

STIRLING SHIPPING COMPANY LIMITED

Report and Financial Statements

31 December 2007

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COMPANIES HOUSE

Stirling Shipping Company Limited

Registered No SC159842

DIRECTORS

J M Gellert
R J Ryan
C Camburn

SECRETARY

S M Alais

AUDITORS

Ernst & Young LLP
Compass House
80 Newmarket Road
Cambridge
CB5 8DZ

BANKERS

DnB NOR Bank
20 St Dunstan's Hill
London
EC3R 8HY

SOLICITORS

Wright Son & Pepper
9 Gray's Inn Square
London
WC1R 5JF

REGISTERED OFFICE

c/o Stirling & Gilmour
Pavilion Court
45 Kilbowie Road
Clydebank
Dunbartonshire
G81 1BL

Stirling Shipping Company Limited

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2007

RESULTS AND DIVIDENDS

The company's loss for the year after taxation was £171,000 (2006 £188,000) The directors do not recommend the payment of a dividend (2006 £nil) Dividends received totalled £25,000 (2006 £nil)

PRINCIPAL ACTIVITY

The principal activity of the company is that of a holding company A list of subsidiaries is given in note 5

EVENTS SINCE THE BALANCE SHEET DATE

Subsequent to year end Haven Shipping Company Limited and Bruce Marine Limited, both subsidiary undertakings, were dissolved as both these companies had been dormant for a number of years

FUTURE DEVELOPMENTS

The directors do not expect the current level of activity to change for the foreseeable future

DIRECTORS

The directors who served during the year were as follows

J M Gellert
R J Ryan
C Camburn

DIRECTORS AND OFFICERS INDEMNITY INSURANCE

The company has taken out insurance to indemnify, against third party proceedings, the directors of the company whilst serving on the board of the company and of any subsidiary, associate or joint venture This cover, together with that taken out by certain subsidiaries, where relevant, indemnifies all employees of the group who serve on the boards of all subsidiaries, associates and joint ventures These indemnity policies subsisted throughout the year and remain in place at the date of this report

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the board at the time of approving this report are listed above Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that

- to the best of his knowledge and belief, there is no information relevant to the preparation of this report of which the company's auditors are unaware, and
- he has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

Stirling Shipping Company Limited

DIRECTORS' REPORT

AUDITORS

A resolution to re appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting

On behalf of the Board



C Camburn
Director

Date 2 JULY 2008

Stirling Shipping Company Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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 those 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STIRLING SHIPPING COMPANY LIMITED

We have audited the company financial statements of Stirling Shipping Company Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 13. 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 United Kingdom law and Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

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

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read 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.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF STIRLING SHIPPING
COMPANY LIMITED (CONTINUED)**

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 December 2007 and of the company's loss 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



Ernst & Young LLP
Registered Auditor
Cambridge

Date

23 July 2008

Stirling Shipping Company Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2007

	<i>Notes</i>	<i>2007</i> <i>£'000</i>	<i>2006</i> <i>£'000</i>
Net operating income		9	–
OPERATING PROFIT	2	9	–
Income from investments		25	–
Net finance charges	3	(146)	(160)
Foreign exchange loss		–	(28)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(112)	(188)
Tax on loss on ordinary activities	4	(59)	–
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION BEING RETAINED LOSS FOR THE YEAR		(171)	(188)

All trading comes from continued operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 December 2007

There are no recognised gains and losses other than the loss for the year of £171,000 (2006 £188,000)

Stirling Shipping Company Limited

BALANCE SHEET at 31 December 2007

	Notes	2007 £'000	2006 £'000
FIXED ASSETS			
Investments	5	696	696
CURRENT ASSETS			
Debtors	6	3,225	3,034
Cash at bank and in hand		2,239	2,151
		5,464	5,185
CREDITORS amounts falling due within one year	7	(59)	(9)
NET CURRENT ASSETS		5,405	5,176
TOTAL ASSETS LESS CURRENT LIABILITIES		6,101	5,872
CREDITORS amounts falling due after more than one year	8	(5,792)	(5,392)
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS		309	480
CAPITAL AND RESERVES			
Called up share capital	9	668	668
Profit and loss account	10	(359)	(188)
Shareholders' funds	11	309	480

C Camburn

C Camburn
Director

Date 8 JULY 2008

Stirling Shipping Company Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared under the historical cost convention in accordance with applicable UK accounting standards

Deferred taxation

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 more, tax, with the following exceptions

- Provision is made for tax on gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charge to tax only where the replacement assets are sold,
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

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

Cash flow exemption

The company has taken advantage of the exemption offered in Financial Reporting Standard No 1 (Revised) "Cash flow statements" not to present a cash flow statement because it is a wholly owned subsidiary undertaking where the ultimate parent company produces consolidated financial statements which are publicly available

Investments

Fixed asset investments are shown at cost less any provision for impairment

FRS 25

The company has, under Financial Reporting Standard FRS 25 "Financial Instruments: Disclosure and Presentation", included its redeemable 'A' ordinary shares, which are redeemable for cash at a future date, as a liability due to the substance of their nature being a debt instrument. This involves the classification of £4,992,411 of redeemable 'A' ordinary shares and related share premium as liabilities under creditors amounts falling due after more than one year

2. OPERATING PROFIT

Auditors' remuneration for the audit of the financial statements is borne by the company's immediate parent company

The company had no employees during 2007 and 2006 and no director received any emoluments for the year

Stirling Shipping Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

3 NET FINANCE CHARGES

	2007 £'000	2006 £'000
Preference dividend on redeemable 'A' Ordinary Shares	(400)	(400)
Bank interest receivable	115	85
Intercompany loan interest receivable	139	155
	<u>(146)</u>	<u>(160)</u>

4 TAX ON LOSS ON ORDINARY ACTIVITIES

(a) Tax on loss on ordinary activities
The tax charge is made up as follows

	2007 £'000	2006 £'000
<i>Current tax</i>		
UK corporation tax	59	–
Total current tax (note 4(b))	<u>59</u>	<u>–</u>
Tax on loss on ordinary activities	<u>59</u>	<u>–</u>

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2006 30%) The differences are reconciled below

	2007 £'000	2006 £'000
Loss on ordinary activities before taxation	(112)	(188)
Loss on ordinary activities multiplied by the standard rate of corporation tax of 30% (2006 30%)	(34)	(56)
Income not taxable	(8)	–
Expenses not deductible for tax purposes	120	17
Utilisation of tax losses and other deductions	–	(12)
Other short term timing differences	–	(17)
Group relief surrendered without payment	(19)	68
Total current tax (note 4(a))	<u>59</u>	<u>–</u>

(c) Factors affecting future tax charge

The UK corporation tax rate decreased from 30% to 28% from 1 April 2008 This rate change will affect the amount of future cash tax payments to be made by the company Changes to the UK Capital allowance regime will also impact the capital allowances which may be claimed The full impact of these changes is still being assessed

(d) There are no provided or unprovided deferred tax amounts with respect to either the current or preceding year

Stirling Shipping Company Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

5. INVESTMENTS

Subsidiaries

	2007 £'000	2006 £'000
Cost		
At 1 January	696	696
At 31 December	696	696

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

<i>Subsidiaries</i>	<i>Percentage of equity owned</i>	<i>Nature of business</i>	<i>Country of incorporation</i>
Stirling Offshore Limited	100%	Shipowning	Scotland
Stirling Marine Limited	100%	Non trading	Scotland
Stirling Shipmanagement Limited	100%	Ship management	Scotland
Stirling Trustees Limited	100%	Administration	Scotland
Haven Shipping Company Limited *	100%	Dormant	Scotland
Bruce Marine Limited	100%	Dormant	Scotland

* The above investment is held by Stirling Offshore Limited

Subsequent to year end Haven Shipping Company Limited and Bruce Marine Limited, both subsidiary undertakings, were dissolved as both these companies had been dormant for a number of years

6. DEBTORS

	2007 £'000	2006 £'000
Amount due from group undertakings	3,225	3,034

7. CREDITORS: amounts falling due within one year

	2007 £'000	2006 £'000
Accruals and prepaid income	—	9
Corporation tax	59	—
	59	9

8. CREDITORS: amounts falling due after more than one year

	2007 £'000	2006 £'000
Redeemable 'A' Ordinary Shares (note 9)	4,992	4,992
Cumulative preferential dividend on 'A' Ordinary Shares	800	400
	5,792	5,392

Stirling Shipping Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

9. CALLED UP SHARE CAPITAL

	<i>Authorised</i> 2007		<i>Authorised</i> 2006	
	<i>No</i>	<i>£'000</i>	<i>No</i>	<i>£'000</i>
Shares of £1				
Ordinary Shares	551,044	551	551,044	551
Redeemable 'A' Ordinary Shares	236,162	236	236,162	236
'B' ordinary shares	41,432	42	41,432	42
Deferred Ordinary Shares	83,248	83	83,248	83
Undesignated Shares	88,114	88	88,114	88
	<u>1,000,000</u>	<u>1,000</u>	<u>1,000,000</u>	<u>1,000</u>

	<i>Allotted, issued and fully paid</i> 2007		<i>Allotted, issued and fully paid</i> 2006	
	<i>No</i>	<i>£'000</i>	<i>No</i>	<i>£'000</i>
Shares of £1				
Ordinary Shares	551,044	551	551,044	551
'B' Ordinary Shares	33,477	34	33,477	34
Deferred Ordinary Shares	83,248	83	83,248	83
	<u>667,769</u>	<u>668</u>	<u>667,769</u>	<u>668</u>

Classified as debt

Redeemable 'A' Ordinary Shares	<u>236,162</u>	<u>236</u>	<u>236,162</u>	<u>236</u>
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In accordance with FRS 25 'Financial Investments Presentation and Disclosure' the Redeemable 'A' Ordinary Shares are classified as debt (see note 8)

The Redeemable 'A' Ordinary Shares have a right to an annual fixed cumulative preferential dividend of £1 6938 per share

The directors may declare an annual dividend in respect of the Ordinary Shares of an amount up to that paid on the Redeemable 'A' Ordinary Shares as detailed above

The Ordinary Shares and the Redeemable 'A' Ordinary shares have equivalent voting rights, being one vote per share, and any return of assets the holders of each class of share participate in proportion to the amounts paid up, or credited as paid up, on their shareholding

The Deferred Ordinary Shares have the right to a dividend of £19 3146 per share upon flotation or sale of the company, have no right to participate in the profits of the company, have restricted rights upon a wind up of the company and have no voting rights

Stirling Shipping Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

10 RESERVES

	<i>Profit and loss account £'000</i>	<i>Total £'000</i>
At 1 January 2007	(188)	(188)
Loss for the financial year	(171)	(171)
At 31 December 2007	<u>(359)</u>	<u>(359)</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<i>2007 £'000</i>	<i>2006 £'000</i>
Opening shareholders' funds	480	668
Loss on ordinary activities after taxation	(171)	(188)
Net reduction in shareholders' funds	<u>(171)</u>	<u>(188)</u>
Closing shareholders' funds	<u>309</u>	<u>480</u>

12. EVENTS SINCE THE BALANCE SHEET DATE

Subsequent to year end Haven Shipping Company Limited and Bruce Marine Limited, both subsidiary undertakings, were dissolved as both these companies had been dormant for a number of years

13. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

In the directors' opinion the company's ultimate parent undertaking and controlling party is SEACOR Holdings Inc, which is incorporated in the USA. SEACOR Holdings Inc is the largest and smallest group for which consolidated financial statements are prepared. Copies of its group financial statements, which include the company, are available from 2200 Eller Drive, Fort Lauderdale, Florida 33316

The company's immediate parent undertaking is Stirling Shipping Holdings Limited. Stirling Shipping Holdings Limited has not prepared consolidated accounts having taken advantage of the exemption available under section 228A of the Companies Act 1985

The company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related Party Disclosures" from disclosing transactions with other members of the group headed by SEACOR Holdings Inc