

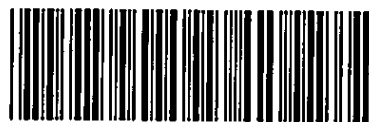


# CARISBROOKE SHIPPING HOLDINGS LIMITED

Company registered in England and Wales Number 3783705

REPORT AND FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 DECEMBER 2006

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COMPANIES HOUSE

Registered Office 10 Mill Hill Road, Cowes, Isle of Wight PO31 7EA

## **Carisbrooke Shipping Holdings Limited**

### **DIRECTORS**

W Wester  
I A Walker  
G Croucher

B Rosenmöller  
R Wester  
P Jones

### **COMPANY SECRETARY AND REGISTERED OFFICE**

Mrs M A Riley  
10 Mill Hill Road  
Cowes PO31 7EA  
Isle of Wight

### **BANKERS**

National Westminster Bank  
3 Hampshire Business Park  
PO Box 462 Templars Way  
Chandlers Ford SO53 3RY

### **AUDITORS**

Grant Thornton UK LLP  
No 1 Dorset Street  
Southampton  
Hampshire  
SO15 2DP

### **SOLICITORS**

Eversheds LLP  
Central Square South  
Orchard Street  
Newcastle upon Tyne  
NE1 3XX

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# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## REPORT OF THE DIRECTORS

For the year ended 31 December 2006

The directors submit their report and the financial statements of Carisbrooke Shipping Holdings Limited for the year ended 31 December 2006

### Principal activities

The company is a holding company of ship operating subsidiaries. The group's activities are the ownership, operation and trading of motor vessels. The group also provides ancillary services related to this trade.

### Review of the business

The audited financial statements for the year ended 31 December 2006 are set out on pages 4 to 28. The profit for the year after taxation was €22,058,000 (year to 31 December 2005 was a profit of €22,183,000).

At the end of the year the directors had not recommended a dividend (2005: €256,000 paid, €29,000 accrued). Since the Balance Sheet date a dividend of €572,000 has been recommended, approved and paid.

The directors are pleased with the performance during the year and believe that the group is in a strong position to continue to expand its market share.

As in 2005 the group has made a high level of profits selling ships. The directors recognise that such profits are to some extent dependent on the current buoyant state of the shipping market and do not make the assumption that such exceptional profits will continue indefinitely. The group has generated net €20m cashflow through sale and purchase of ships in the year.

### Summary of key performance indicators

Ratio	2006	2005	Method of calculation
Net Profit %	57.4%	77.4%	The ratio of net profit to sales expressed as a percentage
Growth in Sales %	33.9%	-11.1%	Year-on-year sales growth expressed as a percentage
Capital expenditure (€'000)	105,737	40,291	Investment made in respect of capital items during the year
Return on invested capital	11.4%	25.0%	Operating profit expressed as a percentage of net assets
Average head count	76	107	Average of total monthly headcounts derived from the payroll records
Gearing	27.1%	53.3%	Long term liabilities divided by equity shareholders funds
Current ratio	2.55	1.56	Current assets divided by current liabilities

### Post balance sheet events

Since the balance sheet date there have been amendments to the composition of the group's Board. I Walker has succeeded W Wester as executive managing director during the last quarter of 2006, with W Wester remaining in the Board in a non executive director's role. G Croucher has stepped down from her role as non executive director. B Rosenmöller has stepped down and been succeeded by H Tveitan as chairman, who has been appointed to the Board as a non executive director. Linked to this process has been a reorganisation of the group's share capital, and the group has bought back some of its ordinary shares and issued a number of preference shares.

### Directors

The directors who served the company throughout the year were W Wester, G Croucher, I Walker, R Wester, P Jones and B Rosenmöller.

# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## REPORT OF THE DIRECTORS (Continued)

For the year ended 31 December 2006

### Political and charitable gifts

Contributions for charitable purposes amounting to €33,000 (31 December 2005 €32,000) were made in the year

### Statement of Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- Make judgements and estimates that are reasonable and prudent
- Select suitable accounting policies and then apply them consistently
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The directors' are responsible for the maintenance and integrity of the corporate and financial information included on the group's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

### Financial risk management objectives and policies

The board has an established, structured approach to risk management The group's policy is to preserve the resources upon which its continuing reputation, viability and profitability are built, in order to enable the corporate objectives to be achieved

**Financial risk-** The group uses various financial instruments in order to manage the exposures that arise from its business operations as a result of movements in financial markets All treasury activities are focused on the management and hedging of risk It is the group's policy not to trade financial instruments or to engage in speculative financial transactions There have been no significant changes in the group's policies in the last year

**Funding and liquidity** -The group finances its operations through a mixture of shareholders' funds and bank borrowings It employs derivatives where appropriate to generate the desired currency and interest rate profile

The group holds cash and maintains undrawn committed facilities at a level sufficient to ensure the group has available funds to meet its medium-term capital and funding obligations, to meet any unforeseen obligations and opportunities and to enable the group to manage its liquidity risk

**Currency risk** - The group is exposed to movements in exchange rates for foreign currency transactions The most significant transactional currency exposure is the US dollar Appropriate risk mitigation is undertaken where material mismatches arise

**Interest rate risk** - The group's policy is to limit interest rate risk on delivery of ships Prior to delivery, loans may be at floating rates

### Auditors

A resolution to reappoint Grant Thornton UK LLP as auditors will be proposed at the Annual General Meeting

ON BEHALF OF THE BOARD

R Wester  
Director

Date

26/6/7

**Registered Office**  
10 Mill Hill Road, Cowes  
Isle of Wight, PO31 7EA

**Company Registration Number**

3783705 in England and Wales

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF CARISBROOKE SHIPPING  
HOLDINGS LIMITED

We have audited the group and parent company financial statements (the 'financial statements') of Carisbrooke Shipping Holdings Limited for the year ended 31 December 2006 which comprise the principal accounting policies, the group profit and loss account, the group and company balance sheets, the group cash flow statement, the group statement of total recognised gains and losses and the notes 1 to 28

These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 Annual Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of audit 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

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

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2006 and of the group's profit for the year then ended,
- 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.

GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
SOUTHAMPTON

*Grant Thornton UK LLP*

Date 28 JUNE 2007

## **CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES**

### **PRINCIPAL ACCOUNTING POLICIES**

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The principal accounting policies of the group and company have remained unchanged from the previous year

#### **ACCOUNTING CONVENTION**

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of freehold property, and in accordance with applicable accounting standards

Since the Company's and Group's earnings streams are primarily Euro, the Euro has been adopted as the reporting currency. The British Pound / Euro exchange rate applicable on 31 December 2006 was £1 / €1 4921 (31 December 2005 £1 / €1 4544)

#### **TURNOVER**

Turnover is the total amount receivable by the company in the ordinary course of business with outside customers in respect of gross freight, time charter hire, agency fees and commissions, excluding VAT and trade discounts. Gross freights and related expenditure for trading motor vessel operations are accounted for on a daily basis as earned.

#### **BASIS OF CONSOLIDATION**

The group financial statements consolidate the financial statements of the company and its subsidiaries (note 10). The financial statements of all companies have been prepared to 31 December 2006. Immaterial subsidiaries have been excluded from the consolidation.

#### **ASSOCIATED UNDERTAKINGS**

Undertakings, other than subsidiary undertakings, in which the group has an investment representing at least 20% of the voting rights and over which it exerts significant influence are treated as associated undertakings. The group's share of the results of the associated undertakings is included in the group profit and loss account. The group's balance sheet includes the investment in the associated undertakings at the group's share of net assets.

#### **GOODWILL**

Goodwill arising on consolidation / purchased goodwill representing the excess of the fair values of the consideration given over the fair values of the identifiable net assets acquired is capitalised and amortised in a straight-line basis over its estimated useful economic life, with appropriate adjustments made where those assets are sold.

#### **BRANCH UNDERTAKINGS**

The net investments in 100% owned ships are treated as individual branches. These branches are fully consolidated at the balance sheet date. The net investments in the branches are treated in accordance with the foreign currency note below.

## **CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **TANGIBLE FIXED ASSETS**

Depreciation is calculated to write down the cost less estimated residual value of tangible fixed assets by equal instalments over their expected economic useful lives

The annual rates generally applicable are

Freehold property	2%
Office equipment	20% - 33%
Motor vehicles	20%

No depreciation is charged on assets under construction

Depreciation of trading motor vessels is calculated to write off the cost of each vessel to estimated residual value on a straight-line basis over the expected useful life of each vessel. Each vessel is assumed to have a 25 year economic life from launch and the cost of the vessel is amortised over the remainder of that year from purchase. Each year, the directors review the remaining economic life and estimated residual value of all vessels to ensure depreciation is provided on the most appropriate basis.

#### **CAPITALISATION OF INTEREST**

Interest on borrowings to finance assets under construction is capitalised from the date work commences until completion.

#### **REVALUED ASSETS**

No revaluation of trading motor vessels is taken into account when drawing up the financial statements. In the opinion of the directors as at 31 December 2006 the market value of each vessel owned was considerably higher than the net book value disclosed in the accounts, and there is no reason to believe this situation has changed since the Balance Sheet date.

#### **INVESTMENTS**

Investments are included at cost.

#### **STOCK**

Marine fuel is stated at cost. Other stock is stated at the lower of cost and net realisable value. Vessels held for resale are included at cost.

#### **DEFERRED TAXATION**

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured on an undiscounted basis using rates of tax that have been enacted or substantively enacted by the balance sheet date.

#### **FOREIGN CURRENCIES**

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

The financial statements of foreign subsidiaries have previously been translated at the rate of exchange ruling at the balance sheet date. The exchange differences arising from the re-translation of the opening net investment in subsidiaries are taken directly to reserves.

## **CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **ASSETS HELD UNDER HIRE PURCHASE AND LEASING AGREEMENTS**

Where assets are financed by hire purchase or leasing agreements that give risks and rewards approximating to ownership they are treated as if they had been purchased outright on credit. They are therefore initially recorded as a fixed asset and a liability at a sum equal to the fair value of the asset. Payments on such assets are regarded as consisting of a capital element which reduces the outstanding liability and an interest charge.

The total payments made under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

#### **CONTRIBUTION TO PENSION FUNDS**

The group operates individual defined contribution schemes for the executive directors and certain employees. The pension costs are charged against profits to represent the amount of the contributions payable to the schemes in respect of the accounting year.

#### **SURVEY COSTS**

Survey expenses are charged in arriving at the operating results in the year in which they are incurred.

#### **FINANCIAL INSTRUMENTS**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

#### **SHIP INSURANCE**

The ships are fully insured outside the group.



# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## GROUP PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2006

	Note	2006 €'000	2005 €'000
Turnover	1	38,397	28,674
Cost of sales		(22,744)	(9,320)
<b>Gross profit</b>		<b>15,653</b>	<b>19,354</b>
Administrative expenses		(7,839)	(6,945)
Other operating charges		(1,101)	(874)
Other operating income		1,251	819
<b>Operating costs</b>		<b>(7,689)</b>	<b>(7,000)</b>
<b>Operating profit</b>		<b>7,964</b>	<b>12,354</b>
Dividend income		-	34
Share of operating profit of associated undertaking		164	-
- acquired in year		1,005	125
- ongoing		126	627
- discontinued			
<b>Profit on ordinary activities before interest and taxation</b>		<b>9,259</b>	<b>13,140</b>
Net interest	2	-	(914)
<b>Exceptional items</b>			
Gain on disposal of fixed assets		13,030	10,447
<b>Profit on ordinary activities before taxation</b>		<b>22,289</b>	<b>22,673</b>
Taxation on profit on ordinary activities	4	(167)	(164)
<b>Profit on ordinary activities after taxation</b>		<b>22,122</b>	<b>22,509</b>
Minority interest		(64)	(326)
<b>Retained Profit for the financial year</b>		<b>22,058</b>	<b>22,183</b>

All operations are classed as continuing except for associate activities as indicated  
The accompanying accounting policies and notes form an integral part of these financial statements

# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## GROUP BALANCE SHEET AS AT 31 DECEMBER 2006

		31 December 2006	31 December 2005
	Note	€'000	€'000
<b>Fixed assets</b>			
Goodwill	7	-	377
Tangible assets	8	48,236	57,067
Investments in associates	10	11,571	7,960
		<hr/>	<hr/>
		59,807	65,404
<b>Current assets</b>			
Stock	11	6,249	1,048
Debtors - due within one year	12	14,462	12,056
Debtors - due after more than one year	12	69	369
Cash at bank and in hand		29,911	18,263
		<hr/>	<hr/>
		50,691	31,736
<b>Creditors amounts falling due within one year</b>	13	(19,864)	(20,401)
		<hr/>	<hr/>
<b>Net current assets</b>		30,827	11,335
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		90,634	76,739
<b>Creditors amounts falling due after more than one year</b>	14	(18,546)	(25,519)
<b>Provision for liabilities and charges</b>	15	(2,514)	(1,815)
		<hr/>	<hr/>
		69,574	49,405
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	17	1,387	1,460
Capital redemption reserve	18	110	37
Share premium	18	110	110
Profit and loss account	18	66,789	46,254
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>		68,396	47,861
		<hr/>	<hr/>
<b>Minority interests</b>		1,178	1,544
		<hr/>	<hr/>
		69,574	49,405
		<hr/>	<hr/>

The financial statements were approved by the board on 26/6/ 2007 and signed on its behalf by

R Wester

Director

The accompanying accounting policies and notes form an integral part of these financial statements

# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## COMPANY BALANCE SHEET AS AT 31 DECEMBER 2006

	Note	31 December 2006 €'000	31 December 2005 €'000
<b>Fixed assets</b>			
Tangible assets	9	11,071	44,641
Investments	10	10,340	7,553
		<u>21,411</u>	<u>52,194</u>
<b>Current assets</b>			
Stock	11	5,194	-
Debtors - due within one year	12	19,384	4,200
Debtors - due after more than one year	12	2,846	-
Cash at bank and in hand		<u>101</u>	<u>3,828</u>
		27,525	8,028
<b>Creditors amounts falling due within one year</b>	13	(6,530)	(11,567)
		<u>20,995</u>	<u>(3,539)</u>
<b>Net current assets</b>			
		42,406	48,655
<b>Total assets less current liabilities</b>			
<b>Creditors amounts falling due after more than one year</b>	14	(2,045)	(22,442)
Provision for liabilities and charges	15	(1,501)	(751)
		<u>38,860</u>	<u>25,462</u>
<b>Net assets</b>			
		<u>38,860</u>	<u>25,462</u>
<b>Capital and reserves</b>			
Called up share capital	17	1,387	1,460
Share premium	18	110	110
Capital redemption reserve	18	110	37
Profit and loss account	18	37,253	23,855
		<u>38,860</u>	<u>25,462</u>
<b>Equity shareholders' funds</b>	19	38,860	25,462

The financial statements were approved by the board on 26/6/2007 and signed on its behalf by

R Wester

Director

The accompanying accounting policies and notes form an integral part of these financial statements

# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## GROUP CASH FLOW STATEMENT

For the year ended 31 December 2006

	Note	2006 €'000	2005 €'000
<b>Net cash inflow from operating activities</b>	22	1,582	11,940
<b>Returns on investment and servicing of finance</b>			
Interest received		458	473
Interest paid		(444)	(859)
Finance charges on finance leases		-	(259)
Dividend income		-	34
Dividend paid to minority interests		(430)	-
<b>Net cash outflow from returns on investment and servicing of finance</b>		(416)	(611)
<b>Taxation</b>		(117)	6
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(105,737)	(40,291)
Sale of tangible fixed assets		126,679	41,669
<b>Net cash inflow from capital expenditure and financial investment</b>		20,942	1,378
<b>Acquisitions and disposals</b>			
Disposal of investments		-	554
Investment in associated undertakings and other fixed asset investments		(2,316)	-
<b>Net cash inflow from acquisitions and disposals</b>		(2,316)	554
<b>Equity dividends paid</b>		(29)	(256)
<b>Financing</b>			
Receipt from borrowing		54,071	14,933
Repayment of borrowing		(58,191)	(19,655)
Capital element of finance lease		(2,176)	(2,531)
Issue of shares		-	109
Shares bought back during the year		(1,523)	-
<b>Net cash outflow from financing</b>		(7,819)	(7,144)
<b>Increase / (decrease) in cash</b>	22	11,828	5,867

The accompanying accounting policies and notes form an integral part of these financial statements

## CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

### GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2006

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	2006 €'000	2005 €'000
Profit for the financial year	22,058	22,183
Currency differences on retranslating opening reserves	-	(425)
Currency translation gains on foreign currency net investments	-	88
	<hr/>	<hr/>
Total gains and losses recognised since last financial statements	22,058	21,846
	<hr/>	<hr/>

# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The directors consider that the group is involved in one activity being the operation of trading motor vessels. Directors consider that disclosure of the geographical market analysis would be seriously prejudicial to the interests of the group therefore this information is not provided.

	2006 €'000	2005 €'000
Profit on ordinary activities before taxation is stated after charging		
Depreciation charge for the year		
- owned assets	922	1,106
- leased assets	-	352
Auditors' remuneration		
- UK audit services	103	94
- overseas audit services	76	75
- overseas tax and accountancy services	8	93
Charges relating to operating leases - other	22	22
Dividend income arising on write off of dissolved group companies	-	(34)

### 2 NET INTEREST

	2006 €'000	2005 €'000
On bank loans and overdrafts	(425)	(822)
On loan notes	(19)	(37)
Finance lease interest payable	-	(259)
Interest receivable	458	473
Exchange losses	(14)	(269)
	-	(914)

### 3 DIRECTORS AND EMPLOYEES

The average monthly number of persons (including directors) employed by the group during the year was

	2006	2005
Non-executive directors	2	2
Executive directors	4	4
Other	70	101
	76	107

The company had no employees during 2005 or 2006. The company chairman's emoluments were paid on a consultancy basis by the company during this period.

# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 3 DIRECTORS AND EMPLOYEES (continued)

Staff costs for the above persons

	2006 €'000	2005 €'000
Wages and salaries	4,341	3,774
Social security costs	456	330
Other pension costs	409	297
	<u>5,206</u>	<u>4,401</u>

Crew costs are dealt with through a crewing agency and amounted to €1,477,000 (31 December 2005: €2,187,000)

Remuneration in respect of directors was as follows

	2006 €'000	2005 €'000
Emoluments	1,090	738
Pension contributions	139	127
	<u>1,229</u>	<u>865</u>

The amounts set out above include remuneration in respect of the highest paid director as follows

	2006 €'000	2005 €'000
Emoluments	332	214
Pension contributions	97	100
	<u>429</u>	<u>314</u>

Retirement benefits for 4 directors are accruing under money purchase pension schemes in respect of qualifying services (2005: 4). Amounts payable to third parties for directors' fees in 2006 amounted to €26,000 (2005: €26,000)

# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2006 €'000	2005 €'000
The tax charge is based on the profit for the year and comprises		
Current year (credit) / charge	(13)	23
Overseas taxation	180	141
	<hr/>	<hr/>
Current tax charge for the year	167	164
	<hr/>	<hr/>

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 30%  
The differences are explained as follows

	2006 €'000	2005 €'000
Profit on ordinary activities before tax	22,289	22,674
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 30% (2005 30%)	6,687	6,802
Effect of		
Earnings on vessels assessable under tonnage tax	(7,310)	(7,225)
Expenses not deductible for tax purposes	55	141
Expenses treated on a paid basis	(3)	2
Depreciation in excess of capital allowances	11	(7)
Tax on tonnage tax profits / corporation tax	215	165
Losses brought forward	457	435
Corporation tax over accrued 2003 and 2004	48	-
Other	7	11
Franked investment income	-	(160)
	<hr/>	<hr/>
Current tax charge for the year	167	164

Profit on sale of ships is an exceptional item. The tax on these sales is assessable under tonnage tax.



# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 5 DIVIDENDS

	31 December 2006 €'000	31 December 2005 €'000
<b>Dividends on shares classed as equity</b>		
Paid during the year	29	256
Accrued at the year end	-	29
Proposed after the year end	572	-

### 6 PROFIT ATTRIBUTABLE TO CARISBROOKE SHIPPING HOLDINGS LIMITED

The parent company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in the financial statements

The group profit for the year includes a profit of €14,921,000 (2005 €12,645,000) that is dealt with in the financial statements of the company

### 7 INTANGIBLE FIXED ASSETS - GROUP

	Positive Goodwill €'000
<b>Cost</b>	
At 1 January 2006	737
At 31 December 2006	737
<b>Amortisation and impairment</b>	
At 1 January 2006	(360)
Impairment of goodwill	(377)
At 31 December 2006	(737)
<b>Net book value</b>	
At 1 January 2006	377
At 31 December 2006	-

# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 8 TANGIBLE FIXED ASSETS

#### The Group

	Freehold land and buildings €'000	Motor vessels €'000	Assets under construction €'000	Other €'000	Total €'000
<b>Cost or valuation</b>					
At 1 January 2006	452	27,857	34,103	1,151	63,563
Additions	729	84,413	26,523	166	111,831
Disposals	-	(93,916)	(24,783)	-	(118,699)
Transferred to stock	-	-	(5,194)	-	(5,194)
At 31 December 2006	1,181	18,354	30,649	1,317	51,501
<b>Depreciation</b>					
At 1 January 2006	42	5,945	-	509	6,496
Charge for year	24	698	-	200	922
Disposals	-	(4,153)	-	-	(4,153)
At 31 December 2006	66	2,490	-	709	3,265
<b>Net book value</b>					
At 31 December 2005	410	21,912	34,103	642	57,067
At 31 December 2006	1,115	15,864	30,649	608	48,236

The amount of interest capitalised in 2006 in respect of Assets under construction is €493,000 (of which €412,000 was incurred in 2006). Interest is charged at varying rates dependent on the terms of each separate ship loan.

# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 9 TANGIBLE FIXED ASSETS

#### The Company

	Motor vessels €'000	Assets under construction €'000	Total €'000
<b>Cost or valuation</b>			
As at 1 January 2006	12,104	34,103	46,207
Additions	74,193	25,717	99,910
Disposals	(85,772)	(24,783)	(110,555)
Intra group transfers	-	(19,213)	(19,213)
Transferred to stock	-	(5,194)	(5,194)
At 31 December 2006	525	10,630	11,155
<b>Depreciation</b>			
As at 1 January 2006	1,566	-	1,566
Charge for year	283	-	283
Disposals	(1,765)	-	(1,765)
At 31 December 2006	84	-	84
<b>Net book value</b>			
As at 1 January 2006	10,538	34,103	44,641
At 31 December 2006	441	10,630	11,071

# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 10 FIXED ASSET INVESTMENTS

At 31 December 2006 the group had interests in the following subsidiaries

Subsidiary undertakings	Country of incorporation	Class of share capital held	Nature of business	Proportion held by group
Baybreak Limited	England and Wales	Ordinary	Dormant	100%
Carisbrooke Shipping (CV1) BV	The Netherlands	Ordinary	Dormant	100%
Carisbrooke Shipping (CV2) BV	The Netherlands	Ordinary	Dormant	100%
Carisbrooke Shipping (CV4) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (CV5) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (CV6) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (Holland) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (Management) Ltd	England and Wales	Ordinary	Dormant	100%
Carisbrooke Shipping 631 Limited	England and Wales	Ordinary	Ship operating	* 100%
Carisbrooke Shipping 632 Limited	England and Wales	Ordinary	Ship operating	* 100%
Carisbrooke Shipping 633 Limited	England and Wales	Ordinary	Ship operating	* 100%
Carisbrooke Shipping 634 Limited	England and Wales	Ordinary	Ship operating	* 100%
Carisbrooke Shipping 635 Limited	England and Wales	Ordinary	Ship operating	* 100%
Carisbrooke Shipping 636 Limited	England and Wales	Ordinary	Ship operating	* 100%
Carisbrooke Shipping 637 Limited	England and Wales	Ordinary	Ship operating	* 100%
Carisbrooke Shipping 638 Limited	England and Wales	Ordinary	Ship operating	* 100%
Carisbrooke Shipping Esther Limited	England and Wales	Ordinary	Ship operating	* 100%
Carisbrooke Shipping Germany GMBH	Germany	Ordinary	Ship operating	100%
Carisbrooke Shipping Mary C BV	The Netherlands	Ordinary	Dormant	100%
Carisbrooke Shipping Limited	England and Wales	Ordinary	Ship operating	* 100%
Carisbrooke Shipping Maik C BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping Verwaltung GmbH	Germany	Ordinary	Ship operating	50%
Carisbrooke Yichang GmbH	Germany	Ordinary	Ship operating	100%
Enzian Shipping Limited	England and Wales	Ordinary	Dormant	100%
Heleen Shipping Limited	England and Wales	Ordinary	Dormant	100%
Key Fund BV	The Netherlands	Ordinary	Ship operating	100%
Kyokuyo Verwaltung GmbH	Germany	Ordinary	Ship operating	50%
Frisian Crew Management	Germany	Ordinary	Crew agency	100%
Medina Shipping Limited	England and Wales	Ordinary	Ship operating	100%
Merweship BV	The Netherlands	Ordinary	Ship operating	100%
Merweship Management BV	The Netherlands	Ordinary	Crew agency	100%
Merwezoon CV	The Netherlands	Ordinary	Ship operating	57%
Northern Ship Management	The Netherlands	Ordinary	Ship managing	100%
Rotterdam Manning Services BV	The Netherlands	Ordinary	Dormant	100%
Ship Fund BV	The Netherlands	Ordinary	Ship operating	100%
Frisian Crew Management GmbH	Germany	Ordinary	Crew agency	100%
Soetermeer Fekkes Cargadoorskantoor BV	The Netherlands	Ordinary	Ship operating	100%
Vectis Shipping BV	The Netherlands	Ordinary	Dormant	100%

\* Interest held directly by the holding company

# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 10 FIXED ASSET INVESTMENTS (CONTINUED)

At 31 December 2006 the group had interests in the following associated undertakings

Associated undertakings	Country of incorporation	Class of share capital held	Nature of business	Proportion held by group
Carisbrooke Shipping CV Maiké-C	The Netherlands	Ordinary	Ship operating	# 55%
Carisbrooke Shipping CV Mary-C	The Netherlands	Ordinary	Ship operating	# 71%
KG Vectis Herrier	Germany	Ordinary	Ship operating	29%
KG Mary-C	Germany	Ordinary	Ship operating	21%

# Although the group owns more than 50% of the shares in these CVs the articles of the company give the other shareholders a veto over their activities

None of the associated undertakings have any capital commitments or contingent liabilities

	Group 31 December 2006 €'000	Company 2006 €'000	Group 31 December 2005 €'000	Company 2005 €'000
<b>Total fixed asset investments comprise</b>				
Interests in subsidiary undertakings	-	10,340	-	7,553
Interests in associated undertakings	7,208	-	3,650	-
Fixed asset investments	4,363	-	4,310	-
	<b>11,571</b>	<b>10,340</b>	<b>7,960</b>	<b>7,553</b>

### 11 STOCK

	Group 31 December 2006 €'000	Company 2006 €'000	Group 31 December 2005 €'000	Company 2005 €'000
Vessel consumables	1,055	-	1,048	-
Vessel held for sale	5,194	5,194	-	-
	<b>6,249</b>	<b>5,194</b>	<b>1,048</b>	<b>-</b>

There was no significant difference between replacement cost and the values disclosed for consumables. The vessel held for sale was sold after the end of the financial year for a value greater than its cost.

# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 12 DEBTORS

	Group 31 December 2006 €'000	Company 31 December 2006 €'000	Group 31 December 2005 €'000	Company 31 December 2005 €'000
<b>Amounts falling due within one year</b>				
Trade debtors	5,243	-	1,906	-
Amounts owed by group undertakings	-	19,107	-	3,900
Amounts owed by associated undertakings	1,363	-	4,208	-
Amounts owed by related undertakings	1,268	17	3,869	-
Other debtors	3,983	250	1,682	300
Prepayments and accrued income	2,605	10	391	-
	<u>14,462</u>	<u>19,384</u>	<u>12,056</u>	<u>4,200</u>
<b>Amounts falling due after more than one year</b>				
Other debtors	69	2,846	369	-
	<u>14,531</u>	<u>22,230</u>	<u>12,425</u>	<u>4,200</u>

Included within other debtors are loans to directors (note 27)

### 13 CREDITORS

	Group 31 December 2006 €'000	Company 31 December 2006 €'000	Group 31 December 2005 €'000	Company 31 December 2005 €'000
<b>Amounts falling due within one year</b>				
Instalments due on bank loans and overdrafts	5,395	4,817	2,470	1,911
Finance leases	4	-	2,176	-
Trade creditors	5,549	-	1,255	-
Amounts owed to related undertakings	472	-	60	-
Amounts owed to subsidiary undertakings	-	309	-	8,926
Amounts owed to associated undertakings	101	-	3,115	-
Equity dividends accrued	-	-	29	29
Corporation tax	471	74	421	22
Other taxation and social security	618	-	279	-
Other creditors	33	-	5,528	-
Accruals and deferred income	7,221	1,330	5,068	679
	<u>19,864</u>	<u>6,530</u>	<u>20,401</u>	<u>11,567</u>

# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 13 CREDITORS (Continued)

The bank overdrafts and loans are secured by a floating charge over the assets of the company, by cross guarantees and fixed charges over book debts, freehold property and motor vessels of companies of the Carisbrooke Shipping Holdings Limited group

### 14 CREDITORS

	Group 31 December 2006 €'000	Company €'000	Group 31 December 2005 €'000	Company €'000
<b>Amounts falling due after more than one year</b>				
Shareholder loans	-	-	427	427
Non-shareholder loans	1,045	1,045	1,157	1,157
Finance leases	1	-	5	-
Bank loans	16,500	-	23,174	20,102
Accruals and deferred income	1,000	1,000	756	756
	<u>18,546</u>	<u>2,045</u>	<u>25,519</u>	<u>22,442</u>

	Group 31 December 2006 €'000	Company €'000	Group 31 December 2005 €'000	Company €'000
<b>Bank loans and overdrafts including current instalments are repayable as follows</b>				
<b>Within one year</b>				
Bank loans and overdrafts	5,771	4,817	2,098	1,911
<b>After one and within two years</b>				
Bank loans	2,574	-	6,346	3,259
<b>After two and within five years</b>				
Bank loans	3,861	-	7,188	5,989
<b>After five years</b>				
Bank loans	10,065	-	10,766	10,854
	<u>22,271</u>	<u>4,817</u>	<u>26,398</u>	<u>22,013</u>

	Group 31 December 2006 €'000	Company €'000	Group 31 December 2005 €'000	Company €'000
<b>Finance leases are repayable as follows</b>				
Finance lease amounts within 1 year	4	-	2,176	-
Finance lease amounts due between 1 - 2 years	1	-	4	-
Finance lease amounts due between 2 - 5 years	-	-	1	-
	<u>5</u>	<u>-</u>	<u>2,181</u>	<u>-</u>

The group and company has a number of long term loans in a variety of currencies repayable as above at varying rates of interest above bank borrowing rates

# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 15 PROVISIONS FOR LIABILITIES AND CHARGES

	Group 31 December 2006 €'000	Company 2006 €'000	Group 31 December 2005 €'000	Company 2005 €'000
Pensions	65	-	116	-
Guarantee provisions	2,449	1,501	1,699	751
	<u>2,514</u>	<u>1,501</u>	<u>1,815</u>	<u>751</u>

The guarantee provisions relate to amounts that the group has guaranteed regarding maximum annual operating costs able to be recharged to the German KG shipowners. If these maximum levels are exceeded, the excess cost will be covered by the group.

All movements in the year have been provided through the profit and loss account. There has been no amortisation of discount, no amounts provided through the statement of total recognised gains and losses or in relation to a tax charge or credit relating to a revaluation reserve.

### 16 DEFERRED TAX

Deferred tax is not provided for in the financial statements, the total potential liabilities not provided at 31 December 2005 and 31 December 2006 are set out below and is measured on an undiscounted basis.

	Group 31 December 2006 €'000	Company 2006 €'000	Group 31 December 2005 €'000	Company 2005 €'000
Accelerated capital allowances	875	-	417	375
	<u>875</u>	<u>-</u>	<u>417</u>	<u>375</u>

### 17 CALLED UP SHARE CAPITAL

	31 December 2006 €'000	31 December 2005 €'000
<b>Authorised</b>		
2,000,000 ordinary shares of £1 each	2,920	2,920
	<u>2,920</u>	<u>2,920</u>
<b>Allotted, called up and fully paid</b>		
950,000 (2005: 1,000,000) ordinary shares of £1 each	1,387	1,460
	<u>1,387</u>	<u>1,460</u>

50,000 £1 shares were repurchased by the company from a former director in 2006, amounting to 5% of the called up share capital. The total consideration paid for these shares by the company was €1,523,000.

All shares in issue rank pari passu with each other in all respects.



# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 18 SHARE PREMIUM ACCOUNT AND RESERVES

	Profit & Loss Account €'000	Share Premium €'000	Capital Redemption €'000
<b>The Group</b>			
At 1 January 2006	46,254	110	37
Retained profit for the year	22,058	-	-
Shares bought back during the year	(1,523)	-	73
At 31 December 2006	<u>66,789</u>	<u>110</u>	<u>110</u>
<b>The Company</b>			
At 1 January 2006	23,855	110	37
Retained profit for the year	14,921	-	-
Shares bought back during the year	(1,523)	-	73
At 31 December 2006	<u>37,253</u>	<u>110</u>	<u>110</u>

### 19 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS FUNDS

The Group	31 December 2006 €'000	31 December 2005 €'000
Profit for the financial year	22,058	22,183
Timing differences	-	(425)
Equity dividends paid	-	(256)
Equity dividends accrued	-	(29)
Exchange difference on retranslation of net assets of subsidiary	-	88
Shares issued in the year	-	109
Shares bought back during the year	(1,523)	-
Net addition to shareholders funds	20,535	21,670
Equity shareholders' fund at 31 December 2005	47,861	25,905
Prior year adjustment (dividends accrued not paid)	-	286
Equity shareholders' funds at 31 December 2006	<u>68,396</u>	<u>47,861</u>

## CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

#### 19 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS FUNDS (continued)

The Company

	31 December 2006 €'000	31 December 2005 €'000
Profit for the financial year	14,921	12,645
Timing differences	-	(425)
Equity dividends paid	-	(256)
Equity dividends accrued	-	(29)
Exchange difference on retranslation of net assets of subsidiary	-	88
Shares issued in the year	-	109
Shares bought back during the year	(1,523)	-
Net addition to shareholders funds	13,398	12,132
Equity shareholders' fund at 31 December 2005	25,462	13,330
Equity shareholders' funds at 31 December 2006	38,860	25,462

#### 20 PENSIONS

Contributions are made into defined contribution pension schemes on behalf of some employees of the group at rates of up to 12.5% of salary. The assets are held separately from those of the group in independently administered funds.

The pension charge represents contributions payable by the group to those funds and amounted to €409,000 (31 December 2005: €216,000) in the year.

# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 21 RELATED PARTY TRANSACTIONS

The group also has an investment of more than 3% in the following and derives management and brokerage income as follows

(i)

	Income (Note 1 below) €'000	Expenditure (Note 2 below) €'000	Net impact on results for year €'000	Amounts owed to related party €'000	Amounts owed by related party €'000
M S Margrete C Schiffahrtsgesellschaft & Co KG	2,996	2,587	409	37	-
MS Geja C Schiffahrtsgesellschaft & Co KG	3,161	2,376	785	109	-
MS Mary C Schiffahrtsgesellschaft & Co KG	3,328	2,575	753	60	-
MS Vanessa C Schiffahrtsgesellschaft & Co KG	2,668	2,573	95	-	10
MS Natacha C Schiffahrtsgesellschaft & Co KG	3,445	2,829	616	165	-
MS Jannie C Schiffahrtsgesellschaft & Co KG	3,381	2,797	584	14	-
MS Emily C Schiffahrtsgesellschaft & Co KG	4,038	2,699	1,339	68	-
MS Jade C Schiffahrtsgesellschaft & Co KG	3,987	2,794	1,193	-	27
MS Dina C Schiffahrtsgesellschaft & Co KG	5,074	3,332	1,742	148	-
MS Vectis Harrier C Schiffahrtsgesellschaft & Co KG	2,534	2,092	442	54	-
MS Jill C Schiffahrtsgesellschaft & Co KG	2,558	2,117	441	91	-
MS Anna C Schiffahrtsgesellschaft & Co KG	1,191	1,005	186	25	-
Total			8,585		

Note 1 – Income is derived from management fees, brokerage fees and set up fees for new KGs

Note 2 – Expenditure relates to net obligations under time charter and operating expense guarantees of KG ships managed

(ii)

	Income €'000	Amounts owed to related party €'000	Amounts owed by related party €'000
MV Marie Jeanne AG	69	16	-
MV Kathrin AG	74	40	-
MV Alessia AG	57	-	31
MV Claudia AG	65	7	-
Enzian AG	-	-	280

(iii)

	Income €'000	Amounts owed to related party €'000	Amounts owed by related party €'000
Maik C CV	8	-	558
Carisbrooke Shipping CV6	836	-	9
Mary C CV	337	-	543

# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 22 RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	31 December 2006 €'000	31 December 2005 €'000
Operating profit	7,964	12,354
Depreciation of tangible assets	921	1,458
Impairment	377	-
Amortisation	-	48
Goodwill on disposals	-	(882)
Increase in stocks	(5,201)	(607)
(Increase) / decrease in debtors	(2,106)	3,732
Decrease in creditors	(1,070)	(4,930)
Increase in provisions	698	767
Net cash inflow from operating activities	1,582	11,940

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	31 December 2006 €'000	31 December 2005 €'000
Increase in cash in the year	11,830	5,868
Cash inflow from financing	6,295	7,253
Change in debt resulting from cash flows	18,125	13,121
Effect of foreign exchange differences on debt	(14)	(366)
Movement in net debt	18,112	12,755
Net debts at 1 January 2006	(11,146)	(23,901)
Net debts at 31 December 2006	6,966	(11,146)

# CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

### 22 ANALYSIS OF CHANGES IN NET DEBT (Continued)

	1 January 2006 €'000	Cash flow €'000	Non cash items €'000	31 December 2006 €'000
Cash at bank and in hand	18,263	11,648	-	29,911
Overdrafts	(182)	183	-	1
Net Cash	18,081	11,830	-	29,911
Debt	(27,046)	4,120	(14)	(22,940)
Finance leases	(2,181)	2,175	-	(6)
Net debt	(11,146)	18,126	(14)	6,966

### 23 OPERATING LEASE COMMITMENTS

The company has three operating leases through the year. The minimum annual rentals under these leases are

	Group 31 December 2006 €'000	Company 31 December 2006 €'000	Group 31 December 2005 €'000	Company 31 December 2005 €'000
	Other	Other	Other	Other
Operating leases which expire in two to five years	22	-	22	-

### 24 CONTINGENT LIABILITIES

Various members of the group, including the parent company, have given cross-guarantees in respect of the bank loans included in notes 13 and 14.

There were no other contingent liabilities at 31 December 2006 or 31 December 2005, other than as disclosed in note 16 under deferred tax.

### 25 CAPITAL COMMITMENTS

At 31st December 2006 the group had contracted for the construction of a number of new ships for delivery between 2007 and 2009. The group's aim is to either sell these ships wholly, or partly, with the aim of retaining commercial and/or technical management of the ships.

## CARISBROOKE SHIPPING HOLDINGS LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2006

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#### 26 POST BALANCE SHEET EVENTS

Since the balance sheet date there have been amendments to the composition of the group's Board. I Walker has succeeded W Wester as executive managing director during the last quarter of 2006, with W Wester remaining in the Board in a non executive director's role. G Croucher has stepped down from her role as non executive director. B Rosenmöller has stepped down and been succeeded by H Tveitan as chairman, who has been appointed to the Board as a non executive director. Linked to this process has been a reorganisation of the group's share capital, and the group has bought back some of its ordinary shares and issued a number of preference shares.

#### 27 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

Amounts due in respect of loans

Name of director	Amount outstanding		Maximum liability during the year €'000	Interest due not paid €'000
	31 December 2006 €'000	31 December 2005 €'000		
D J Poulton	-	43	-	-
I A Walker	111	117	117	-

D J Poulton repaid the loan during 2006

#### 28 ULTIMATE CONTROLLING PARTY

The directors believe that there is no single controlling individual