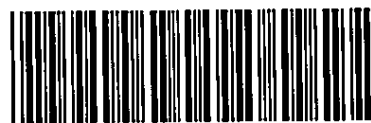


Company Number: 6305115

Prospect Number 62 Limited
Consolidated Report and Financial Statements

For the year ended
31 December 2008

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Prospect Number 62 Limited

Consolidated Report and Financial Statements

For the year ended

31 December 2008

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Report of the Directors

The directors have pleasure in submitting their annual report together with the audited consolidated financial statements for the year ended 31 December 2008.

Secretary and Registered Office

The company secretary is Cornhill Secretaries Limited and the registered office is St Paul's House, Warwick Lane, London, EC4M 7BP. The company number is 6305115

Review of Activities and Review of Business

The principal activity of the Group is investing ship in owning companies.

Results and Dividends

The Group result for the year is set out on page 6 and the Company result is set out on page 7. The directors do not recommend the payment of a dividend.

Directors

The directors during the financial period and up to the date of this report were:

Nicholas Lawrence Josephy
Charles Maltby (appointed 18 March 2008)
Carl Ackerley (appointed 18 March 2008)
(resigned 31 December 2008)
John Davis (resigned 18 March 2008)
Dirk Van-den-Broek (resigned 18 March 2008)

There being no provision in the Company's articles of association in connection with the retirement of directors, all existing directors continue in office for the following year.

Directors' Interests in Contracts

No contract of significance to which the Group, and in which a director of the Group had a material interest, subsisted at the end of the period or at any time during the period.

Directors' Declaration

Each of the persons who are directors at the time when this report is approved has confirmed that:

- (a) so far as each director is aware, there is no relevant audit information of which the Group's independent auditors are unaware; and
- (b) each director has taken all the steps that he ought to have taken as a director, including making appropriate enquiries of his fellow directors and of the Group's independent auditors for that purpose, in order to make him aware of any information needed by the Group's independent auditors in connection with preparing their report and to establish that the Group's independent auditors are aware of that information.

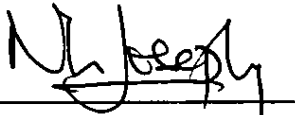
Prospect Number 62 Limited
Financial statements for the year ended
31 December 2008

Report of the Directors

Independent Auditors

Moore Stephens LLP retire and, being eligible, offer themselves for reappointment. A resolution for the reappointment of Moore Stephens LLP as the independent auditors of the Group is to be proposed at the forthcoming Annual General Meeting.

By order of the board on



Nicholas Lawrence Josephy
Director

[Date] 17/11/2009

Independent Auditors' Report to the Shareholders of

Prospect Number 62 Limited

We have audited the Group and Company financial statements of Prospect Number 62 Limited (the "Company") and its subsidiaries for the year ended 31 December 2008 which are set out pages 6 to 23. 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 auditors' 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 financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with 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 Company's and Group'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.

Independent Auditors' Report to the Shareholders of

Prospect Number 62 Limited

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 31 December 2008 and of its loss for the year then ended;
- the Company's financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the information given in the Directors' Report is consistent with the financial statements.

Moore Stephens LLP

**St Paul's House
Warwick Lane
LONDON EC4M 7BP**

**Moore Stephens LLP
Registered Auditors
Chartered Accountants**

18 November 2009

Prospect Number 62 Limited

**Statement of Directors' Responsibilities
For the year ended 31 December 2008**

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 the Group and of the income statement of the Company and the Group for that year. In preparing the financial statements, the directors are required to:

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

The directors are responsible for keeping proper records which disclose with reasonable accuracy at any time the financial position of the Company and the Group 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.

Prospect Number 62 Limited

Consolidated income statement
For the year ended 31 December 2008
(Expressed in Euros)

	Note	Year ended 31 December 2008 €	Period from 6 July 2007 (date of incorporation) to 31 December 2007 €
Revenue	4	-	-
Other revenue	5	233	1,550
Administrative expenses		(21,719)	(36,108)
Loss before income tax	6	(21,486)	(34,558)
Income tax	7	-	(68)
Loss for the period		(21,486)	(34,626)

The notes on pages 14 to 23 form part of these financial statements.

Prospect Number 62 Limited

Company income statement
For the year ended 31 December 2008
(Expressed in Euros)

	Note	Year ended 31 December 2008 €	Period from 6 July 2007 (date of incorporation) to 31 December 2007 €
Revenue	4	-	-
Other revenue	5	7	1,197
Administrative expenses		(8,244)	(12,055)
Loss before income tax	6	(8,237)	(10,858)
Income tax	7	-	-
Loss for the period		(8,237)	(10,858)

The notes on pages 14 to 23 form part of these financial statements.

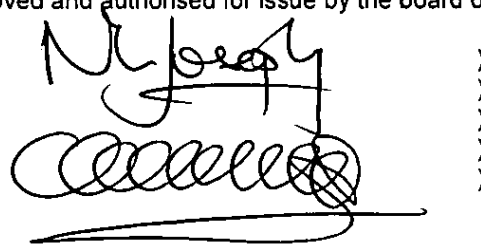
Prospect Number 62 Limited

Consolidated balance sheet at 31 December 2008

(Expressed in Euros)

	Note	2008 €	2007 €
Non-current asset			
Vessels under construction	10	<u>29,977,692</u>	<u>11,929,777</u>
Current assets			
Other receivables and prepayments	11	-	76,997
Cash and cash equivalents	12	<u>-</u>	<u>53,770</u>
		-	130,767
Current liabilities			
Other payables and accruals	13	16,328	121,433
Loan from immediate holding company	14	-	131,836
Bank borrowings	15	<u>-</u>	<u>8,351,521</u>
		16,328	8,604,790
Net current liabilities		<u>(16,328)</u>	<u>(8,474,023)</u>
Non-current liabilities			
Loan from immediate holding company	14	<u>(17,558,246)</u>	<u>-</u>
NET ASSETS		<u>12,403,118</u>	<u>3,455,754</u>
CAPITAL AND RESERVES			
Share capital	16	188	148
Reserves	17	<u>12,402,930</u>	<u>3,455,606</u>
TOTAL EQUITY		<u>12,403,118</u>	<u>3,455,754</u>

Approved and authorised for issue by the board of directors on 17 November 2009



Directors

Company Number: 6305115

The notes on pages 14 to 23 form part of these financial statements.

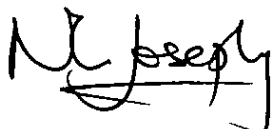
Prospect Number 62 Limited

Company balance sheet at 31 December 2008

(Expressed in Euros)

	Note	2008 €	2007 €
Non-current asset			
Investments in subsidiaries	9	<u>3</u>	<u>3</u>
Current assets			
Other receivables and prepayments	11	30,004,189	11,973,734
Cash and cash equivalents	12	<u>-</u>	<u>1,142</u>
		<u>30,004,189</u>	<u>11,974,876</u>
Current liabilities			
Other payables and accruals	13	5,811	12,000
Loan from immediate holding company	14	-	131,836
Bank borrowings	15	<u>-</u>	<u>8,351,521</u>
		<u>5,811</u>	<u>8,495,357</u>
Net current (liabilities)/assets		<u>(5,811)</u>	<u>3,479,519</u>
Non-current liabilities			
Loan from immediate holding company	14	<u>(17,558,246)</u>	<u>-</u>
NET ASSETS		<u>12,440,135</u>	<u>3,479,522</u>
CAPITAL AND RESERVES			
Share capital	16	188	148
Reserves	17	<u>12,439,947</u>	<u>3,479,374</u>
TOTAL EQUITY		<u>12,440,135</u>	<u>3,479,522</u>

Approved and authorised for issue by the board of directors on 17 November 2009



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Directors

Company Number: 6305115

The notes on pages 14 to 23 form part of these financial statements.

Prospect Number 62 Limited

Consolidated statement of changes in equity
For the year ended 31 December 2008
(Expressed in Euros)

		Year ended 31 December 2008 €	Period from 6 July 2007 (date of incorporation) to 31 December 2007 €
	Note		
Shareholders' equity at 1 January 2008		3,455,754	-
Loss for the period		(21,486)	(34,626)
Movements in shareholders' equity arising from capital transactions with shareholders			
- shares issued during the period	16	40	148
- Share premium	16	8,968,810	3,490,232
Shareholders' equity at 31 December 2008		<u>12,403,118</u>	<u>3,455,754</u>

The notes on pages 14 to 23 form part of these financial statements.

Prospect Number 62 Limited

Company statement of changes in equity
For the year ended 31 December 2008
(Expressed in Euros)

	Note	Year ended 31 December 2008 €	Period from 6 July 2007 (date of incorporation) to 31 December 2007 €
Shareholders' equity at 1 January 2008		3,479,522	
Loss for the period		(8,237)	(10,858)
Movements in shareholders' equity arising from capital transactions with shareholders			
- shares issued during the period	16	40	148
- Share premium	16	8,968,810	3,490,232
Shareholders' equity at 31 December 2008		<u>12,440,135</u>	<u>3,479,522</u>

The notes on pages 14 to 23 form part of these financial statements.

Prospect Number 62 Limited

Consolidated cash flow statement
For the year ended 31 December 2008

(Expressed in Euros)

	Note	Year ended 31 December 2008 €	Period from 6 July 2007 (date of incorporation) to 31 December 2007 €
Operating activities			
Loss before taxation		(21,486)	(34,558)
Adjustments for:			
- Interest income		(233)	(1,550)
Operating cash flow before changes in working capital		(21,719)	(36,108)
Decrease/(Increase) in other receivables		76,997	(76,997)
Increase in other payables and accruals		(105,105)	121,366
Net cash generated from operating activities		(49,827)	8,261
Investing activities			
Payments for shipyard costs		(18,047,915)	(11,929,777)
Interest received		233	1,550
Net cash used in investing activities		(18,047,682)	(11,928,227)
Taxation received		-	-
Financing activities			
Proceeds from:			
- Issuance of ordinary shares		40	148
- Bank loan		(8,351,521)	8,351,520
- Share premium		8,968,810	3,490,232
- Loan from immediate holding company		17,426,410	131,836
Net cash generated from financing activities		18,043,739	11,973,736
Net (decrease)/increase in cash and cash equivalents		(53,770)	53,770
Cash and cash equivalents at beginning of period		53,770	-
Cash and cash equivalents at 31 December 2008	12	-	53,770

The notes on pages 14 to 23 form part of these financial statements.

Prospect Number 62 Limited

Company cash flow statement
For the year ended 31 December 2008
(Expressed in Euros)

	Note	Year ended 31 December 2008 €	Period from 6 July 2007 (date of incorporation) to 31 December 2007 €
Operating activities			
Loss before taxation		(8,237)	(10,858)
Adjustments for:			
- Interest income		(7)	(1,197)
Operating cash flow before changes in working capital		(8,244)	(12,055)
(Decrease)/Increase in other payables and accruals		(6,189)	12,000
Net cash generated from operating activities		(14,433)	(55)
Investing activities			
Acquisition of subsidiaries		-	(3)
Loans to subsidiaries		(18,030,455)	(11,973,734)
Interest received		7	1,197
Net cash used in investing activities		(18,030,448)	(11,972,540)
Financing activities			
Proceeds from:			
- Issuance of ordinary shares		40	148
- Bank loan		(8,351,521)	8,351,521
- Share premium		8,968,810	3,490,232
- Loan from immediate holding company		17,426,410	131,836
Net cash generated from financing activities		18,043,739	11,973,737
Net (decrease)/increase in cash and cash equivalents		(1,142)	1,142
Cash and cash equivalents at beginning of period		1,142	-
Cash and cash equivalents at 31 December 2008	12	-	1,142

The notes on pages 14 to 23 form part of these financial statements.

Notes to the Financial Statements

1 General

Prospect Number 62 Limited (the "Company") was incorporated on 13 June 2007. The company is domiciled in the United Kingdom and the principal place of business is 7th Floor, Swan House, 17-19 Stratford Place, London, W1C 1BQ.

2 Going Concern

The financial statements have been prepared on a going concern basis, notwithstanding the current deficit in the consolidated balance sheet, as the immediate holding company has undertaken to provide such financial support as is required to enable the Group to continue its operations and to meet its liabilities as and when they fall due.

3 Significant accounting policies

(a) Basis of preparation of the financial statements

The financial statements, which are presented in Euros, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU).

The measurement basis used in the preparation of the financial statements is the historical cost basis, unless otherwise stated in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to the 31 December. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. The consolidated financial statements are based on the financial statements of the individual companies which have been drawn up using standardised group accounting policies. All companies in the Group have the same reporting date of 31 December.

Investments in subsidiaries are stated in the Company's balance sheet at cost less any impairment losses. An assessment of investments in subsidiaries is performed when there is indication that the asset has been impaired.

Notes to the Financial Statements

3 Significant accounting policies (continued)

(c) Other payables and accruals

Other payables and accruals, including an amount due to a related party, are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(d) Cash and cash equivalents

Cash and cash equivalents comprise only cash at bank.

(e) Income Tax

Income tax for the period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from differences which arise on initial recognition of assets and liabilities, all deferred tax liabilities and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

(f) Revenue recognition

Interest income is recognised as it accrues using the effective interest method.

(g) Translation of foreign currencies

Foreign currency transactions during the period are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

(h) Functional currency

The functional currency of the Group is the Euro, this reflects the primary economic environment in which the Group operates.

Notes to the Financial Statements

3 Significant accounting policies (continued)

(i) Related parties

For the purposes of these financial statements, parties are considered to be related to either the Company or the Group if either has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company or the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of either the Company or the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of either the Company or the Group or of any entity that is a related party of the Group.

4 Revenue

The Group did not generate any revenue during the financial year ended 31 December 2008

5 Other revenue

	Group €		Company €	
	2008	2007	2008	2007
Interest income	233	1,550	7	1,197

6 Loss before taxation

Loss before taxation is stated after charging:

	Group €		Company €	
	2008	2007	2008	2007
Auditors' remuneration	10,785	18,000	3,595	6,000

Notes to the Financial Statements

7 Income tax

Group

Reconciliation between tax expense and accounting profit at applicable tax rate:

	Year ended 31 December 2008	Period from 6 July 2007 (date of incorporation) to 31 December 2007
	€	€
Loss before tax	(21,486)	(34,558)
Tax on loss before tax, calculated at 30%	(6,446)	(10,367)
Tax effect of non-deductible expenses	6,446	10,900
Tax effect of non-taxable revenue	-	(465)
Actual tax expense	-	68

Company

No provision for United Kingdom profit tax has been made as the Company has no taxable income for the period.

Reconciliation between tax expense and accounting profit at applicable tax rate:

	Year ended 31 December 2008	Period from 6 July 2007 (date of incorporation) to 31 December 2007
	€	€
Loss before tax	(8,237)	(10,858)
Tax on loss before tax, calculated at 30%	(2,471)	(3,257)
Tax effect of non-deductible expenses	2,471	3,616
Tax effect of non-taxable revenue	-	(359)
Actual tax expense	-	-

8 Directors' emoluments

No directors' emoluments have been paid nor are payable for the period.

Notes to the Financial Statements

9 Investments in subsidiaries

The class of shares held is ordinary unless otherwise stated.

Name of company	Place of incorporation and operation	Particulars of issued and paid up capital	Percentage of equity held by the company	Principal activity
Prospect Number 59 Limited	United Kingdom	1 share of £1 each	100	Vessel owning and chartering
Prospect Number 60 Limited	United Kingdom	1 share of £1 each	100	Vessel owning and chartering

	Results	Net Assets €
Prospect Number 59 Limited	Loss €7,170	(18,964)
Prospect Number 60 Limited	Loss €6,079	(18,051)

10 Vessels under construction - Group

Two vessels were under construction at the balance sheet date. The aggregate payments made during the period were as below:

	2008 €	2007 €
Total deposits paid to shipyard	29,086,500	11,634,600
Legal fees	94,906	24,000
Borrowing costs	796,286	271,177
	<u>29,977,692</u>	<u>11,929,777</u>

Details of the Company and Group's commitments in respect of the vessels under construction are disclosed in note 15 below.

The Company has no fixed assets.

11 Other receivables and prepayments

	Group €		Company €	
	2008	2007	2008	2007
Other Receivables and prepaid expenses	-	76,997	-	-
Amount due from subsidiary companies	-	-	30,004,189	11,973,734

The loans due to the Company from subsidiaries have been made to fund their newbuilding contracts. The loan amounts are unsecured and non-interest bearing.

Notes to the Financial Statements

12 Cash and cash equivalents

	Group €		Company €	
	2008	2007	2008	2007
Cash at bank	-	53,770	-	1,142

13 Other payables and accruals

All other payables and accruals are expected to be settled within one year.

14 Loan from immediate holding company

There is an amount payable to PB Vessels Holding Limited, of €17,558,246 at the balance sheet date. The loan is non-trade in nature, unsecured, interest-free and is repayable on demand. No repayment of this loan is to be demanded until the resources of the Group permit.

As Prospect Number 62 Limited was acquired by PB Vessels Holdings Limited in March 2008, the balance due to the then immediate holding company at 31 December 2007 was included within current liabilities.

15 Bank borrowings

	Group €		Company €	
	2008	2007	2008	2007
Bank borrowings	-	8,351,521	-	8,351,521

In the previous period bank borrowings were arranged by the Company to provide finance for the subsidiary companies, Prospect Number 59 Limited and Prospect Number 60 Limited, for their newbuilding contracts. The facilities were repaid during the year.

Guarantees have been provided to the shipyard constructing the newbuildings within the subsidiary company, Prospect Number 60 Limited. These amounted to €5,235,570 (2007: €10,471,140) at the balance sheet date.

16 Share capital and share premium

	2008		2007	
	No. of shares	€	No. of shares	€
Authorised:				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
At 1 January 2008	1,000	1,000	1,000	1,000
At 31 December 2008	1,000	1,000	1,000	1,000

Notes to the Financial Statements

16 Share capital and share premium (continued)

Issued and fully paid:

	2008		2007	
	No. of shares	€	No. of shares	€
At 01 January 2008	100	€ 148	100	€ 148
Issued during the year	31	€ 40	-	€ -
At 31 December 2008	131	€ 188	100	€ 148

Share premium:

	2008	2007
At 1 January 2008	€3,490,232	-
Issued during the year	€8,968,810	€ 3,490,232
At 31 December 2008	€12,459,042	€ 3,490,232

The Company was incorporated with an authorised share capital of £1,000 divided into 1,000 ordinary shares of £1 each. 100 shares of £1 each were issued to the subscriber at £2,358,365 (€3,490,380), comprising par value of £100 (€148) and share premium of £2,358,265 (€3,490,232) upon incorporation.

In March 2008, an additional 31 shares were issued to PB Vessels Holding Limited at £6,875,522 (€8,968,850), comprising par value of £31 (€40) and share premium of £6,875,491 (€8,968,810).

17 Reserves

Group	Share premium €	Accumulated losses €	Total €
At date of incorporation	3,490,232	-	3,490,232
Loss for the period	-	(34,626)	(34,626)
At 31 December 2007	3,490,232	(34,626)	3,455,606
Loss for the period	-	(21,486)	(21,486)
Shares issued	8,968,810	-	8,968,810
At 31 December 2008	12,459,042	(56,112)	12,402,930

Company	Share premium €	Accumulated losses €	Total €
At date of incorporation	3,490,232	-	3,490,232
Loss for the period	-	(10,858)	(10,858)
At 31 December 2007	3,490,232	(10,858)	3,479,374
Loss for the period	-	(8,237)	(8,237)
Shares issued	8,968,810	-	8,968,810
At 31 December 2008	12,459,042	(19,095)	12,439,947

Notes to the Financial Statements

18 Financial risk management

(a) Management of Capital

The Group regards the following as capital:

	€
Ordinary share capital	188
Share premium account	12,459,042
Retained loss	(56,112)
Loan from immediate holding company	17,558,246
	<u>29,961,364</u>

The Group maintains capital that it views as sufficient for its activities as a Group investing in shipping projects and in particular to be able to take advantage of suitable investment opportunities as they arise.

(b) Financial risk factors

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

(i) Credit risk

The Group's credit risk is primarily attributable to other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. In respect of other receivables, credit evaluations are performed on all customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(ii) Liquidity risk

The Group has no cash balances at the balance sheet date. On acquisition of the Group by PB Vessels Holding Limited, the bank accounts were closed and the bank loan was repaid. The operations of the Group are funded wholly by the immediate holding company. Therefore the Group is able to meet its liquidity requirements in the short term. In the long term the Group will obtain financing from major financial institutions.

(iii) Interest rate risk

During the year the bank borrowings were repaid and therefore at the balance sheet date the Group has limited exposure to changes in interest rates. Interest rate risk is managed by the Group on an on-going basis. As the new building contracts are incomplete, interest was capitalised until the repayment on the bank loan.

(iv) Foreign currency risk

The financial assets and liabilities of the Group are denominated in Euros. The Group has no significant exposure to foreign currency risk.

Notes to the Financial Statements

18 Financial risk management (continued)

(v) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2008.

19 Related parties transactions

The Company is making available an intra-group loan to its subsidiaries under the Intra-Group Loan Agreement to assist in financing the subsidiaries' vessels under construction. The bank is to issue the guarantees at the request of the Company on behalf of the subsidiaries in favour of the shipbuilders upon and subject to the terms of the agreement.

As of the balance sheet date, the Company has the following balances receivable from the subsidiary companies:

Prospect Number 59 Limited	- €23,728,601
Prospect Number 60 Limited	- €6,275,588

On 18 March 2008, the Company was acquired by PB Vessels Holdings Limited, a company incorporated in the British Virgin Islands. Following the acquisition, the new owners repaid the bank loan facility. At the balance sheet date, Prospect Number 62 Limited has a balance payable with PB Vessels Holdings Limited of €17,558,246.

The directors of the Company are also the directors of the subsidiary companies

20 Parent and ultimate holding company

At 31 December 2008, the directors considered the parent company to be PB Vessels Holding Limited, a company incorporated in British Virgin Islands, and its ultimate holding company to be Pacific Basin Shipping Limited, a company incorporated in Bermuda.

21 Post balance sheet events

On 04 June 2009, Prospect Number 60 Limited signed an addendum to the original ship building contract delaying the delivery of the vessel from 26 January 2010 until 01 February 2011. On execution of this addendum, the final instalment was reduced from 30% to 20% (€11,634,600) with the remaining 10% being paid immediately (€5,817,300).

On 25 September 2009, the vessel under construction in Prospect Number 59 Limited was delivered to the company. The vessel was named Humber Viking, and has a British registry.

During August 2009, Prospect Number 59 Limited opened a bank account with Nordea bank from which operating expenses will be paid. The company also agreed a loan facility with Danish Ship Finance A/S of DKK 1,343,620,600 (€45,136,408) which will be used to fund the vessel operations. The loan is repayable in semi-annual instalments of DKK 13,996,048 (€1,880,684) and is incurring interest at a fixed interest rate of 4.47%.

On delivery of the Humber Viking, it was immediately time chartered out for a period of 36 months with an option to extend by 24 months.

22 Recent Accounting Pronouncements

Notes to the Financial Statements

- a. New Interpretations and revisions to existing standards effective for the year ended 31 December 2008

The Group adopted all interpretations and revisions to existing standards effective for the year ended 31 December 2008. No interpretations or revisions to existing standards had an impact on the reported results and position of the group.

- b. Standards and interpretations in issue but not effective

The international Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") have issued revisions to a number of existing standards and new interpretations with an effective date of implementation after the date of these financial statements. A number of standards have also been revised as a result of the 2007 IASB Improvements project and the Business Combination project.

The directors do not anticipate that the adoption of these revised standards and interpretations will have a material impact on the figures included in the consolidated financial statements in the period of initial application other than the following revisions to existing standards:

IAS 1 Presentation of Financial Statements

The revision makes substantial changes to the disclosure required in financial statements, as well as changing the presentation of performance. The Group will be allowed to have a single statement of comprehensive income, or to have such a statement in addition to an income statement, while the statement of changes in equity will be restricted to capital items.

If the Group restates or reclassifies comparative information, it will be required to present a restated balance sheet as at the beginning of the comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period:

The revision to this standard will be effective for periods beginning 01 January 2009.

Business Combination project

The Business Combination project has affect a number of standards as stated above and this may have an impact on the reported results and position of the Group in the future, It is difficult to determine the impact that these changes will have on the Group as they depend on what transactions might occur in the future. The group has not entered into any business combinations since incorporation.