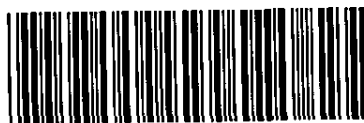


**NORSE MERCHANT (DM) LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**31 DECEMBER 2007**  
**Company Number: 01431420**

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**Norse Merchant (DM) Limited  
Directors' report and financial statements  
31 December 2007**

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**Norse Merchant (DM) Limited  
Directors' report and financial statements  
31 December 2007**

**Directors**

K Robdrup  
P S Shepherd

**Company Secretary**

J. Hutchinson

**Registered Office**

Twelve Quays, Tower Road, Birkenhead, Wirral CH41 1FE

**Auditors**

KPMG  
Chartered Accountants  
Stokes House, College Square East, Belfast, BT1 6DH

**Company Number: 01431420**

**Norse Merchant (DM) Limited  
Directors' report and financial statements  
31 December 2007**

**Report of the Directors**

The directors present their report and the audited financial statements for the year ended 31 December 2007

**Principal Activities**

The company ceased to trade on 9 November 2006 when it sold its vessel and the directors have no plans to resume trading activities

**Review of the Business**

During the year the assets and liabilities of the company were transferred to Norse Merchant Group Limited at book value

**Results for the Year**

The results for the year are disclosed on page 6

**Dividends**

Dividends paid during the year comprise a final dividend of £9,294 52 per ordinary share in respect of the previous year ended 31 December 2006 and £4,376 51 in respect of the current year

**Directors and Directors' Interests**

The following directors served during the year:

P S Shepherd  
K Robdrup

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of this company or other group companies

**Political and Charitable Donations**

The company made no political or charitable donations during the year

**Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

**Auditors**

In accordance with Section 384 of the Companies Act 1985 a resolution for the reappointment of KPMG as auditors of the company will be proposed at the annual general meeting

By order of the board

J Hutchinson  
Company Secretary

29 October 2008

**Norse Merchant (DM) Limited  
Directors' report and financial statements  
31 December 2007**

**Statement of directors' responsibilities in respect of the directors' report and the financial statements**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

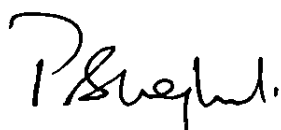
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to 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 period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Under applicable law the directors are also responsible for preparing a Directors' report that complies with that law.



P S Shepherd  
Director

29 October 2008

**KPMG**  
**Chartered Accountants**  
Stokes House  
17-25 College Square East  
Belfast BT1 6DH  
Northern Ireland

## **Independent Auditors' Report to the Members Of Norse Merchant (DM) Limited**

We have audited the financial statements of Norse Merchant (DM) Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

### **Respective Responsibilities of directors and auditors**

The directors' responsibilities for preparing the Directors' report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities on page 3

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements

In addition we report to you if, in our opinion, 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 other transactions 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 Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements



**KPMG**  
**Chartered Accountants**  
Stokes House  
17-25 College Square East  
Belfast BT1 6DH  
Northern Ireland

**Independent Auditors' Report to the Members Of  
Norse Merchant (DM) Limited (continued)**

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 December 2007, and of the profit for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

KPMG  
Chartered Accountants  
Registered Auditor

Stokes House  
Belfast  
BT1 6DH

29 October 2008

**Norse Merchant (DM) Limited**  
**Directors' report and financial statements**  
**31 December 2007**

**Profit and Loss Account**  
**For the year ended 31 December 2007**

	<u>Note</u>	<u>2007</u> £	<u>2006</u> £
<b>Turnover</b>	1	-	-
Cost of sales		-	68,947
<b>Gross Profit</b>		-	68,947
Administrative expenses		-	19,276
<b>Operating Profit</b>	2	-	88,223
Profit on disposal of fixed assets		-	-
<b>Profit on Ordinary Activities before Interest</b>		-	88,223
Interest receivable and similar income	4	-	955,843
Profit on exchange		-	323,037
<b>Profit on Ordinary Activities before taxation</b>		-	1,367,103
Tax on profit on ordinary activities	6	437,651	(437,651)
<b>Profit for the financial year</b>	12	437,651	929,452

The company has no recognised gains or losses other than those shown above  
All of the above transactions relate to discontinued activities



**Norse Merchant (DM) Limited**  
**Directors' report and financial statements**  
**31 December 2007**

**Balance Sheet – 31 December 2007**

	<u>Note</u>	<u>2007</u> £	<u>2006</u> £
<b>Current Assets</b>			
Debtors	8	100	32,879,348
<b>Creditors: Amounts falling due within one year</b>	9	-	(9,265,360)
<b>Net Current Assets</b>		-	23,613,988
<b>Creditors: Amounts falling due after more than one year</b>	10	-	(22,684,436)
<b>Net Assets</b>		100	929,552
<b>Capital and Reserves</b>			
Called up share capital	11	100	100
Profit and loss account	12	-	929,452
<b>Shareholders' Funds</b>	13	100	929,552

The financial statements were approved by the Board on 29 October 2008 and signed on its behalf by



P S Shepherd  
Director

**Norse Merchant (DM) Limited  
Directors' report and financial statements  
31 December 2007**

**Notes (forming part of the financial statements)**

**1 Accounting Policies**

*Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting rules

*Turnover*

In previous periods turnover comprised income arising from charges to third parties and group companies, excluding value added tax. The segmental market serviced was the international shipping market.

*Taxation*

The company entered the UK tonnage tax regime on 1 October 2002 under which its ship owning and operating activities are taxed based on the net tonnage of the ships operated. Any income and profits outside the tonnage tax regime are taxed under the normal UK corporation tax rules.

*Deferred Taxation*

Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

*Foreign currencies*

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

*Cash Flow Statement*

*The company is not required under FRS1 to prepare a cash flow statement on the basis that the company is a wholly owned subsidiary and is consolidated within publicly available consolidated financial statements.*

**Norse Merchant (DM) Limited**  
**Directors' report and financial statements**  
**31 December 2007**

**Notes (forming part of the financial statements)**

**2 Operating Profit**

The operating profit is stated after charging

	<u>2007</u> £	<u>2006</u> £
Auditors remuneration - audit services	-	-
Depreciation - owned assets	-	-
	<u>          </u>	<u>          </u>

**3 Employees**

The company had no employees during the year and the directors received no remuneration during the period

**4 Interest Receivable and Similar Income**

	<u>2007</u> £	<u>2006</u> £
Interest on all other loans	-	955,843
	<u>          </u>	<u>          </u>

**5 Disposals**

On 31 December 2007 the net assets and liabilities of the company were transferred to its immediate parent undertaking as part of a group reorganisation. This transfer was satisfied by way of an intercompany loan.

**Norse Merchant (DM) Limited**  
**Directors' report and financial statements**  
**31 December 2007**

**Notes (forming part of the financial statements)**

**6 Taxation**

	<u>2007</u> £	<u>2006</u> £
Corporation tax	-	410,131
(Over)/Under provision in prior year	(437,651)	27,520
Current tax	(437,651)	437,651
Deferred tax – potential balancing charge adjustment	-	-
Tax on profit on ordinary activities	(437,651)	437,651
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	<u>-</u>	<u>1,367,103</u>
Current tax at 30% (2006 30%)	-	410,131
Effects of:		
Adjustments in respect of the prior year	(437,651)	27,520
Total current tax charge	<u>(437,651)</u>	<u>437,651</u>

The company entered the UK Tonnage Tax regime from 1 October 2002. From this date until the company ceased to trade a flat rate of tax was paid based on the size of its vessel.

**7 Dividends**

The aggregate amount of dividends comprises

	<u>2007</u> £	<u>2006</u> £
Final dividends paid in respect of prior year but not recognised as liabilities in that year	929,452	8,824,770
Dividends paid in respect of current year	437,651	-
	<u>1,367,103</u>	<u>8,824,770</u>

**Norse Merchant (DM) Limited**  
**Directors' report and financial statements**  
**31 December 2007**

**Notes (forming part of the financial statements)**

**8 Debtors**

	<u>2007</u> £	<u>2006</u> £
Amounts due from group companies	100	32,810,164
Other debtors	-	69,184
	<u>100</u>	<u>32,879,348</u>

**9 Creditors: amounts falling due within one year**

	<u>2007</u> £	<u>2006</u> £
Corporation tax	-	440,590
Amounts due to other group companies	-	8,824,770
	<u>-</u>	<u>9,265,360</u>

**10 Creditors: Amounts falling due after more than one year**

	<u>2007</u> £	<u>2006</u> £
Amounts due to other group companies	<u>-</u>	<u>22,684,436</u>

The amount due to other group companies is unsecured, interest free and has no fixed terms of repayment

**Norse Merchant (DM) Limited**  
**Directors' report and financial statements**  
**31 December 2007**

**Notes (forming part of the financial statements)**

**11 Share Capital**

	<u>2007</u> £	<u>2006</u> £
Authorised		
500,000 ordinary shares of £1 each	500,000	500,000
Allotted, called up and fully paid		
100 ordinary share of £1 each	100	100

**12 Profit and Loss Account**

	<u>2007</u> £	<u>2006</u> £
Balance at 1 January	929,452	8,824,770
Dividends on shares classified in shareholders' funds	(1,367,103)	(8,824,770)
Profit for the financial year	437,651	929,452
Balance at 31 December	-	929,452

**13. Reconciliation of Movement in Shareholders' Funds**

	<u>2007</u> £	<u>2006</u> £
Opening shareholders' funds	929,552	8,824,870
Profit for the financial year	437,651	929,452
Dividends on shares classified in shareholders' funds	(1,367,103)	(8,824,770)
Closing shareholders funds	100	929,552

**Norse Merchant (DM) Limited  
Directors' report and financial statements  
31 December 2007**

**Notes (forming part of the financial statements)**

**14 Related Party Disclosures**

The company is controlled by Norse Merchant Group Limited which owns 100% of the issued share capital. The ultimate controlling parties are the shareholders of A P Møller Mærsk A/S

The company has relied on the exemption under FRS8 from disclosing transactions with group companies on the basis that the company is a wholly owned subsidiary and is consolidated within publicly available consolidated financial statements

**15 Parent Company and Ultimate Parent Company**

During the year the Company became a wholly owned subsidiary of Norse Merchant Group Limited, a company incorporated in England & Wales

The largest group in which the results of the company are consolidated is that headed by A P Møller Mærsk A/S, incorporated in Denmark. The consolidated financial statements of this company are available to the public from Esplanaden 50, DK-1098 Copenhagen K, Denmark. The smallest group in which they are consolidated is that headed by Norfolkline B V, incorporated in the Netherlands. The consolidated financial statements of this company are available to the public at Kranenburgweg 180, 2583 ER, Scheveningen, Netherlands.