ACM Shipping Group plc
Annual Report and Accounts 2007

Company number 05990315

Corporate statement

ACM is one of the world's top independent tanker brokers, providing a single point of contact for oil and refined product transportation. The comprehensive portfolio includes spot/period chartering, derivatives brokerage, finance, sale and purchase, new buildings and demolition.

Highlights

- Turnover in US dollars up 8.4% on 2006
- Profit before tax £3.7 million (2006: £0.5 million)
- Final dividend of 2 pence per share
- 15% increase in the number of spot fixtures contracted
- Time charter forward order book at record level, up 78% on 2006
- Successful IPO on the AIM market in December 2006
- Expansion into new regions with new office opened in India
- Became a member of the prestigious London Tanker Brokers' Panel in March 2007

Business at a glance

ACM is widely recognised as one of the world's leading integrated oil transportation brokers. ACM has achieved market leadership in a number of key areas including tanker chartering, derivatives trading, structured finance and sale and leaseback deals.

What do we do?

spot brokerage

- Crude oil
- Fuel oil
- Clean petroleum
- Product desks

time charter

- Long-term charters based on daily hire

sale and purchase

- New builds
- Second hand
- Demolition
- 30% associate: ACMSS

Operations ● Demurrage and back office functions

Revenue split (excluding joint ventures and associates)

Revenue split

project brokerage

"The one stop shop"

- Spot/freight
- Time charter
- Finance
- S&P
- Sale and purchase

derivatives brokerage

- 50% joint venture with GFI
- Established: April 2002
- Offices in London, Singapore and New York

research and consulting

- Client value add

Chairman's statement

The 2007 financial year was a significant year for ACM; the underlying business has grown strongly. In December 2006, ACM reached an important milestone when it listed on AIM, a market operated by the London Stock Exchange. Our shares were oversubscribed on the IPO and have since been well supported by our institutional investors. Furthermore, on 30 March 2007 we were very pleased to become a member of the London Tanker Brokers' Panel Ltd and Worldscale Association (London) Ltd, an independent and impartial authority which provides a variety of rate assessments on a fee paying basis for individual oil companies, traders, tanker operators and other interests worldwide.

Results

Our core revenue from ship broking increased in US dollar terms by 8.4% to $25.6 million (2006: $23.6 million). We fixed a record number of ships and our forward income from time charters as at 31 March 2007 has increased during the year in value by 78% compared to the same time last year.

Our joint venture and associated activities provided a solid contribution of £1.5 million with ACM Shipping Services Ltd (sale and purchase) having a particularly strong year. The weakness of the US dollar naturally had an adverse effect on our sterling equivalent revenues. Profit before taxation was £3.7 million (2006: £0.5 million) with basic earnings per share being 14.9 pence.

The business has remained very cash generative. We took the opportunity to take on a modest overdraft facility at the year end, in part to fund our investment in the London Tanker Brokers' Panel, but also to give us greater flexibility in our cash management.

Dividend

As stated in our admission document, ACM is committed to a progressive dividend policy and the directors are recommending a dividend of 2 pence per share. This covers the period from 6 December 2006 (ACM's IPO date) to 31 March 2007. This dividend is payable on 9 October 2007 to shareholders on the register as at 21 September 2007.

Board

Ian Hartley joined the Board as Finance Director on 1 March 2007. He is a Chartered Accountant who has a wealth of experience having previously been Group Finance Director of Mayborn Group plc since 1998. Mayborn was a listed company before being sold to a private equity company backed by 3i plc in July 2006.

During the year we also welcomed two new non-executive directors. David Cobb had a long career in the shipping sector and was Executive Chairman of James Fisher & Sons plc for eight years until 2002. David is and was President of a number of shipping related institutes. He was awarded a CBE in 1999 for his services to the shipping industry. He served as Sheriff of the City of London in 2004.

Timothy Chadwick is also experienced in our sector. He floated Benicia Ports plc in 1993 and grew it substantially until it was sold in 1999 to Associated British Ports plc. He was then Executive Chairman at Simon Group plc where he oversaw the restructuring and refocusing of the company into a profitable seaport business. Simon Group was sold to Montauban SA in August 2006.

Employees

Since it was founded in 1982, the Group has developed a very successful business with an extensive and loyal list of clients. Our four founders, who are still with the Group, have built up a young and progressive team of shipbrokers. It is through the founders' dedication and commitment to the business that we have had such a robust track record and we look forward to continuing to build on this strong platform. I would like to extend our thanks to all our staff for their efforts and commitment.

Strategy

ACM's strategy is to expand into an international diversified and integrated shipping services broker, whilst continuing its position as one of the most profitable firms in the tanker broker business. Our aim is to build the right team of brokers to penetrate regional markets and other shipping sectors. This strategy will allow us to gain market share and grow our business with existing and new clients.

Current trading

Trading to date is in line with the Board's expectations. Our underlying business is promising given the strength of the forward order book and the new areas into which we are moving.

Peter Sechiari
Chairman
19 July 2007

Highlights of Chairman's statement

- **Underlying business has grown strongly**
- **Successful listing on AIM**
- **New Board appointments**
- **Underlying business is promising given the strength of the forward order book and the new areas into which we are moving**

Chief Executive's review of the business

We have continued to make good progress with the year's performance and future prospects underlined by strong fundamentals. Income in US dollar terms showed an 8.4% growth over the previous year. An encouraging indicator was a 15% increase in the number of spot fixtures contracted. We will benefit from our record time charter business that continues to go from strength to strength with the value of the forward book at year end 78% higher than at the same point last year. Our income from sale and purchase also showed healthy growth and income from associates and joint ventures was strong with ACM Shipping Services Limited (ACMSS) having a particularly good year and ACM's share of their operating profit up 127%.

Spot brokerage

Spot brokerage, which involves the hire of a vessel for a single voyage, represented 62% of income for the year. Income in US dollar terms showed a 1% growth over the previous year on the back of a 15% increase in the number of spot fixtures. In comparison with the previous year, the average value of each spot fixture is lower when compared with the very high freight rates experienced in the last quarter of 2005.

Time charter

Time charter, which involves the long term hire of tankers, guarantees future revenue streams to ACM with some contacts extending until 2018. Time charter represented 28% of income for the year. ACM is recognised internationally as one of the leading long term chartering tanker brokers. 52 new time charters were contracted during the year, with our forward book at year end in US dollars 78% higher than at the end of the previous year.

Sale and purchase

Most transactions in this area are done through our associated company, ACMSS. However, direct business undertaken by ACM increased by 165% during the year, representing 6% of income in the year.

"This has been a successful year for ACM with our continued growth, market expansion and profitability. We were delighted to join the AIM market with strong demand for our stock at the IPO. Importantly the Group has a strong forward order book, which is 78% higher than it was this time last year."

Overseas operations

Our strategy of expanding our brokerage services geographically is being pursued through a mixture of wholly owned subsidiaries alongside joint ventures and associates. In December 2006 we opened an Indian office to add to our existing office in Singapore. These offices provide support to our UK office and to our clients and in due course we expect them to make a contribution to profit in their own right.

Joint ventures and associates

Our 30% owned sister company, ACMSS, which specialises in the sale and purchase of new buildings, second hand tonnage and demolition, had an excellent year. Operating profit rose 127% while income increased by 98%. It also has an increasing forward order book which indicates a healthy future. Cambridge Securities Shanghai representative office, a contractual 50% joint venture with Cambridge Securities LLC, was set up a few years ago to specialise in Asian new building contracts. This venture is generating income with a number of new contracts having recently been signed, the benefit of which will be felt over forthcoming years.

Our joint venture with GFI Group Inc to conduct derivative brokerage had another good year. Derivatives trading is still relatively new in the tanker industry and there are new clients entering and exiting the market and this has a varying effect on volumes.

Membership of London Tanker Brokers' Panel (LTBP)

We are very pleased that ACM became a member of the LTBP and Worldscale on 30 March 2007. These two organisations prepare and distribute data on freight rates to subscribers throughout the shipping industry globally. LTBP is an internationally recognised independent and impartial authority which provides a variety of rate assessments on a fee-paying basis for individual oil companies, traders, tanker operators and other interests worldwide. Six of the world's most experienced tanker brokers make up the Panel which provide current and historical rate assessments based on extensive experience of its members in the international shipping market. Our membership will further increase our status within the industry and will enhance the development of the Group.

Employees

ACM's core asset is its staff. In order to attract and retain the highest calibre of employees the Group adopts the industry accepted bonus model. We believe this encourages and promotes all staff to help drive the Group forward, and alongside shareholders share in its success.

Johnny Plumbe
Chief Executive
19 July 2007

Highlights of Chief Executive's review

- **Income in US dollars up 8.4%**
- **Spot fixtures 15% up in number**
- **Time charter order book up 78%**
- **Membership of London Tanker Brokers' Panel and Worldscale**

Share of turnover 2007 %

Spot brokerage (62%)
Time charter (28%)
Demurrage (4%)
Sale and purchase (6%)

Financial review

Profit and earnings
Profit before taxation for the year was £3.7 million (2006: £0.5 million) with earnings per share of 14.9 pence. Comparisons with prior year's profits are distorted due to a change in bonus payout policy. The current policy is that 50% of profit is paid out as bonuses to senior employees of the Group, whereas previously this payment was close to 100%. Profit for the year before bonus was £8.5 million (2006: £9.4 million).

Foreign exchange
The bulk of the Group's income is denominated in US dollars. The US dollar weakened during the year and this had a considerable impact on the Group's results. The average effective exchange rate for the year was $1.94 compared with $1.74 for the previous year, while the rate at 31 March 2007 was $1.96 compared with $1.73 for the previous year. Group income would have been higher by approximately £1.5 million if the 2006/7 US dollar income had been translated at 2005/6 exchange rates.

Taxation
The effective tax rate was 39%, higher than the standard rate of UK tax due to the impact of overseas losses and disallowable trading expenses.

Dividends
The directors are recommending a final dividend of 2p per share in respect of the period from 6 December 2006 (ACM's IPO date) to 31 March 2007 at a total value of £306,000.

On 15 November 2006 the directors of ACM Shipping Limited approved the payment of a dividend to holders of shares in ACM Shipping Limited on the register at that date in respect of the six months ended 30 September 2006. This dividend totalling £500,000 was paid on 30 March 2007.

Cash flow
One of the key attributes of our Group is its cash generative nature. Cash flow from operating activities was depressed due the final payout under the previous 100%

Our strategy is to expand ACM into a global diversified ship broking company

bonus policy. The Group also suffered from higher taxation payments than would have been expected as ACM moved into the quarterly payment regime for the first time. Taking these factors into account, together with the investment in LTBP and equity dividends paid, cash resources reduced by £760,000.

Balance sheet

The Company acquired the entire share capital of ACM Shipping Ltd on 27 November 2006 by means of a share exchange. The consolidated accounts have been prepared using merger accounting and this has resulted in a merger reserve.

Share capital has increased as more shares were issued on the share exchange and additional shares were issued by means of a placing on admission to AIM. The value of shares placed created a share premium account as the value received was higher than the nominal value of the shares. This premium has been offset by share issue expenses.

The pension deficit for the defined benefit scheme has reduced to £1.5 million from £2.0 million. Allowing for deferred taxation the liability at the year end was £1.1 million (2006: £1.4 million). This scheme is closed to new members.

The value of net assets at the balance sheet date was £1.5 million (2006: net liabilities £0.5 million).

Key operating performance indicators

The key indicator for the performance of the business is the level of US dollar income, while the number of fixtures contracted shows the level of the broker activity. The scale of the forward book, particularly on time charters, is an important indicator of the future of the business.

Risk management

The Board seeks to identify and monitor risks facing the business.

Foreign exchange risk; the majority of Group income is denominated in US dollars and the rate of exchange relative to sterling can have an effect on the performance of the Group. The Group from time to time uses foreign exchange instruments to manage this risk.

Liquidity risk; the Group does not hold any net debt but has recently arranged overdraft facilities with its bank to allow greater flexibility in its cash management.

Interest rate risk; the Group has exposure to movements in interest rates on its US dollar and sterling deposits. All deposits are made with reputable banks.

Ian Hartley
Finance Director
19 July 2007

Highlights of financial review

8.4%

Turnover in US dollars up 8.4%

£3.7m

Profit before tax £3.7m (2006: £0.5m)

2p

Final dividend of 2p per share

Board of directors and advisers

Peter Sechiari
Chairman (non-executive)

John Plumbe
Chief Executive Officer

Ian Hartley
Finance Director

James Gundy
Chief Operating Officer

Timothy Chadwick
Director (non-executive)

David Cobb
Director (non-executive)

1. Peter Sechiari
Chairman (non-executive)
Peter joined ACM as Chairman in April 2000. He has strong listed company experience through his previous appointments at Rio Tinto plc, Steele Brothers Holdings plc, Bricom Group plc and Mayborn Group Plc. He is responsible for advising ACM on financial strategy, senior management structure, remuneration, succession issues and financial oversight.

2. John Plumbe
Chief Executive Officer
Johnny, who has been with the Group for 24 years, heads up the dirty desk co-ordinating some 14 brokers on the crude and fuel oil market. He has been a specialist in large tanker brokering for 34 years, dealing with the major oil companies such as BP, Shell, Vela, KPC and Traders Vitol, and many owners such as Embiricos, Goulandris, Lemos, Frontline, Pacific Star, NSCSA. In addition to the spot market he is involved in time charters and projects and sale and purchase.

3. Ian Hartley
Finance Director
Ian joined the Board in March 2007. He was previously Finance Director with Mayborn Group plc, a consumer products group. Mayborn was a listed company from 1986 to 2006, which transferred from the Official List to AIM in 2003. Ian spent over 20 years with Mayborn and was appointed Company Secretary in 1996 and Finance Director in 1998. Ian qualified as a Chartered Accountant in 1976, following which he gained experience in a variety of companies before moving to Mayborn.

4. James Gundy
Chief Operating Officer
James has been with ACM for 15 years, previously at Clarksons for ten years. He specialises in the VLCC market in the Atlantic and Arabian Gulf, as well as the suezmax vessel market. James' main accounts are Arcadia, Glencore, Total, TMT, Mecuria, CPC, Stena, Glafki and Ermis. He has also concluded some large sale and purchase deals.

5. Timothy Chadwick
Director (non-executive)
Timothy joined the Board in March 2007 and was previously Executive Chairman at Simon Group plc, where he oversaw the restructuring and refocusing of the company into a specialised and profitable seaports business. He then led Simon Group in an agreed acquisition by Montauban S.A., the private Belgian shipping group. Prior to joining Simon Group, Timothy floated Benicia Ports plc on the London Stock Exchange in 1993. He grew the business into a large seaport and airport group with operations throughout US, UK and Belgium. In 1999 Timothy sold the business to Associated British Ports plc where he remained on their Board until 2001.

6. David Cobb
Director (non-executive)
David joined the Board in March 2007. He initially trained as a naval architect and was then involved in shipbuilding in the UK and Canada. David then spent 17 years with Ingram Corporation, firstly as Vice President and then as President. Ingram was a privately owned US company specialising in oil and shipping. Following this, in 1994, he joined James Fisher & Sons plc, a quoted shipping company, serving as Executive Chairman until 2002. David was awarded a CBE in 1999 for his services to the shipping industry. He is a past President of the Chamber of Shipping and is currently President of the Institute of Marine Engineers Science and Technologists. He was elected Sheriff in the City of London in 2004.

Company secretary
I M Hartley

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Financial contents

Directors' report

The directors present their report and the financial statements of the Company for the year ended 31 March 2007.

Formation and Group reconstruction

ACM Shipping Group plc was incorporated on 7 November 2006. On 27 November 2006 the shareholders in ACM Shipping Limited entered into an agreement under which each ordinary share of £1 each in ACM Shipping Limited was acquired by ACM Shipping Group plc in consideration of 1,000 new ordinary shares of 1 pence each in ACM Shipping Group plc. Due to the nature of the reconstruction, the Annual Report and Accounts have been prepared on the basis of merger accounting.

Principal activities and business review

The principal activities of the Group during the year were shipbroking and related activities in the shipping business.

A review of the business and further details are discussed in the Chairman's statement, Chief Executive's review and financial review.

Results and dividends

The trading results for the year and the Group's financial position at the end of the year are shown in the attached financial statements.

The directors are recommending a dividend of 2 pence per share. This covers the period from 6 December 2006 (ACM's IPO date) to 31 March 2007. This dividend is payable on 9 October 2007 to shareholders on the register as at 21 September 2007.

Directors and their interests in the shares.

The directors who served during the year together with their interests in the shares of the Group were as follows:

	Date of appointment	**At 31 March 2007 ACM Shipping Group Plc ordinary shares of 1p each**
PG Sechiari	7 November 2006	**153,000**
DB Cobb	1 March 2007	**2,000**
TJM Chadwick	1 March 2007	**—**
JL Plumbe	(see below)	**769,000**
JCD Gundy	(see below)	**1,225,000**
IM Hartley	1 March 2007	**—**

None of the directors have any non-beneficial interests.

JL Plumbe and JCD Gundy were directors of ACM Shipping Limited throughout the year and appointed as directors of ACM Shipping Group plc on 7 November 2006 upon its formation.

Further information on the directors is given on page 11.

Between 31 March 2007 and 19 July 2007 there have been no changes in the interests of the directors in the shares of the Company. No director had a material interest in any contract of significance to the Company.

Directors' report continued

Substantial shareholdings

At 12 July 2007 the Company had received notification of the non-director shareholdings over 3% of the Company's share capital as follows:

	Number of ordinary shares	% of issued share capital
Employees		
WS Middleton	1,225,000	8.00%
MAC Rudd	1,225,000	8.00%
BAL Peck	995,000	6.50%
AR Morton	709,000	4.63%
SV Clough	709,000	4.63%
KA Amato	709,000	4.63%
APG Wakely	616,000	4.02%
L Maze	613,000	4.00%
BDA Gyngell	536,000	3.50%
N Borkmann	460,000	3.00%
Others		
Fearnley Fonds ASA (as custodian for RS Platou A/S)	785,100	7.15%
Dresdner Bank AG, a wholly owned subsidiary of Allianz SE	480,200	3.13%

Employees

The Group has high regard for its employees. The Group seeks to enhance their career with training and career development as well as continuing to motivate them. Share option schemes are being set up to add to the annual bonus structure. Within each location the Group seeks to have equal opportunity policies.

Payment policy

The Group pays in accordance with agreed payment terms. The Company does not have any trade creditors.

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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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.

Directors' responsibilities continued

The directors are responsible for keeping proper accounting 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 of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors, individually, are aware:

- there is no relevant audit information of which the Group's auditor is 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 auditor is aware of that information.

Donations

During the year the Group made charitable donations of £29,932 (2006: £76,073).

Annual General Meeting

At the Annual General Meeting resolutions will be proposed. Details of these resolutions together with explanatory notes can be found in the enclosed notice of meeting.

Auditor

Tenon Audit Limited were appointed by the directors as first auditors of ACM Shipping Group PLC and have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Signed by order of the Board

Ian Hartley
Company Secretary
19 July 2007

Corporate governance

Introduction

The Board is committed to achieving good standards of corporate governance and following admission to AIM in December 2006 has made several steps in achieving this objective. Although under the rules of AIM, the Group is not required to comply with the Combined Code, the directors intend to comply so far as reasonably practicable for a Company of ACM's size and nature. Where full compliance is not appropriate due to the Company's size and/or nature, the directors will refer to guidance for AIM quoted companies issued by the Quoted Companies Alliance.

Board of directors

Following admission to AIM the Company has appointed a Finance Director and two additional non-executive directors. The Board now consists of three executive and three non-executive directors, a composition which the Board believes is best suited to the continued success of the Group.

The Board is responsible for establishing the strategic direction of the Group, monitoring the Group's performance against its business plan. It is also responsible for leading and controlling the Group and in particular for formulating, reviewing and approving the Group's strategy, budget, major items of capital expenditure and acquisitions and disposals. Regular meetings are being held and all necessary information is supplied on a timely basis to enable the Board to discharge its duties effectively. Additionally special meetings take place, or other arrangements are made when Board decisions are required in advance of the regular meetings.

It is the Company's policy that directors are re-elected by shareholders and the Company's Articles require one third to retire by rotation. However, as this will be the first opportunity since appointment, all six directors offer themselves up for re-election at the forthcoming Annual General Meeting.

Board committees

The Board has set up a remuneration committee, an audit committee and a nomination committee. Each of these committees consist of the three non-executive directors and are chaired by Peter Sechiari. The Board is also in the process of setting up a compliance committee.

The remuneration committee is discussed within the directors' remuneration report

The audit committee meets whenever there is business to discuss and at least twice each year. The audit committee is responsible for ensuring that the financial performance of the Group is properly monitored, controlled and reported on. It also meets with the auditors without executive directors being present and review reports from the auditors relating to accounts and internal control systems.

The nomination committee has the responsibility for making recommendations on the appointment of additional directors to the Board and the appointment of members of the Company's senior management team. It meets at least twice a year.

Internal control

The Board is responsible for the system of internal control. Although no system can provide absolute assurance against misstatement or loss, the Group's systems are designed to provide the directors with reasonable assurance. The Board is also responsible for reviewing the effectiveness of the system.

Going concern

The directors confirm that they are satisfied that the Group has adequate resources to continue its business for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

Shareholder relations

The Board places significant importance in maintaining good communications with its shareholders. This includes meetings with shareholders and analysts as appropriate. Shareholders are also invited to the Company's Annual General Meeting when questions will be taken. The Company also intends to use its Annual Report and Accounts, Interim Statement and website (www.acmshippinggroup.com) to provide further information to shareholders.

Directors' remuneration report

Remuneration committee

The remuneration committee consists of the three non-executive directors; Peter Sechiari (as Chairman), David Cobb and Timothy Chadwick. The committee meets formally at least twice a year and otherwise as required. The remuneration committee considers all material elements of remuneration policy, including remuneration and incentives of executive directors and senior management (including pension rights and compensation payments) with reference to independent remuneration research and professional advice. The Board are responsible for implementing the recommendations and agreeing the remuneration packages for individual directors. The remuneration committee is also responsible for making recommendations for grants of options under share option and incentivisation schemes. No director will be able to participate in discussions relating to his own terms and conditions of remuneration. Non-executive directors' and Chairman's fees are determined by the full Board on the advice of the remuneration committee.

Directors' remuneration

	Salary and fees £000	Benefits -in-kind £000	Annual bonus £000	Pension contributions £000	**Total 2007 £000**	Total 2006 £000
Executive directors						
JL Plumbe	120	16	430		**566**	1,153
JCD Gundy	100	12	422	50	**584**	854
IM Hartley	8	—	—	1	**9**	—
Non-executive directors						
PG Sechiari*	90	—	—	—	**90**	—
TJM Chadwick	4	—	—	—	**4**	—
DB Cobb	6	—	—	—	**6**	—
Total	328	28	852	51	**1,259**	2,007

* The fees payable to PG Sechiari include £10,000 for his fees as a non-executive director and £80,000 payable to PGS Associates for his services as a consultant. These services include £50,000 in relation to the IPO.

Annual bonus

In order to attract and retain the highest calibre of employees a significant proportion of remuneration packages of executive directors and senior management are geared towards an annual bonus. The Group adopts an industry standard bonus model whereby up to 50% of pre tax profits are distributed to senior employees as bonuses. The individual allocation of this bonus between the directors and senior employees is discretionary. This discretion is exercised by the remuneration committee upon the recommendation of senior executives.

Pension contributions

The Company makes pension contributions on behalf of its executive directors. JCD Gundy is a member of the Group's defined benefit scheme. IM Hartley is a member of the Group's stakeholder scheme. JL Plumbe chose not to have pension contributions paid on his behalf and exercised his right to receive an allowance equivalent to the Company contribution, net of national insurance. The non-executive directors do not participate in the Group's pension schemes.

Service contracts

The service agreements of executive directors have a notice period of six months. The non-executive directors have service contracts with a notice period of six months after an initial one year term.

Independent auditor's report

to the members of ACM Shipping Group PLC

We have audited the consolidated financial statements of ACM Shipping Group PLC on pages 19 to 31 for the year ended 31 March 2007. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of directors and auditor

As described in the statement of directors' responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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. The information given in the directors' report includes the specific information presented in the Chairman's statement, Chief Executives' review and financial review that is cross referenced from the business review section of the directors' report.

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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

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

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 affairs of the Company and the Group as at 31 March 2007 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Tenon Audit Limited.

Tenon Audit Limited
Registered Auditor
66 Chiltern Street
London W1U 4JT
20 July 2007

Consolidated profit and loss account
year ended 31 March 2007

	Note	**2007 £000**	2006 £000
Turnover		**13,180**	13,552
Administrative expenses		**(11,162)**	(15,396)
Share issue costs	5	**(37)**	—
Group operating profit/(loss)		**1,981**	(1,844)
Share of operating profits in joint ventures and associates	6	**1,480**	2,319
		3,461	475
Interest receivable	7	**215**	77
Interest payable	7	**—**	(79)
Profit on ordinary activities before taxation		**3,676**	473
Tax on profit on ordinary activities	8	**(1,432)**	(453)
Profit on ordinary activities after taxation		**2,244**	20
Earnings per share			
Basic and fully diluted	17	**14.9p**	0.1p

All of the activities are classed as continuing.

Statement of total recognised gains and losses
year ended 31 March 2007

	Note	**2007 £000**	2006 £000
Profit on ordinary activities after taxation		**2,244**	20
Actuarial gain in respect of defined benefit pension scheme	16	**297**	1,754
Deferred tax in respect of defined benefit pension scheme		**(89)**	(508)
Total recognised gains and losses		**2,452**	1,266

The notes on pages 22 to 31 form part of those financial statements.

Balance sheets
as at 31 March 2007

	Note	Group 2007 £000	Group 2006 £000	Company 2007 £000
Fixed assets				
Tangible assets	9	**445**	524	—
Investments	10	**1,320**	420	**150**
		1,765	944	**150**
Current assets				
Debtors	13	**3,468**	3,092	**333**
Cash at bank		**566**	1,326	**4**
		4,034	4,418	**337**
Creditors: due within one year	14	**(3,240)**	(4,453)	**(16)**
Net current assets (liabilities)		**794**	(35)	**321**
Total assets less current liabilities		**2,559**	909	**471**
Provisions for liabilities				
Deferred taxation	15	**(34)**	(40)	—
Net assets excluding pension liability		**2,525**	949	**471**
Pension liability	16	**(1,065)**	(1,381)	—
Net assets		**1,460**	(512)	**471**
Capital and reserves				
Share capital	17	**153**	15	**153**
Share premium account	18	—	—	—
Merger reserve	18	**(135)**	—	—
Profit and loss account	18	**1,442**	(527)	**318**
Equity shareholders' funds	18	**1,460**	(512)	**471**

These financial statements were approved by the Board on the 19 July 2007 and are signed on its behalf by:

Peter Sechiari
Director

John Plumbe
Director

Note; the Company was formed on 7 November 2006 and hence there are no comparative figures for 31 March 2006.

The notes on pages 22 to 31 form part of the financial statements.

Group cash flow statement
year ended 31 March 2007

	Note	2007 £000	2006 £000
Group operating profit/(loss)		**1,981**	(1,844)
Depreciation		**143**	145
(Increase) in debtors		**(376)**	(358)
(Decrease)/increase in creditors		**(1,400)**	148
Provision for pension scheme costs		**188**	438
Pension scheme contributions paid		**(253)**	(457)
Net cash flow from operating activities		**283**	(1,928)
Dividends from associates		**502**	826
Amounts received from joint ventures		**919**	1,649
Returns on investments and servicing of finance:			
Interest received		**110**	61
Taxation paid		**(1,007)**	(42)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**(64)**	(65)
Investment		**(1,006)**	—
Equity dividends paid	19	**(500)**	—
Cash (outflow)/inflow before use of financing		**(763)**	501
Financing			
Issue of new shares, less share issue costs		**3**	—
Increase in cash in the year		**(760)**	501
Cash at start of year		**1,326**	825
Cash at end of year	22	**566**	1,326

The notes on pages 22 to 31 form part of the financial statements.

Notes to the financial statements
year ended 31 March 2007

1. Accounting policies

(a) Basis of accounting
The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

(b) Basis of consolidation
ACM Shipping Group plc was formed on 7 November 2006. These are the first statutory accounts for ACM Shipping Group plc and reflect the Company for the period from 7 November 2006 until 31 March 2007 and the subsidiaries for the year to 31 March 2007. As provided by section 230 of the Companies Act 2005 a separate profit and loss account for the parent company has not been provided.

The Company was formed solely to act as a parent undertaking to companies already in the Group. The initial shareholders of the Company received shares in ACM Shipping Group plc in exchange for their shares in ACM Shipping Limited. The transfer of ownership has therefore been accounted for in accordance with the principles of merger accounting since the members of ACM Shipping Group plc at the date of the share transfer, and their rights relative to each other were unchanged. Hence the members had a continuing interest in the business both before and after the incorporation of ACM Shipping Group plc.

Under the principles of merger accounting, the assets and liabilities of ACM Shipping Limited and its subsidiary and associated undertakings have been brought in at their book values. The comparative figures represent the results of ACM Shipping Limited and its subsidiary and associated undertakings for the year ended 31 March 2006.

The consolidated financial statements include the accounts of ACM Shipping Limited and its subsidiary and associated undertakings and joint venture arrangements.

(c) Turnover
The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax.

(d) Tangible fixed assets and depreciation
Tangible fixed assets are recorded at cost less accumulated depreciation and any impairment in value. Depreciation is provided on a straight line basis over the expected economic life of that asset as follows:

Leasehold improvements	– seven years
Fixtures, fittings and office equipment	– two to five years

(e) Operating lease agreements
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

(f) Pension costs and other post-retirement benefits
The Group operates a defined benefit scheme. In preparing the accounts the Group has fully adopted Financial Reporting Standard number 17 ("FRS 17") "Retirement Benefits". Under FRS 17 the Group recognises the pension liability in the Group balance sheet net of any deferred tax related to the recognition of that deficit. The liability is the present value of the accrued defined benefit obligations at the balance sheet date less the fair value of the scheme's assets. The present value of the defined benefit obligations are measured using the projected unit method and discounted at an AA corporate bond rate. Assets are valued at market value.

The Company also contributes to defined contribution schemes. Contributions to these schemes have been charged against profit as they fall due.

1. Accounting policies continued

(g) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive refunds.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(h) Foreign currencies

Transactions denominated in foreign currencies are converted into sterling at the rate of exchange at the time of the transaction. At each balance sheet, monetary assets and liabilities are converted at the rate of exchange at the balance sheet date with any gain or loss being included in the profit and loss account.

On consolidation assets and liabilities of overseas operations are converted at the balance sheet rate while the profit and loss account is translated at the average rate for the year. Any exchange gain or loss arising on consolidation is charged to reserves.

(i) Joint ventures

The Group has investments in two "joint ventures" both of which fall to be classified as joint arrangements not an entity in accordance with FRS 9. Accordingly the Group's share of the profits or losses of the joint ventures are included in the profit and loss account.

(j) Investments

All investments are stated at cost less provisions for diminution in value.

2. Turnover

Turnover represents the net commissions receivable from tanker chartering and related activities. All commissions are received in foreign currencies. As the Company trades on a world-wide basis, it is not practical to provide an analysis of the percentage of income derived from overseas trading.

3. Operating profit

Operating profit is stated after charging:

	2007 £000	2006 £000
Depreciation of owned fixed assets	**143**	145
Remuneration of auditors:		
audit of the Company	**6**	—
audit of the subsidiaries	**10**	9
audit of pension schemes	**7**	6
taxation services	**21**	2
corporate finance services	**—**	105
other services	**5**	2
Operating lease costs:		
other	**484**	357

Notes to the financial statements continued

year ended 31 March 2007

4. Staff costs

The average number of persons employed by the Group during the year was as follows:

	2007 Number	2006 Number
Office and administration	**51**	35

The aggregate payroll costs of the above were:

	Note	2007 £000	2006 £000
Salaries		**7,555**	8,850
Social security costs		**870**	1,033
Other pension costs	16	**337**	2,715
		8,762	12,598

The remuneration of the directors was as follows:

	2007 £000	2006 £000
Total emoluments	**1,259**	2,007

Further analysis of directors' remuneration and pension contributions are shown within the directors' remuneration report.

5. Share issue costs

The total costs incurred of issuing shares and admission to AIM was £550,000. Of this £513,000 has been offset to share premium account as share issue costs (see note 18) and £37,000 has been charged to the profit and loss account.

6. Share of operating profits of joint ventures and associates

	2007 £000	2006 £000
Joint ventures	**919**	1,649
Associates	**561**	670
	1,480	2,319

Details of associated companies are shown in note 11 and joint ventures in note 12.

7. Interest

	Note	2007 £000	2006 £000
Interest receivable:			
Bank interest		**110**	60
Pension expected return on scheme assets less interest cost	16	**89**	—
		199	60
Share of associates		**16**	17
		215	77
Interest payable:			
Pension interest cost less expected return on scheme assets	16	**—**	79

8. Taxation on ordinary activities

(a) Analysis of charge in the year

	Note	2007 £000	2006 £000
UK corporation tax		**1,205**	356
Share of taxation of associates		**169**	81
Under provision for previous years		**18**	—
Current tax	8 (b)	**1,392**	437
Deferred taxation	8 (c)	**40**	16
Tax on profit on ordinary activities		**1,432**	453

(b) Factors affecting current tax charge

	Note	2007 £000	2006 £000
Profit on ordinary activities before taxation		**3,676**	473
Profit on ordinary activities at current tax rate in UK (30%)		**1,103**	142
Effects of:			
Expenses not deductible for tax purposes		**126**	206
Unrelieved losses in overseas subsidiaries		**144**	35
Joint venture and associated undertakings		**31**	46
Adjustment in respect of prior years		**18**	—
Depreciation in excess of capital allowances		**11**	4
Timing differences in respect of payments to pension scheme		**(46)**	—
Other		**5**	4
Total current tax	8 (a)	**1,392**	437

(c) Deferred taxation

	Note	2007 £000	2006 £000
Depreciation in excess of capital allowances	15	**(6)**	16
Timing differences in respect of payments to pension scheme		**46**	—
Total deferred tax	8 (a)	**40**	16

9. Tangible fixed assets

(a) Group

	Leasehold improvements £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
Cost				
At 1 April 2006	403	565	6	974
Additions	—	64	—	64
Disposals	—	(42)	(6)	(48)
At 31 March 2007	**403**	**587**	**—**	**990**
Depreciation				
At 1 April 2006	100	344	6	450
Charge for the year	56	87	—	143
On disposals	—	(42)	(6)	(48)
At 31 March 2007	**156**	**389**	**—**	**545**
Net book value				
At 31 March 2007	**247**	**198**	**—**	**445**
At 31 March 2006	303	221	—	524

(b) Company

The Company did not own any tangible fixed assets at any time during the year.

Notes to the financial statements continued
year ended 31 March 2007

10. Investments
(a) Group
The Group's investments were as follows:

	2007 £000	2006 £000
Investments	**1,006**	—
Share of net assets of associates (note 11)	**314**	420
At 31 March 2007	**1,320**	420

On 30 March 2007 the Group made an investment of £1,006,000 to become a member and owner of 16.7% of the ordinary shares of the London Tanker Brokers' Panel Limited and also became a member guarantor of Worldscale Association (London) Limited, a company limited by guarantee. These two organisations, which are both incorporated in Great Britain, prepare and distribute data on freight rates to subscribers throughout the shipping industry globally.

(b) Company

	2007 £000
Investments in subsidiary	**150**

The investment in subsidiary represents an investment in ACM Shipping Limited. The entire ordinary share capital of this company was acquired by means of a share exchange during the year.

ACM Shipping Limited also has two wholly owned subsidiaries, ACM Shipping Asia Pte Limited and ACM Shipping India Limited. These companies are incorporated in Singapore and India respectively.

11. Associated companies
The Group has a 30% interest in the ordinary shares of ACM Shipping Services Limited, incorporated in Great Britain, which provides sale and purchase shipbroking services in the UK and elsewhere.

The Group also has a 40% interest in the ordinary shares of ACM Maritime Limited, a company incorporated in Labuan, which provides shipbroking and other related services in Malaysia and elsewhere.

The Group's share of assets and liabilities of associates was as follows:

	2007 £000	2006 £000
Share of fixed assets	**4**	5
Share of current assets	**676**	575
Share of current liabilities	**(366)**	(160)
Share of net assets	**314**	420

The Group's share of results of associates was as follows:

	2007 £000	2006 £000
Share of turnover	**1,330**	1,116
Share of operating profit	**561**	670
Share of interest receivable	**16**	17
Share of profit before taxation	**577**	687
Share of taxation	**169**	81
Share of profit after taxation	**408**	606

12. Joint ventures

The Group has a 50% interest with GFI Brokers Limited in an unincorporated joint venture, which provides a market for derivative products within the oil freight business.

The Group also has a 50% interest with Cambridge Securities LLC in an unincorporated joint venture, which provides shipbroking and other related services through a Shanghai representative office. By further agreement, ACM Shipping Services Limited has a 30% interest in ACM Shipping Limited's interest in the joint venture which is held in trust by ACM Shipping Limited.

The Group's share of results of these ventures is shown in note 6.

13. Debtors

	Group		Company
	2007 £000	2006 £000	**2007 £000**
Trade debtors	**2,162**	2,293	**—**
Amounts owed by Group undertakings	**—**	—	**305**
Other debtors	**1,306**	799	**28**
	3,468	3,092	**333**

14. Creditors: Amounts falling due within one year

	Group		Company
	2007 £000	2006 £000	**2007 £000**
Trade creditors	**425**	491	**—**
Corporation tax	**571**	355	**—**
Other taxation and social security	**687**	—	**—**
Accruals and deferred income	**1,557**	3,607	**16**
	3,240	4,453	**16**

15. Deferred taxation

The movement in the deferred taxation provision during the year was:

		Group		Company
	Note	**2007 £000**	2006 £000	**2007 £000**
At 1 April 2006		**40**	24	**—**
Profit and loss account movement arising during the year	8 (c)	**(6)**	16	**—**
At 31 March 2007		**34**	40	**—**

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	Group		Company
	2007 £000	2006 £000	**2007 £000**
Excess of capital allowances over depreciation	**34**	40	**—**

Notes to the financial statements continued
year ended 31 March 2007

16. Pension commitments
The Group operates a defined benefit scheme in the UK which is closed to new members. The Group also operates a stakeholder scheme and contributes to independent funds on behalf of certain of the Group's overseas employees.

The operating charge for pension costs in the year is:

	2007 £000	2006 £000
UK defined benefit cost	**188**	438
Defined contribution scheme costs	**149**	2,277
	337	2,715

The last full funding valuation of the defined benefit scheme was carried out as at 31 March 2005. A qualified independent actuary has carried out a valuation for FRS17 purposes as at 31 March 2007 to obtain the figures in this disclosure note. The figures for the year ending 31 March 2006 have also been included for comparison. The projected unit valuation method has been used.

The main assumptions used by the actuary were:

	2007 %	2006 %	2005 %
Rate of increase in salaries	**5.2**	5.0	5.0
Rate of increase in pensions in payment	**3.0**	2.9	2.8
Discount rate	**5.4**	5.1	5.4
Inflation assumption	**3.2**	3.0	3.0

The fair value of the scheme assets and the expected rate of return, the present value of the scheme liabilities and the resulting deficit are:

	2007		2006		2005	
	Expected rate of return %	**Value £000**	Expected rate of return %	Value £000	Expected rate of return %	Value £000
Equities	**7.5**	**8,444**	7.5	7,637	7.5	5,403
Others	**4.8**	**—**	4.4	—	4.8	—
Total market value of assets		**8,444**		7,637		5,403
Present value of scheme liabilities		**(9,966)**		(9,610)		(9,070)
Deficit in the scheme		**(1,522)**		(1,973)		(3,667)
Related deferred tax asset		**457**		592		1,100
Net pension liability		**(1,065)**		(1,381)		(2,567)

16. Pension commitments continued

An analysis of the movement in deficit during the year is:

	2007 £000	2006 £000
At 1 April	**(1,973)**	(3,667)
Operating charge	**(188)**	(438)
Expected return on scheme assets less interest cost	**89**	(79)
Actuarial costs recognised in the statement of total recognised gains and losses	**297**	1,754
Contributions	**253**	457
At 31 March	**(1,522)**	(1,973)

An analysis of the defined benefit cost follows:

Analysis of the amount charged to operating profit:

	2007 £000	2006 £000
Current service cost	**(188)**	(389)
Past service cost	—	(49)
Operating charge	**(188)**	(438)

Analysis of the amount credited/(charged) to interest:

	2007 £000	2006 £000
Expected return on assets in the scheme	**586**	428
Interest cost on pension liabilities	**(497)**	(507)
Net return	**89**	(79)

Analysis of the amount recognised in statement of total recognised gains and losses:

	2007 £000	2006 £000
Difference between expected and actual return on assets	**(116)**	1,201
Experience gains arising from scheme liabilities	**53**	1,398
Effect of changes in assumptions underlying the present value of scheme liabilities	**360**	(845)
Actuarial gains	**297**	1,754

Notes to the financial statements continued
year ended 31 March 2007

17. Share capital and earnings per share
Authorised share capital:

	2007 £000
20,000,000 ordinary shares of 1 pence each	**200**

Allotted, called up and fully paid:

	Number	2007 £000	2006 £000
Ordinary shares of £1 each	15,000	—	15
Share exchange with ACM Shipping Limited	15,000,000	**150**	—
New shares issued	318,511	**3**	—
Ordinary shares of 1 pence each	15,318,511	**153**	—

On 27 November 2006 the shareholders in ACM Shipping Limited entered into an agreement under which each ordinary share of £1 each in ACM Shipping Limited was acquired by ACM Shipping Group plc in consideration of 1,000 new ordinary shares of 1 pence each in ACM Shipping Group plc. The comparative figure for 2006 represents the share capital of ACM Shipping Limited.

Earnings per share is calculated by dividing the profit attributable to equity shareholders in the period ended 31 March 2007 by the weighted average number of shares in issue in the year, adjusting for the effect of the share exchange. There were no dilutive ordinary shares during the year.

The profit attributable to equity shareholders 2007 was £2,244,000 (2006: £20,000). The weighted average number of shares in issue in the year ended 31 March 2007 was 15,100,353 (2006:15,000,000).

18. Movement on reserves and reconciliation of shareholders' funds
(a) Movement on reserves – Group

	Share premium account 2007 £'000	Merger reserve 2007 £'000	Profit and loss account 2007 £'000	Profit and loss account 2006 £'000
Balance at 1 April 2006	—	—	**(527)**	(1,793)
Profit on ordinary activities after taxation	—	—	**2,244**	20
Dividends to equity shareholders	—	—	**(500)**	—
Premium on issue of shares	**513**	—	—	—
Share issue costs	**(513)**	—	—	—
Actuarial gain in respect of defined benefit pension scheme	—	—	**297**	1,754
Deferred tax in respect of defined benefit pension scheme	—	—	**(89)**	(508)
Currency translation differences	—	—	**17**	—
Creation of merger reserve	—	**(135)**	—	—
Balance at 31 March 2007	**—**	**(135)**	**1,442**	(527)

(b) Movement on reserves – Company

	Share premium account 2007 £000	Profit and loss account 2007 £000
Balance at 7 November 2006 (formation)	—	—
Profit on ordinary activities after taxation	—	**318**
Premium on issue of shares	**513**	—
Share issue costs	**(513)**	—
Balance at 31 March 2007	**—**	**318**

18. Movement on reserves and reconciliation of shareholders' funds continued

(c) Reconciliation of movements in shareholders' funds

	Group 2007 £000	2006 £000	Company 2007 £000
Balance at 1 April 2006 (or formation in respect of Company)	**(512)**	(1,778)	**—**
Profit on ordinary activities after taxation	**2,244**	20	**318**
Dividends to equity shareholders	**(500)**	—	
Issue of new shares	**516**	—	**666**
Share issue costs	**(513)**	—	**(513)**
Actuarial gain in respect of defined pension scheme	**297**	1,754	**—**
Deferred tax in respect of defined benefit scheme	**(89)**	(508)	**—**
Currency translation differences	**17**	—	**—**
Balance at 31 March 2007	**1,460**	(512)	**471**

19. Dividends

	2007 £000	2006 £000
Declared and paid during the year:		
Interim dividend in respect of six months ended 30 September 2006 by ACM Shipping Limited at a rate of £33.33 per share	**500**	—
Proposed for approval of AGM (not recognised as liability at 31 March) of 2 pence per share	**306**	—

20. Commitments under operating leases

At 31 March 2007 the Group had annual commitments for leasehold land and buildings under non-cancellable operating leases as follows:

	2007 £000	2006 £000
Operating leases which expire:		
Between one and five years	**576**	—
After more than five years	**—**	378

21. Contingencies

The Group has given a guarantee to its bankers in the normal course of business amounting to £249,000 (2006: £249,000) on which no liability is expected to arise.

There is a cross guarantee to bankers for an unlimited amount between the Company and its subsidiary company ACM Shipping Group Limited.

22. Notes to the statement of cash flows

Analysis of changes in cash balances

	At 1 April 2006 £000	Cash flows £000	At 31 March 2007 £000
Cash at bank	1,326	(760)	**566**

23. Derivatives

The Group places forward contracts for the sale of US dollars at fixed rates. The purpose of such transactions is to manage the currency risk arising from the Group's operations. At year end the Group had no US dollar contracts outstanding.

The prevailing rate on the balance sheet date was $1.96 to £1 (2006: $1.74).

The Group has no other assets or liabilities that fall to be classed as derivatives.

24. Ultimate controlling party

No individual shareholder has ultimate control of the Company.

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Financial calendar

2007

Annual General Meeting	5 September 2007
Ex-dividend date	19 September 2007
Record date	21 September 2007
Dividend payment date	9 October 2007
Interim results	December 2007*

2008

Interim dividend date	February 2008*
Year end	31 March 2008
Preliminary results	June 2008*

* provisional

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