

**SVITZER CREW SERVICES LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**31 DECEMBER 2006**



## **SVITZER CREW SERVICES LIMITED**

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# **SVITZER CREW SERVICES LIMITED**

## **DIRECTORS AND OTHER INFORMATION**

### **BOARD OF DIRECTORS**

J C M Curry  
J Readman

### **SECRETARY**

J Readman

### **REGISTERED OFFICE**

Tees Wharf  
Dockside Road  
Middlesbrough  
TS3 6AB

Registration No 185144

### **BANKERS**

Danske Bank  
King William Street  
London  
EC4 7DT

### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
Newcastle Upon Tyne

## **DIRECTORS' REPORT**

The directors submit their annual report and accounts for the year ended 31 December 2006

### **Results**

The profit for the financial year was £52,000 (2005 £52,000)

The directors do not recommend the payment of a dividend (2005 £nil)

### **Principal Activity and Business Review**

The principal activity of the company is that of crewing services and associated activities

Turnover in the year was £613k (2005 - £636k) The profit for the financial year was £52k (2005 – profit of £52k) The directors do not recommend the payment of a dividend (2005 - £nil), leaving a retained profit of £52k to be withdrawn from reserves (2005 - £52k)

A review of the state of affairs of the company is contained in the report and accounts of Svitzer Wijsmuller A/S The Directors are satisfied with the company's future prospects

### **Principle risks and uncertainties**

Svitzer Crew Services Limited provides crewing services to Svitzer Marine Limited and is therefore exposed to the same risks and uncertainties

#### **Competition**

The towage market in the UK is competitive and the company operates in areas where revenue is achieved through competitive tendering In order to maintain and expand its market position the company must commit to ongoing capital expenditure, monitor potential competitor activity and improve its skills base through continuous training

#### **Legislation**

Legislation in UK waters is governed and monitored by Maritime and Coastguard Agency (MCA) In addition to this each vessel is required to meet survey classification and local port authority requirements which could affect the manner in which a tug can operate in certain conditions

#### **Health & Safety**

Health & Safety plays a major role in the company To ensure we maintain a safe working environment, to avoid personal injury and damage to property, the company has effective Health & Safety procedures in place which are regularly reviewed and monitored

#### **Financial**

Svitzer has an established financial risk management policy in order to achieve its objectives targeting rates of return on capital, preserve cash flow for continued investment and improve shareholder return in the long term

### **Directors and their Interests**

The directors who held office during the year and since are given below

J C M Curry

J Readman – appointed 1<sup>st</sup> December 2006

L Farmer – resigned 1<sup>st</sup> December 2006

No director had any interest in any shares or debentures of the company or in any companies in the A P Moller - Maersk A/S group

**DIRECTORS' REPORT (continued)**

**Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

**Auditors**

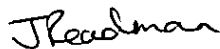
Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming annual general meeting.

By order of the board



J Readman  
Secretary  
25<sup>th</sup> April 2007

# SVITZER CREW SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT For the year ended 31 December 2006

	Notes	2006 £'000	2005 £'000
Turnover	2	613	636
Cost of sales		(520)	(529)
Gross profit		<u>93</u>	<u>107</u>
Administrative Expenses		(68)	(68)
Operating profit	3	<u>25</u>	<u>39</u>
Interest receivable and similar income	4	49	50
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>74</u>	<u>89</u>
Taxation on profit on ordinary activities	5	( 22)	(37)
PROFIT FOR THE FINANCIAL YEAR	9	<u>52</u>	<u>52</u>

There are no recognised gains or losses other than the profit for the current and preceding financial years stated above and accordingly no statement of total recognised gains and losses is required  
All amounts derive from continuing operations

# SVITZER CREW SERVICES LIMITED

## BALANCE SHEET 31 December 2006

	Notes	2006 £'000	2005 £'000
<b>CURRENT ASSETS</b>			
Debtors	6	927	905
Cash at Bank		<u>2</u>	<u>3</u>
		929	908
<b>CURRENT LIABILITIES</b>			
Creditors amounts falling due within one year	7	(66)	(97)
		<u>863</u>	<u>811</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	8	750	750
Profit and loss account	9	113	61
<b>EQUITY SHAREHOLDERS' FUNDS</b>	10	<u>863</u>	<u>811</u>

On behalf of the board

*J Readman*

J Readman  
Director

25<sup>th</sup> April 2007

**NOTES TO THE ACCOUNTS**

**For the year ended 31 December 2006**

**STATEMENT OF ACCOUNTING POLICIES**

- 1** The accounting policies adopted by the company are set out below and have been applied consistently in the current and preceding year

**(a) ACCOUNTING CONVENTION**

The accounts are prepared under the historical cost convention and in accordance with United Kingdom applicable accounting standards

**(b) TURNOVER**

Turnover represents reimbursement for crewing services provided and is stated net of value added tax. Turnover is recognised at the point of providing the service

**(c) TAXATION**

Current taxation is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantially enacted at the balance sheet date

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

**(d) PENSIONS**

The company operates a Group Personal Pension Plan (GPPP) under which the company contributes to personal pensions owned by the members. The cost of the contributions made by the company to the scheme is charged to the profit and loss account as incurred

# SVITZER CREW SERVICES LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2006

### 2 TURNOVER

Turnover represents reimbursement for crewing services provided

An analysis of turnover by geographical destination and origin is as follows

	2006 £'000	2005
UK	613	636

The directors consider that the whole of the activities of the company constitute a single class of business

### 3 OPERATING PROFIT

2006 £'000	2005 £'000
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The following amounts have been charged in arriving at the operating profit

Audit Fees

Fees payable to the company's auditors for the audit of the company's annual accounts

3	3
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The 2005 comparative auditor fee disclosure information has been restated to assist comparability with the 2006 auditor fee disclosure in accordance with the Companies (Disclosure of Auditors Remuneration) Regulation 2005 and the guidance in Tech 06/06 Disclosure of Auditor Remuneration

Employee costs

Wages and salaries

Social security costs

Other pension costs

494	504
47	47
13	11
554	562

The average number of people employed by the company during the year are

	2006 No.	2005 No.
Employees	27	24

The directors consider that all employees in the current and preceding financial year are engaged in marine services or activities closely associated therewith

2006 £'000	2005 £'000
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Directors' remuneration

Aggregate emoluments

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The directors of the company are employees of other Svitzer Group companies and receive no emoluments in their capacity as directors of the company. The allocation of this remuneration in relation to their services as directors of this company was £Nil (2005 £Nil)

# SVITZER CREW SERVICES LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2006

<b>4 INTEREST RECEIVABLE AND SIMILAR INCOME</b>	<b>2006</b>	<b>2005</b>	
	<b>£'000</b>	<b>£'000</b>	
On loans to group companies	<u>49</u>	<u>50</u>	
<b>5 TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>2006</b>	<b>2005</b>	
	<b>£'000</b>	<b>£'000</b>	
Payments in respect of group relief	(22)	(26)	
Adjustments in respect of prior year	-	(11)	
Total current tax charge	<u>(22)</u>	<u>(37)</u>	
The tax assessed for the period is different to that resulting from applying the standard rate of corporation tax of 30% (2005 30%) The differences are explained below			
	<b>2006</b>	<b>2005</b>	
	<b>£'000</b>	<b>£'000</b>	
Profit on ordinary activities before tax	<u>74</u>	<u>89</u>	
Tax on profit for year at standard rate	(22)	(26)	
Adjustments in respect of prior years	-	(11)	
Current tax charge for the year	<u>(22)</u>	<u>(37)</u>	
There is no provided or unprovided deferred taxation (2005 £nil)			
<b>6 DEBTORS</b>	<b>2006</b>	<b>2005</b>	
	<b>£'000</b>	<b>£'000</b>	
Amounts owed by group undertakings	<u>927</u>	<u>905</u>	
<b>7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2006</b>	<b>2005</b>	
	<b>£'000</b>	<b>£'000</b>	
Amounts owed to group undertakings	46	88	
Other creditors	<u>20</u>	<u>9</u>	
	<u>66</u>	<u>97</u>	
<b>8 CALLED UP SHARE CAPITAL</b>	<b>Number</b>	<b>2006</b>	<b>2005</b>
	<b>of shares</b>	<b>£'000</b>	<b>£'000</b>
Ordinary shares of £1 each			
Authorised, issued and fully paid	750,000	750	750

# SVITZER CREW SERVICES LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2006

9 PROFIT AND LOSS ACCOUNT	2006 £'000	2005 £'000
At 1 January	61	9
Retained Profit for the financial year	52	52
At 31 December	<u>113</u>	<u>61</u>

10 MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS	Total 2006 £'000	Total 2005 £'000
Equity Shareholders' funds at 1 January	811	759
Retained Profit for the financial year	52	52
Equity Shareholders' equity funds at 31 December	<u>863</u>	<u>811</u>

## 11 PARENT UNDERTAKINGS AND CONTROLLING PARTY

The Company's immediate parent undertaking and controlling party is Svitzer Holding UK Limited, which is incorporated in Great Britain. The company is a member of the A P Moller - Maersk Group and is ultimately controlled by A P Moller - Maersk A/S which is listed in Denmark and the financial statements are available to the general public from 50 Esplanaden, DK-1098, Copenhagen, Denmark.

A P Moller - Maersk A/S is the largest group of undertakings for which group accounts are drawn up and which the company is a member, and Svitzer Wijsmuller A/S is the smallest such group of undertakings.

## 12 STATEMENT OF CASH FLOWS AND RELATED PARTIES

The group financial statements for the year ended 31 December 2006 contain a consolidated statement of cash flows. The company has taken advantage of the exemption granted by FRS1 (Revised 1996) whereby it is not required to publish its own statement of cash flows.

The company has taken advantage of the exemption available under the terms of FRS 8 from disclosing related party transactions (but not balances) with entities that are part of the A P Møller - Maersk Group.

# SVITZER CREW SERVICES LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SVITZER CREW SERVICES LIMITED

We have audited the financial statements of Svitzer Crew Services Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. 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 Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

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

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all 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 other information contained in the Annual Report as described in the contents section and consider whether it is consistent with the unaudited financial statements. The other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information.

### *Basis of audit opinion*

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

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

### *Opinion*

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31<sup>st</sup> December 2006 and of its profit for the year then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- information given in the Directors' Report is consistent with the financial statements

*Deloitte & Touche LLP*  
Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
Newcastle upon Tyne

*2 May 2007*