



CARISBROOKE SHIPPING HOLDINGS LIMITED

Company registered in England and Wales Number 3783705

REPORT AND FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2010

Registered Office Bridge House, 38 Medina Road, Cowes, Isle of Wight PO31 7DA

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COMPANIES HOUSE

Carisbrooke Shipping Holdings Limited

DIRECTORS

I A Walker	R Wester
H Tveitan	P Jones
P Over	

COMPANY SECRETARY AND REGISTERED OFFICE

Mrs M A Riley
Bridge House, 38 Medina Road
Cowes
Isle of Wight
PO31 7DA

BANKERS

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

AUDITOR

Grant Thornton UK LLP
Chartered Accountants
Registered Auditor
No 1 Dorset Street
Southampton
Hampshire
SO15 2DP

SOLICITORS

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

INDEX

PAGE

Report of the Directors	1 - 2
Report of the independent auditors	3
Accounting policies	4 - 6
Group profit and loss account	7
Group balance sheet	8
Company balance sheet	9
Group cashflow statement	10
Group statement of total recognised gains and losses	11
Notes to the financial statements	12 - 28

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

REPORT OF THE DIRECTORS

For year ended 31 December 2010

The directors submit their report and the financial statements of Carisbrooke Shipping Holdings Limited for the year ended 31 December 2010

Principal activities

The company is a holding company of motor vessel operating subsidiaries and also owns and operates motor vessels in its own right. The group's activities are the ownership and operation 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 2010 are set out on pages 4 to 28. The profit for the year after taxation was €10,551,000 (year to 31 December 2009 was a profit of €3,774,000).

At the end of the year the directors had not recommended a final dividend, though an interim dividend of €739,304 had been declared and paid. (2009 final dividend € nil, interim dividend in 2009 €3,965,695).

In 2010, as in 2009, the group has made a proportion of exceptional profits from disposal of assets. The directors do not make the assumption that such sales or profits will continue.

Going Concern

The company's business activities, performance and position are set out in the Review of the Business above. The financial position of the company, liquidity position and borrowing facilities are set out in the notes to the financial statements. In addition, the Report of the Directors below includes the company's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk.

The company and group have considerable financial resources. As a consequence, the directors believe that the company and group are well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Summary of key performance indicators

Ratio	2010	2009	Method of calculation
Net Operating profit / (loss) %	12.8%	-6.2%	The ratio of net profit excluding exceptional gains or losses on disposal of motor vessels to sales expressed as a percentage.
Change in sales %	50.9%	-52.0%	Year-on-year sales change expressed as a percentage.
Capital expenditure (€'000)	18,819	18,090	Investment made in respect of capital items during the year.
Return on invested capital	7.1%	-0.8%	Operating profit expressed as a percentage of net assets.
Average head count	118	101	Average of total monthly headcounts derived from the payroll records.
Gearing	25.1%	37.1%	Long term liabilities divided by equity shareholders funds.
Current ratio	3.80	3.79	Current assets divided by current liabilities.

The directors believe that the group's underlying position remains strong and it is in a good position build on the Balance Sheet strengths.

Directors

The directors who served the company throughout the year were H Tveitan, I Walker, R Wester, P Over and P Jones.

Political and charitable gifts

Contributions for charitable purposes amounting to €53,000 (31 December 2009 €41,000) were made in the year.

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

REPORT OF THE DIRECTORS (Continued)

For year ended 31 December 2010

Statement of Directors' responsibilities

The directors are responsible for preparing 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of 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 company'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, though the group also has an overhead base significantly in Sterling. 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 motor vessels. Prior to delivery, loans may be at floating rates.

Insurance risk - the motor vessels are fully insured by third party providers.

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE BOARD

R Wester
Director

Date

10/6/11

Registered Office

Bridge House, 38 Medina Road, Cowes
Isle of Wight, PO31 7DA

Company Registration Number

3783705 in England and Wales

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

We have audited the financial statements of Carisbrooke Shipping Holdings Limited for the year ended 31 December 2010 which comprise the group profit and loss account, the group and parent company balance sheets, the group cash flow statement, the group statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2010 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



NORMAN ARMSTRONG
SENIOR STATUTORY AUDITOR
FOR AND ON BEHALF OF GRANT THORNTON UK LLP
STATUTORY AUDITOR
CHARTERED ACCOUNTANTS
SOUTHAMPTON
Date 14 June 2011

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies of the group and company have remained unchanged from the previous year with the exception of the definitions of Joint Ventures and Associates, as outlined below

ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain 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 2010 was £1 / €1.1604 (31 December 2009 £1 / €1.1192)

TURNOVER

Turnover is the revenue arising from the sales of services and includes gross freight, management fees, shipbroking and agency fees. It is stated at the fair value of the consideration receivable by the Group in the ordinary course of business with outside customers, net of value added tax, rebates and discounts.

Revenue from services provided by the Group is recognised when the Group has performed its obligations and in exchange obtained the right to consideration.

Gross freight

Gross freight and related expenditure for trading and time charter motor vessel operations are accounted for on a daily basis as earned or incurred. Revenue is accrued or deferred according to the point of invoice.

Management fees

Management fees relate to where the group has responsibility for the day to day operations of the vessels or where the group books the freight for the vessel on behalf of a third party. These fees are recognised as earned and are based on either set fees or a percentage as determined within the individual contract.

OTHER OPERATING INCOME

Other operating income is income not related to the operation or management of specific motor vessels, but which arises from the function of managing a fleet of vessels.

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 2010. Immaterial subsidiaries have been excluded from the consolidation.

JOINT VENTURES

Undertakings, other than subsidiary undertakings, in which the group has an investment representing between 45% and 55% of the voting rights are assessed annually to determine the appropriate accounting treatment. If it is demonstrated that Carisbrooke and a very limited range of partners exert joint control over the major decisions of the undertaking, that undertaking is accounted for as a joint venture. The range of factors that would lead to the conclusion that joint control is being shared between partners includes (but is not limited to) ownership percentage, the composition of the board of directors, the board minutes, the roles of the parties in the ownership and management of the undertaking and evidence of shared decision making on major issues. Factors that would suggest that the correct accounting treatment would be as an associate include (but are not limited to) those as described in the accounting policy for associates.

The group's share of the results of its joint ventures are included in the group profit and loss account. The group balance sheet includes the investment in its joint ventures at the group's share of net assets.

The company balance sheet shows the investment in the joint venture at cost.

PRINCIPAL ACCOUNTING POLICIES

ASSOCIATED UNDERTAKINGS

Undertakings, other than subsidiary undertakings and joint ventures, in which the group has an investment representing between 15% and 50% of the voting rights are assessed annually to determine the appropriate accounting treatment. If it is demonstrated that Carisbrooke exerts significant influence over the major operating and / or financial strategic decisions of the undertaking, that undertaking is accounted for as an associate. The range of factors that would lead to the conclusion that significant influence is being exerted includes (but is not limited to) ownership percentage, the role of an equity holder in the investment project, the shareholder makeup, the role of a supervisory board, the articles of association of the undertaking and the share and certificate structure of the undertaking.

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.

Previously the Group policy was that undertakings, other than subsidiary undertakings and joint ventures, in which the group had an investment representing at least 20% of the voting rights and over which it exerted significant influence are treated as associated undertakings. However in the Directors' view the nature of the investment projects in which the Group participates is complex and the 20% criterion not sufficiently sensitive to other qualitative measures of the influence exerted. The factors outlined above have been specifically defined in 2010 to provide a more robust assessment of the level of influence exercised by the Group. As a consequence five entities previously accounted for as associates have been accounted for as investments in the 2010 balance sheet, with the 2009 comparatives correspondingly restated. The impact on net assets is an increase of €340,000 in 2010 and €458,000 in 2009.

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

Revaluation of one trading motor vessels owned by the group is taken into account when drawing up the financial statements. In the opinion of the directors, and taking external advice, as at 31 December 2010 the market value of each other vessel owned was higher than the net book value disclosed.

PRINCIPAL ACCOUNTING POLICIES

INVESTMENTS

Investments are initially included at cost and are reviewed annually for impairment

STOCK

Marine fuel is stated at cost. Other stock is stated at the lower of cost and net realisable value

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 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.

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.

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.

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

GROUP PROFIT AND LOSS ACCOUNT

For year ended 31 December 2010

	Note	2010 €'000	2009 €'000 Restated
Turnover	1	50,325	33,359
less share of joint ventures' turnover		(4,544)	-
Group Turnover		45,781	33,359
Cost of sales		(28,895)	(25,820)
Gross profit		16,886	7,539
Administrative expenses		(9,041)	(10,044)
Other operating charges	1	(2,528)	719
Other operating income		2,766	699
Operating costs		(8,803)	(8,626)
Operating profit / (loss)		8,083	(1,087)
Share of operating (loss) / profit of joint ventures		(336)	219
Share of operating loss of associated undertakings		(1,548)	202
Profit / (loss) on ordinary activities before interest and taxation		6,199	(666)
Net interest and similar charges	2	1,068	(480)
Share of net interest of joint ventures		(581)	(188)
Exceptional items			
Gain on disposal of fixed assets and investments	4	4,109	5,853
Profit on ordinary activities before taxation		10,795	4,519
Taxation on profit on ordinary activities	5	(646)	(511)
Share of taxation of joint ventures		(3)	-
Profit on ordinary activities after taxation		10,146	4,008
Minority interest		405	224
Retained Profit for the financial year		10,551	4,232

All operations are classed as continuing

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

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

GROUP BALANCE SHEET AS AT 31 DECEMBER 2010

		31 December 2010	31 December 2009 Restated
	Note	€'000	€'000
Fixed assets			
Tangible assets	8	52,141	58,646
Investments	10	26,896	22,902
Investment in Joint Ventures			
Share of joint venture gross assets		47,589	28,248
Share of joint venture gross liabilities		(30,731)	(16,162)
		<u>16,858</u>	<u>12,086</u>
		95,895	93,635
Current assets			
Stock	11	5,099	3,261
Debtors - due within one year	12	24,650	22,249
Debtors - due after more than one year	12	2,511	569
Cash at bank and in hand		30,039	40,672
		<u>62,299</u>	<u>66,751</u>
Creditors amounts falling due within one year	13	(16,384)	(17,628)
Net current assets		<u>45,915</u>	<u>49,124</u>
Total assets less current liabilities		141,810	142,759
Creditors amounts falling due after more than one year	14	(28,384)	(38,288)
Provision for liabilities and charges	15	(29)	(314)
Net assets		<u>113,397</u>	<u>104,156</u>
Capital and reserves			
Called up share capital	17	710	710
Capital redemption reserve	18	1,062	1,062
Share premium	18	5,462	5,462
Revaluation reserve	18	(1,946)	(1,946)
Profit and loss account	18	107,919	98,250
Equity shareholders' funds	19	<u>113,207</u>	<u>103,538</u>
Minority interests		<u>190</u>	<u>618</u>
		<u>113,397</u>	<u>104,156</u>

The financial statements were approved by the board, and authorised for issue on its behalf by

10/6/ 2011, and signed on

R Wester

Director

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

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2010

		31 December 2010 €'000	31 December 2009 €'000
	Note		
Fixed assets			
Tangible assets	9	32,268	31,129
Investments	10	15,023	10,917
		<hr/>	<hr/>
		47,291	42,046
Current assets			
Debtors - due within one year	12	39,558	45,144
Debtors - due after more than one year	12	200	200
Cash at bank and in hand		3,728	3,098
		<hr/>	<hr/>
		43,486	48,442
Creditors amounts falling due within one year	13	(11,064)	(11,577)
		<hr/>	<hr/>
Net current assets		32,422	36,865
		<hr/>	<hr/>
Total assets less current liabilities		79,713	78,911
Creditors amounts falling due after more than one year	14	(9,327)	(12,888)
Provision for liabilities and charges	15	-	(285)
		<hr/>	<hr/>
Net assets		70,386	65,738
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	17	710	710
Share premium	18	5,462	5,462
Capital redemption reserve	18	1,062	1,062
Profit and loss account	18	63,152	58,504
		<hr/>	<hr/>
Equity shareholders' funds	19	70,386	65,738
		<hr/>	<hr/>

The financial statements were approved by the board, and authorised for issue on 10/6/2011, 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 (England and Wales registered company number 3783705)**GROUP CASH FLOW STATEMENT**

For the year ended 31 December 2010

	Note	2010 €'000	2009 €'000
Net cash inflow / (outflow) from operating activities	21	3,815	(10,593)
Returns on investment and servicing of finance			
Interest received		519	1,276
Interest paid		(1,165)	(1,486)
Dividends paid to minority interests		(23)	(28)
Net cash outflow from returns on investment and servicing of finance		(669)	(238)
Taxation		(318)	(307)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(18,819)	(18,090)
Sale of tangible fixed assets		19,820	22,846
Net cash inflow from capital expenditure and financial investment		1,001	4,756
Acquisitions and disposals			
Disposal of subsidiaries		354	-
Investment in associated undertakings and other fixed asset investments		(10,165)	(533)
Net cash outflow from acquisitions and disposals		(9,811)	(533)
Equity dividends paid		(740)	(4,602)
Financing			
Receipt from borrowing		9,035	12,500
Repayment of borrowing		(14,696)	(14,537)
Capital element of finance lease		36	(6)
Additional call on A ordinary shares		0	107
Net cash outflow from financing		(5,625)	(1,936)
(Decrease) / increase in cash	22	(12,347)	(13,453)

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

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2010

	Note	2010 €'000	2009 €'000 Restated
Profit for the financial year		10,551	4,232
Total gains and losses recognised for the year		<u>10,551</u>	<u>4,232</u>

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

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2010

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The directors consider that the group is involved in one activity being the operation of motor vessels. The 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.

	2010 €'000	2009 €'000
Profit on ordinary activities before taxation is stated after charging		
Depreciation charge for the year		
- owned assets	2,609	2,030
- assets held under finance lease and hire purchase agreements	7	7
Auditors' remuneration		
- audit of the company's financial statements	76	56
- audit of the company's subsidiaries, joint ventures and associates	53	57
- taxation and other services pursuant to legislation	108	80
Charges relating to operating leases		
- other	43	49

2 NET INTEREST

	2010 €'000	2009 €'000
On bank loans and overdrafts	(1,102)	(1,287)
On loan notes	-	(11)
Hire purchase interest payable	(1)	-
Finance lease interest	(62)	-
Interest receivable	519	1,276
Exchange gains / (losses)	1,714	(458)
	1,068	(480)

3 DIRECTORS AND EMPLOYEES

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

	2010	2009
Non-executive directors	2	1
Executive directors	3	3
Employees	113	97
	118	101

The company had no employees during 2009 or 2010. The company chairman's emoluments were paid on a consultancy basis by the company during this period.

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2010

3 DIRECTORS AND EMPLOYEES (continued)

Staff costs for the above persons

	2010 €'000	2009 €'000
Wages and salaries	5,143	4,300
Social security costs	588	524
Other pension costs	275	242
	<u>6,006</u>	<u>5,066</u>

Crew costs are dealt with through a crewing agency and amounted to €3,429,000 (31 December 2009 €2,643,000)

Remuneration in respect of directors was as follows

	2010 €'000	2009 €'000
Emoluments	639	522
Pension contributions	38	36
	<u>677</u>	<u>558</u>

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

	2010 €'000	2009 €'000
Emoluments	207	177
Pension contributions	15	14
	<u>222</u>	<u>191</u>

Retirement benefits for 3 directors are accruing under money purchase pension schemes in respect of qualifying services (2009 3) Amounts payable to third parties for directors fees in 2010 amounted to €80,000 (2009 €53,000)

4 GAIN ON DISPOSAL OF FIXED ASSETS AND INVESTMENTS

	2010 €'000	2009 €'000
Gain on disposal of tangible fixed assets	4,044	5,853
Gain on disposal of investments	65	-
	<u>4,109</u>	<u>5,853</u>

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2010

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2010	2009
	€'000	€'000
The tax charge is based on the profit for the year and comprises		
Current year charge	584	162
Overseas taxation	62	349
	<hr/>	<hr/>
Current tax charge for the year	646	511
	<hr/>	<hr/>

The tax assessed for the year differs from the company rate of corporation tax in the UK of 28%

The differences are explained as follows

	2010	2009
	€'000	€'000
Profit on ordinary activities before tax	10,795	4,061
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 28% (2009 28%)	3,023	1,137
Effect of		
Earnings on vessels assessable under tonnage tax	(1,905)	(647)
Expenses not deductible for tax purposes	43	9
Expenses treated on a paid basis	-	(5)
Capital allowances in excess of depreciation	(27)	(46)
Loss on disposal of fixed assets	-	40
Brought forward losses utilised	(554)	-
Income not taxable	-	(0)
Net transfer pricing adjustment	37	-
Group relief (claim) / surrender	(9)	-
Tax on tonnage tax profits / corporation tax	39	34
Difference in tax rates	(1)	-
Prior year charges	-	(11)
	<hr/>	<hr/>
Current tax charge for the year	646	511
	<hr/>	<hr/>

Profit and loss arising on disposal of motor vessels is an exceptional item. The tax on these sales is assessable under tonnage tax.

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2010

6 DIVIDENDS

	31 December 2010 €'000	31 December 2009 €'000
Dividends on shares classed as equity		
Paid during the year - ordinary shares	455	2,462
Paid during the year - A ordinary shares	285	1,504

7 PROFIT ATTRIBUTABLE TO CARISBROOKE SHIPPING HOLDINGS LIMITED

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in the financial statements

The group profit for the year includes profit of the parent company of €5,388,000 (2009 €4,577,000)

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2010

8 TANGIBLE FIXED ASSETS

The Group

	Freehold land and buildings €'000	Motor vessels €'000	Assets under construction €'000	Motor vehicles and office equipment €'000	Total €'000
Cost or valuation					
At 1 January 2010	1,535	43,099	16,111	2,192	62,937
Additions	-	-	18,617	202	18,819
Disposals	-	(23,362)	-	(143)	(23,505)
Transfers	-	33,935	(34,095)	160	-
At 31 December 2010	1,535	53,672	633	2,411	58,251
Depreciation					
At 1 January 2010	95	2,778	-	1,418	4,291
Charge for year	31	2,336	-	249	2,616
Provision for impairment	-	183	-	-	183
Disposals	-	(838)	-	(142)	(980)
At 31 December 2010	126	4,459	-	1,525	6,110
Net book value					
At 31 December 2009	1,440	40,321	16,111	773	58,646
At 31 December 2010	1,409	49,213	633	886	52,141

In June 2008 the Company moved to a new office at 38 Medina Road, Cowes, Isle of Wight. This building was revalued on 6th March 2009 by Jamie Whittle of valuers Gully Howard, and a Member of the Royal Society of Chartered Surveyors. The basis of the valuation used was open market value. In the view of the Directors the property's valuation at 31 December 2010 would not be materially different. Had this revaluation not taken place the historic cost at 31 December 2010 would have been €3,104,000, less depreciation of €155,000, giving a net book value of €2,949,000.

The Company's previous office at 10 Mill Hill Road, Cowes, Isle of Wight, which is now empty, remains on the market and the directors are of the opinion that the carrying value reflects its open market value.

Included within the net book value of € 52,141,000 is €12,000 (2009 €19,000) relating to assets held under finance lease and hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to €7,000 (2009 €7,000).

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)**NOTES TO THE FINANCIAL STATEMENTS**

For year ended 31 December 2010

9 TANGIBLE FIXED ASSETS**The Company**

	Motor vessels €'000	Assets under construction €'000	Total €'000
Cost or valuation			
As at 1 January 2010	16,507	15,633	32,140
Additions	7,480	18,302	25,782
Disposals	(23,362)	-	(23,362)
Transfer	33,935	(33,935)	-
	<hr/>	<hr/>	<hr/>
At 31 December 2010	34,560	0	34,560
	<hr/>	<hr/>	<hr/>
Depreciation			
As at 1 January 2010	1,011	-	1,011
Charge for year	1,098	-	1,098
Provision for impairment	183	-	183
	<hr/>	<hr/>	<hr/>
At 31 December 2010	2,292	-	2,292
	<hr/>	<hr/>	<hr/>
Net book value			
As at 1 January 2010	15,496	15,633	31,129
	<hr/>	<hr/>	<hr/>
At 31 December 2010	32,268	0	32,268
	<hr/>	<hr/>	<hr/>

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2010

10 FIXED ASSET INVESTMENTS

At 31 December 2010 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
Carisbrooke Shipping (Belgium) BVBA	Belgium	Ordinary	Ship operating	100%
Hanzevast Carisbrooke Shipping 2 NV	Belgium	Ordinary	Non trading	100%
Ship Safety Services Limited	England and Wales	Ordinary	Ship Services	100%
Vectis Crew Management Limited	England and Wales	Ordinary	Crew agency	* 100%
Carisbrooke Shipping 634 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 Limited	England and Wales	Ordinary	Ship operating	* 100%
Carisbrooke Shipping Verwaltung GmbH	Germany	Ordinary	Ship operating	50%
Carisbrooke Shipping (Management) GmbH	Germany	Ordinary	Ship operating	100%
Carisbrooke Mary C Verwaltung GmbH	Germany	Ordinary	Ship operating	50%
Carisbrooke Shipping Yichang Verwaltung GmbH	Germany	Ordinary	Ship operating	50%
Frisian Crew Management GmbH	Germany	Ordinary	Crew agency	100%
Verwaltung Jiangsu GmbH	Germany	Ordinary	Ship operating	50%
KSF Ship Agencies BV	The Netherlands	Ordinary	Ship agency	100%
Carisbrooke Shipping (CV10) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (CV11) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (CV14) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (CV2) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (CV12) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (CV15) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (CV16) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (CV17) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (CV20) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (CV21) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (CV22) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (CV23) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (CV24) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (CV25) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (SO21) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping Shipfund 6250 BV	The Netherlands	Ordinary	Holding company	100%
Carisbrooke Shipping (Holland) BV	The Netherlands	Ordinary	Ship operating	100%
Merweship BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping Lauren C CV	The Netherlands	Ordinary	Ship operating	77%
Northern Ship Management	The Netherlands	Ordinary	Ship operating	100%
Soetermeer Fekkes Cargadoorskantoor BV	The Netherlands	Ordinary	Ship operating	100%
Vectis Shipping BV	The Netherlands	Ordinary	Dormant	100%
Key Fund BV	The Netherlands	Ordinary	Dormant	100%
Merweship Management BV	The Netherlands	Ordinary	Crew agency	100%
Ship Fund BV	The Netherlands	Ordinary	Ship operating	100%
KSF Ship Agencies CV	The Netherlands	Ordinary	Ship agency	100%
Carisbrooke Shipping Norway AS	Norway	Ordinary	Ship operating	100%

* Interest held directly by the holding company

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2010

10 FIXED ASSET INVESTMENTS (CONTINUED)

At 31 December 2010 the group had interests in the following associated undertakings / joint ventures

	Country of incorporation	Class of share capital held	Nature of business	Proportion held by group
Joint ventures				
Cansbrooke Shipping 6250 BV	The Netherlands	Ordinary	Ship operating	50%
Cansbrooke Shipping 6251 BV	The Netherlands	Ordinary	Ship operating	50%
Cansbrooke Shipping 6252 BV	The Netherlands	Ordinary	Ship operating	50%
Vectis 8000 Limited *	England and Wales	Ordinary	Ship operating	51%
Associated undertakings				
Cansbrooke Shipping Mary C CV	The Netherlands	Ordinary	Ship operating	26 09%
Cansbrooke Shipping Nicole C CV	The Netherlands	Ordinary	Ship operating	46 90%
Cansbrooke Shipping Christine C CV	The Netherlands	Ordinary	Ship operating	28 56%
MS Mary C Cansbrooke Schiffahrtgesellschaft KG	Germany	Ordinary	Ship operating	24 78%
Hanzevast Cansbrooke Shipping 1 NV #	Belgium	Ordinary	Ship operating	20 00%

Although the group owns 50% of the ordinary shares in this NV, the capital structure and articles of the company give the other participants equivalent to 80% of the effective capital

During the year 23% of the share capital of Cansbrooke Shipping Nicole C CV was disposed of, reducing the proportion held by the group to 47% the profit generated on disposal was €65,000

As stated in the accounting policy for associated undertakings Vlootfonds Hanzevast II CV, Cansbrooke Shipping Esther C CV, Cansbrooke Shipping Mirjam C CV, MS Monica C Cansbrooke Schiffahrtgesellschaft KG and MS Sonja C Cansbrooke Schiffahrtgesellschaft KG previously accounted for as associates have been accounted for as investments in the 2010 Balance Sheet

The profit / (loss) for the year ended 31 December 2010 and the aggregate share capital and reserves as at 31 December 2010 for these companies is shown below

	Profit / (loss) 2010 €'000	Share capital and reserves 31 December 2010 €'000
Vlootfonds Hanzevast II CV	3,423	25,152
Cansbrooke Shipping Esther C CV	230	4,004
Cansbrooke Shipping Mirjam C CV	(113)	2,757
MS Monica C Cansbrooke Schiffahrtgesellschaft KG	(457)	3,514
MS Sonja C Cansbrooke Schiffahrtgesellschaft KG	(413)	3,188

Associated undertakings	Income €'000	Expenditure €'000	Amounts owed to associate €'000	Amounts owed by associate €'000
Cansbrooke Shipping Mary C CV	2,883	2,946	10	372
Cansbrooke Shipping Nicole C CV	1,049	2,290	1	686
Cansbrooke Shipping Christine C CV	1,678	1,682	123	415
MS Mary C Cansbrooke Schiffahrtgesellschaft KG	2,520	2,418	-	102
Hanzevast Cansbrooke Shipping 1 NV	2,044	3,137	63	1,506

Amounts owed by Hanzevast Cansbrooke Shipping 1 NV and Cansbrooke Shipping Nicole C CV include trade payables of €694,000 and €547,000 respectively

Share of associates	Fixed assets €'000	Current assets €'000	Liabilities falling due after more than one year €'000	Liabilities falling due within one year €'000
At 31 December 2010 the group's share of assets and liabilities of the associated undertakings was	14,224	639	8,217	1,852

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2010

10 FIXED ASSET INVESTMENTS (CONTINUED)

Share of joint ventures	2010 €'000	2009 €'000
The group's share of the results, assets and liabilities of the Carisbrooke Shipping 6250 BV group was		
Turnover	2,414	-
(Loss) / profit before tax	(1,004)	31
Tax	(3)	-
(Loss) / profit after tax	(1,007)	31
Fixed assets	32,086	21,472
Long term debtors	1,000	-
Current assets	1,757	3,263
Liabilities due within one year	(8,519)	(3,646)
Liabilities due after more than one year	(16,961)	(12,516)

	2010 €'000	2009 €'000
The group's share of the results, assets and liabilities of Vectis 8000 Limited was		
Turnover	2,202	-
Profit before tax	21	-
Tax	1	-
Profit after tax	20	-
Fixed assets	12,473	3,514
Current assets	273	-
Liabilities due within one year	(404)	-
Liabilities due after more than one year	(4,847)	-

	Group 31 December 2010 €'000	Company 31 December 2010 €'000	Group 31 December 2009 €'000 Restated	Company 31 December 2009 €'000
Total fixed asset investments comprise				
Interests in subsidiary undertakings	-	7,466	-	7,466
Interests in associated undertakings	5,699	-	4,634	-
Fixed asset investments	21,197	-	18,268	-
Loans	-	7,557	-	3,451
	26,896	15,023	22,902	10,917

11 STOCK

	Group 31 December 2010 €'000	Company 31 December 2010 €'000	Group 31 December 2009 €'000	Company 31 December 2009 €'000
Vessel consumables	5,099	-	3,261	-
	5,099	-	3,261	-

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2010

12 DEBTORS

	Group 31 December 2010	Company 31 December 2010	Group 31 December 2009	Company 31 December 2009
	€'000	€'000	€'000	€'000
Amounts falling due within one year.				
Trade debtors	9,862	-	11,182	-
Amounts owed by group undertakings	-	38,015	-	44,190
Amounts owed by associated undertakings	3,082	-	2,477	-
Amounts owed by entities in which the group has a participating interest	2,680	-	2,114	415
Corporation tax repayable	-	-	78	57
Other debtors	6,022	1,543	3,897	240
Prepayments and accrued income	3,004	-	2,501	242
	<u>24,650</u>	<u>39,558</u>	<u>22,249</u>	<u>45,144</u>
Amounts falling due after more than one year				
Other debtors	2,511	200	569	200
	<u>27,161</u>	<u>39,758</u>	<u>22,818</u>	<u>45,344</u>

Included within other debtors during after more than one year is a deferred tax asset of €69,000 (2009 €69,000)

13 CREDITORS

	Group 31 December 2010	Company 31 December 2010	Group 31 December 2009	Company 31 December 2009
	€'000	€'000	€'000	€'000
Amounts falling due within one year				
Instalments due on bank loans and overdrafts	1,704	-	2,100	-
Finance leases	6	-	7	-
Non-shareholder loans	97	97	97	97
Trade creditors	7,319	-	8,143	-
Amounts owed to entities in which the group has a participating interest	111	-	161	-
Amounts owed to group undertakings	-	10,486	-	11,083
Amounts owed to associated undertakings	196	-	568	-
Corporation tax	704	365	454	-
Other taxation and social security	397	-	201	-
Other creditors	345	24	498	24
Accruals and deferred income	5,505	92	5,398	373
	<u>16,384</u>	<u>11,064</u>	<u>17,628</u>	<u>11,577</u>

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

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2010

14 CREDITORS

	Group 31 December 2010 €'000	Company 31 December 2010 €'000	Group 31 December 2009 €'000	Company 31 December 2009 €'000
Amounts falling due after more than one year				
Non-shareholder loans	291	292	388	388
Bank loans	28,053	9,035	37,835	12,500
Accruals and deferred income	0	-	58	-
Finance leases	40	-	7	-
	<u>28,384</u>	<u>9,327</u>	<u>38,288</u>	<u>12,888</u>

	Group 31 December 2010 €'000	Company 31 December 2010 €'000	Group 31 December 2009 €'000	Company 31 December 2009 €'000
Bank loans including current instalments are repayable as follows				
Within one year	1,704	-	2,068	-
After one and within two years	1,704	-	2,068	-
After two and within five years	14,147	9,035	18,704	12,500
After five years	12,202	-	17,063	-
	<u>29,757</u>	<u>9,035</u>	<u>39,903</u>	<u>12,500</u>

The group and company have debt on both a vessel and non vessel mortgage secured basis, and interest is paid on the debt borrowed on the basis of Euribor and Libor interest rates plus a margin. The margin itself is on a fixed basis and agreed with the banks on a commercial basis that varies on a per loan basis. Disclosure of the margin itself is deemed by the Directors to be commercially sensitive.

	Group 31 December 2010 €'000	Company 31 December 2010 €'000	Group 31 December 2009 €'000	Company 31 December 2009 €'000
The group has three finance leases, for a telephone system and two cars. These are repayable as follows				
Finance lease amounts within 1 year	6	-	7	-
After one and within two years	-	-	7	-
After two and within five years	40	-	-	-
	<u>46</u>	<u>-</u>	<u>14</u>	<u>-</u>

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2010

15 PROVISIONS FOR LIABILITIES AND CHARGES

	Group 31 December 2010 €'000	Company 31 December 2010 €'000	Group 31 December 2009 €'000	Company 31 December 2009 €'000
Pensions	29	-	29	-
Guarantee provisions	-	-	285	285
	<u>29</u>	<u>-</u>	<u>314</u>	<u>285</u>

The guarantee provisions relate to amounts that the group had guaranteed historically for a fixed period regarding the maximum annual operating costs incurred by some of the motor vessels operated by Carisbrooke for German KG ship-owners. If these maximum levels were exceeded, the excess cost was covered by the group. These guarantees were provided on a vessel by vessel basis expiring over time, with the final guarantee having expired in August 2009, paid in September 2010.

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) / assets not provided at 31 December 2009 and 31 December 2010 are set out below and are measured on an undiscounted basis.

	Group 31 December 2010 €'000	Company 31 December 2010 €'000	Group 31 December 2009 €'000	Company 31 December 2009 €'000
Accelerated capital allowances	(138)	-	443	-

No deferred tax has been provided on the revaluation reserve. This is because any capital loss generated by the sale of the building at below cost could only be set against capital gains made on other assets and no such gains are anticipated.

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2010

17 CALLED UP SHARE CAPITAL

	31 December 2010 €'000	31 December 2009 €'000
Allotted, called up and fully paid		
300,000 (2009 300,000) ordinary shares of £1 each	437	437
187,600 (2009 187,600) A ordinary shares of £1 each	273	273
	<u>710</u>	<u>710</u>

18 RECONCILIATION OF MOVEMENT IN RESERVES

	Profit & Loss Account €'000	Share Premium €'000	Capital Redemption €'000	Revaluation Reserve €'000
The Group				
At 1 January 2010 as previously reported	97,792	5,462	1,062	(1,946)
Prior year adjustment	<u>458</u>			
At 1 January 2010 restated	98,250	5,462	1,062	(1,946)
Retained profit for the year	10,551	-	-	-
Other	3	-	-	-
Ordinary share dividends paid	(455)	-	-	-
A Ordinary share dividends paid	(285)	-	-	-
Adjustment re investment *	(145)	-	-	-
At 31 December 2010	<u>107,919</u>	<u>5,462</u>	<u>1,062</u>	<u>(1,946)</u>

* Adjustment re investment is the group's share of a deferred tax liability arising on the contribution of assets by external investors

The Company

At 1 January 2010	58,504	5,462	1,062
Retained profit for the year	5,388	-	-
Ordinary share dividends paid	(455)	-	-
A Ordinary share dividends paid	(285)	-	-
At 31 December 2010	<u>63,152</u>	<u>5,462</u>	<u>1,062</u>

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2010

19 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

The Group	31 December 2010 €'000	31 December 2009 €'000
Profit for the financial year as previously reported	10,551	3,774
Equity dividends paid or accrued	(740)	(3,966)
Other	3	-
Adjustment re investment	(145)	-
Additional call on A ordinary shares	-	107
Net (reduction in) / addition to shareholders' funds	9,669	(85)
Equity shareholders' funds at 31 December 2009 as previously reported	103,538	103,165
Prior year adjustment	-	458
Equity shareholders' funds at 31 December 2010	113,207	103,538
The Company	31 December 2010 €'000	31 December 2009 €'000
Profit for the financial year	5,388	4,577
Equity dividends paid	(740)	(3,966)
Additional call on A ordinary shares	-	107
Net addition to shareholders' funds	4,648	718
Equity shareholders' funds at 31 December 2009	65,738	65,020
Equity shareholders' funds at 31 December 2010	70,386	65,738

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 €275,000 (31 December 2009: €242,000) in the year.

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2010

21 RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	31 December 2010 €'000	31 December 2009 €'000
Operating profit (loss)	8,083	(1,087)
Depreciation of tangible fixed assets	2,616	2,037
Impairment of tangible fixed assets	183	(2,211)
Loss on disposal of investments	-	187
Increase in stocks	(1,873)	(1,503)
(Increase) / decrease in debtors	(4,525)	(11,022)
Increase / (decrease) in creditors	(383)	3,178
(Decrease) / Increase in provisions	(285)	(172)
Net cash (outflow) / inflow from operating activities	3,815	(10,593)

22 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	31 December 2010 €'000	31 December 2009 €'000
(Decrease) / Increase in cash in the year	(12,347)	(13,453)
Cash outflow from financing	5,663	2,037
Change in debt resulting from cash flows	(6,684)	(11,416)
Other changes in debt	4,613	-
Effect of foreign exchange	1,714	(461)
Movement in net debt	(357)	(11,877)
Net funds at 1 January 2010	245	12,122
Net (debt) / funds at 31 December 2010	(112)	245

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2010

22 ANALYSIS OF CHANGES IN NET DEBT (Continued)

	1 January 2010 €'000	Cash flow €'000	Other €'000	Exchange movement €'000	31 December 2010 €'000
Cash at bank and in hand	40,672	(12,347)	-	1,714	30,039
Net Cash	40,672	(12,347)	-	1,714	30,039
Debt	(40,427)	5,663	4,613	-	(30,151)
Net cash / (debt)	245	(6,684)	4,613	1,714	(112)

23 OPERATING LEASE COMMITMENTS

The group has 7 operating leases relating to cars (2009 4) The minimum annual rentals under these leases are

	Group 31 December 2010 €'000 Other	Company €'000 Other	Group 31 December 2009 €'000 Other	Company €'000 Other
Operating leases which expire				
In less than one year	24	-	21	-
Between one and two years	-	-	7	-
In two to five years	29	-	22	-

24 DERIVATIVES

The group had several forward currency and interest rate contracts in place as at 31 December 2010 with a potential liability of €770,161 (2009 €998,999) The group enters into derivatives in order to hedge foreign exchange exposure, not for speculative purposes

25 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 2010 or 31 December 2009, other than as disclosed in note 16 under deferred tax

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 3783705)

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2010

26 CAPITAL COMMITMENTS

At 31st December 2010 entities accounted for as joint ventures, associates and investments had contracted for the construction of a number of new motor vessels for delivery between 2011 and 2012. The group's aim is to operate the vessels and retain ownership in part. The group will seek to provide a range of management services to these vessels.

27 RELATED PARTIES TRANSACTIONS

The group is exempt under Financial Reporting Standard No. 8 from disclosing any transactions or balances between wholly owned group entities that have been eliminated on consolidation.

During the year the Group recharged purchases of €1,026,710 (2009 €1,241,879) to Carisbrooke Shipping Nicole C CV, a company incorporated in The Netherlands with common shareholders and directors. Carisbrooke Shipping Nicole C CV is 47% owned by Carisbrooke Shipping (Holland) BV and Carisbrooke Shipping (CV16) BV. The Group also collected income of €1,049,120 (2009 €796,225) on behalf of the company. At 31 December 2010 the net balance due from Carisbrooke Shipping Nicole C CV amounted to €624,709 (2009 €246,048).

Transactions with other associates are described in Note 10 as all significant income and cost transactions for these entities are recharged via group companies.

During the year the Group recharged purchases of €1,005,833 (2009 €1,220,749) to Carisbrooke Shipping Lauren C CV, a company incorporated in The Netherlands with common shareholders and directors. Carisbrooke Shipping Lauren C CV is an 77% owned subsidiary by Carisbrooke Shipping (Holland) BV and Carisbrooke Shipping (CV15) BV. The Group also collected income of €1,147,858 (2009 €832,404) on behalf of the company. At 31 December 2010 the net balance due from Lauren amounted to €634,994 (2009 €350,784).

Carisbrooke Shipping (Holland) BV maintains a current account with Carisbrooke Shipping 6250 BV for settlement of management fees and vessel equipment costs. Carisbrooke Shipping 6250 BV is a joint venture in which the Group has a 50% interest. The maximum amount outstanding owed by Carisbrooke Shipping 6250 BV during the year was €4,296,180 (2009 €765,586). At the year end the balance due from Carisbrooke Shipping 6250 BV was €4,296,180 (2009 €650,263).

Carisbrooke Shipping Limited maintains a current account with Vectis 8000 Limited for settlement of management fees and vessel costs. Vectis 8000 Limited is a joint venture in which the Group has a 45% interest.

Throughout the year Carisbrooke Shipping Ltd collected income for and on behalf of Vectis 8000. This amounts to €4,877,000 (2009 €nil). Carisbrooke Shipping Ltd and Carisbrooke Shipping (Management) GmbH also made purchases for and on behalf of Vectis 8000 throughout the year. This amounts to €3,815,000 (2009 €nil).

In addition, the company incurred €853,000 (2009 €nil) for supervision costs and initial supplies charged by Carisbrooke Shipping Limited in association with the construction of the vessels delivered during the year (€276,500 initial supplies and €150,000 supervision per vessel).

As at the 31 December 2010 the balance retained by Carisbrooke Shipping Ltd on behalf of Vectis 8000 Limited was €403,000.

The Group has paid dividends, including to a number of directors of Carisbrooke Shipping Holdings Limited

	2010	2009
	€'000	€'000
I A Walker	151	821
H Tveitan	76	410
R Wester	114	616
P Jones	76	391
W Wester (father of R Wester, and shareholder of Carisbrooke Shipping Holdings Limited)	152	820

28 ULTIMATE CONTROLLING PARTY

The directors believe that there is no single controlling individual.