COMPANIES

The company has over 91 trading subsidiaries and more than 28 associated companies of which the principal ones are listed below. The country of registration or incorporation is England except where indicated. The percentage of ordinary share capital held is 100 per cent except where stated.

OCEAN CORY

	Percentage of ordinary share capital held	Country of registration or incorporation
FUEL DISTRIBUTION, WASTE MANAGEMENT AND AGGREGATES		
Wm Cory & Son Ltd		
trading as: Cory Coal		
Cory Waste Management		
Cory Heating Services		
Fuel Supplies (CI) Ltd		Guernsey
John Kelly Ltd	50	N Ireland
Suttons Group Ltd		Rep of Ireland
Cory Sand & Ballast Co Ltd		
DISTRIBUTION, STORAGE AND TRADING		
Ocean Cory Trading Ltd		
trading as: McGregor Cory Warehousing		
Ocean Cory Tyre Company Ltd		
trading as: Bandag Tyre Company		
Hull Blyth & Co Ltd		
Condor Ltd	40	
Ocean Storage & Distribution Services Ltd		
trading as: Cory Distribution		
Archibolds (Storage) Ltd		
INTERNATIONAL FREIGHT FORWARDING		
McGregor Sea & Air Services Ltd		
Transflash McGregor Ltd		
McGregor Cory Cargo Services		
MARINE SERVICES		
Cory Ship Towage Ltd		
Forth Tugs Ltd	50	Scotland
Shetland Towage Ltd	25	Scotland
*Smit and Cory International Port Towage Ltd	50	
Lager und Speditionen GmbH	33	W Germany

OFFSHORE SUPPORT & SERVICING

*O.I.L. Ltd	
O.I.L. (Shetland) Ltd	Scotland

INSURANCE

*Ocean Ajax Insurance Brokers Ltd

PROPERTY

*India Buildings Ltd

OCEAN MARINE

	Percentage of ordinary share capital held	Country of registration or incorporation
CARGO LINER SHIPPING		
*Ocean Marine Ltd		
*Elder Dempster Lines Ltd		
*The Guinea Gulf Line Ltd		
*Blue Funnel Line Ltd		
*Overseas Containers Ltd	33	
MARINE SERVICES		
*Ocean Fleets Ltd		
AGENCIES		
*Ocean Shipping Agencies Ltd		
Elder Dempster Agencies (Nigeria) Ltd	40	Nigeria
CONTAINER SERVICES		
*Inland Containers (Nigeria) Ltd	40	Nigeria
BULK CARGO HANDLING		
*Rea Bulk Handling Ltd		
TERMINAL OPERATION		
West Africa Terminal Ltd	51	
STEVEDORING		
Liverpool Maritime Terminals Ltd	49	

OTHER MARINE BUSINESSES

NON-LINER SHIPPING	
*Blue Funnel Bulkships Ltd	
*Gastransco Ltd	50
BULK LIQUID STORAGE	
Panoccean Storage & Transport Ltd	50
SHIPBROKING	
Ocean McGregor Ltd	

*Shares held directly by the parent company.

FINANCIAL CALENDAR

Dividend

Interim: Announced July, paid November

Final: Proposed March, paid June

Results

Half-year results: July

Year's results: March

NOTICE OF MEETING

Notice is hereby given that the one hundred and twentieth annual general meeting of Ocean Transport & Trading plc will be held at India Buildings Liverpool at 2.15 pm on Tuesday 21 May 1985 for the following purposes:

- 1 To receive and consider the accounts for the year ended 31 December 1984 and the reports of the Directors and of the Auditors.
- 2 To declare a dividend.
- 3 To re-elect a Director.
- 4 To re-appoint Price Waterhouse as auditors of the Company in accordance with Section 14 of the Companies Act 1976 and to authorise the Board of Directors to determine their remuneration for the ensuing year.

As special business to consider and if thought fit to pass the following resolution as a Special Resolution.

- 5 That the authority and power to allot relevant securities conferred upon the Directors of the Company by the Special Resolution passed on 23 May 1984 be renewed and extended to 30 May 1986 as regards the nominal amount of £1.6 million of relevant securities which were the subject of that resolution or such smaller amount of such securities as have not been allotted by the date of the passing of this resolution.

By order of the Board
K Wright

Secretary
India Buildings
Liverpool L2 0RB
25th April 1985

Notes

- 1 A member entitled to attend and vote is entitled to appoint one or more proxies to attend and (on a poll) vote instead of him. A proxy need not be a member of the Company.
- 2 Copies of contracts of service between certain Directors and the Company will be available for inspection at the registered office of the Company, India Buildings, Liverpool during usual business hours on any weekday (Saturdays and the Bank Holiday excepted) from the date of this notice until the date of the meeting and at the place of the meeting for fifteen minutes prior to and during the meeting.

PROXY

For use at the annual general meeting to be held on 21 May 1985.

PLEASE USE
BLOCK LETTERS

I/We

of
being (a) member(s) of Ocean Transport & Trading plc hereby appoint WILLIAM NAPIER MENZIES-WILSON
falling him such other Director of the Company as may be appointed chairman of the meeting,

or (See Note 5) *
as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the Company to be held
on 21 May 1985 and at every adjournment thereof.

Please indicate by placing a tick in the five appropriate boxes below how you wish your proxy to vote on the
resolutions to be submitted to the meeting.

Resolution	For	Against
1 To receive the Directors' report and accounts	<input type="checkbox"/>	<input type="checkbox"/>
2 To declare a dividend	<input type="checkbox"/>	<input type="checkbox"/>
3 To re-elect Sir Lindsay Alexander	<input type="checkbox"/>	<input type="checkbox"/>
4 To re-appoint the Auditors and to authorise the Directors to determine their remuneration	<input type="checkbox"/>	<input type="checkbox"/>
5 To pass the special resolution set out in item 5 in the notice (share capital)	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of 1985

Signature

Notes

- 1 Unless otherwise directed the proxy will vote or abstain as he thinks fit.
- 2 In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other registered holders.
- 3 In the case of a corporation, the proxy should be executed either under its common seal or under the hand of some officer duly authorised in writing.
- 4 To be valid this proxy must be deposited at the registered office of the Company at the address shown overleaf not less than 48 hours before the time of the meeting.
- 5 If you wish to appoint a proxy other than those named above please delete the Chairman's name and the appointment of such other Director of the Company as may be appointed Chairman of the meeting and substitute in block letters in the space marked * the name and address of your proxy.

FOLD 2

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**The Secretary
Ocean Transport & Trading plc
India Buildings
Water Street
LIVERPOOL L2 0TD**

2

FOLD 1

FOLD 3 AND TUCK IN