

d'Amico Shipping UK Limited
Report and Financial Statements
For the Year Ended December 31, 2009
Company Registration No 04480614

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**d'Amico Shipping UK Limited
Company Information**

Directors

E Spurio
M Fiori
S Jozwiak
W N H Reardon-Smith

Secretary

Cornhill Secretaries Limited

Registered Office

2 Queen Anne's Gate Buildings
Dartmouth Street
London SW1H 9BP

Auditors

Moore Stephens LLP
150 Aldergate Street
London
EC1A 4AB

d'Amico Shipping UK Limited
Directors Report
For the year ended 31 December 2009

The directors present their report and audited financial statements for year ended 31 December 2009

Business Review and Principal Activities

During the year the company continued to operate commercial vessels and provide assistance to d'Amico group companies and third parties for their shipping activity needs

As the company provides services to shipping companies, principally the d'Amico International S A group, it has no significant business risk exposure. The company is exposed to movements in the United States Dollar / GBP as shipping transactions are principally denominated in US Dollars. Management do not hedge the movements in the US Dollar.

Whilst the directors are satisfied with the results of the company they believe that difficult trading conditions will continue for the foreseeable future.

Result and dividends

The profit before tax for the year was £96,748 (2008 £651,080). No dividends were paid during the period.

Financial Risk Management Objectives

The directors do not believe that the company is exposed to price risk, credit risk, liquidity risk and cash flow risk, due to the nature of its activities. The company does not hedge any of its transactions. For further information refer to note 10 of the financial statements.

Directors and their interests

The following directors served throughout the year ended December 31, 2009

E Spurio
M Fiori
S Jozwiak
W N H Reardon-Smith

No director had a direct interest, as defined by the Companies Act 2006, in the share capital of the company or its parent company at any time during the year ended 31 December 2009.

Confirmation of Auditors

Each of the persons who are directors at the date of approval of this report confirm that

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

d'Amico Shipping UK Limited**Directors Report (continued)****For the year ended 31 December 2009****Future developments**

The directors do not anticipate any change in the company's activities

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' 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 Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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

- i) select suitable accounting policies and then apply them consistently,
- ii) make judgements and accounting estimates that are reasonable and prudent,
- iii) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- iv) 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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

Registered Auditors

A resolution to re-appoint Moore Stephens LLP as the company's auditor will be put to the forthcoming Annual General Meeting

By Order of the Board



Enjo Spurio
Director



**Independent Auditors' Report
to the Shareholders of d'Amico Shipping UK Limited**

We have audited the financial statements of d'Amico Shipping UK Limited for the year ended December 31, 2009 which are set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 and 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at December 31, 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter(s) prescribed by the Companies Act 2006

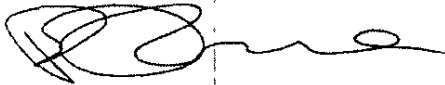
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditors' Report
to the Shareholders of d'Amico Shipping UK Limited**

Matters on which we are required to report by exception

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

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



Patricia Osborne, Senior Statutory Auditor
For and on behalf of Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street,
London,
EC1A 4AB

Date July 23, 2010

d'Amico Shipping UK Limited
Profit and Loss Account
For the year ended 31 December 2009

	Notes	2009 £	2008 £
Revenue	1b	54,009,633	40,346,323
Voyage costs		<u>(52,630,607)</u>	<u>(39,237,085)</u>
Gross profit		1,379,026	1,109,238
General and Administrative costs		<u>(1,130,631)</u>	<u>(529,109)</u>
Gross Operating profit		248,395	580,129
Depreciation		<u>(5,524)</u>	<u>(10,958)</u>
Operating Profit		242,871	569,171
Net Financial income / (costs)	5	<u>(146,123)</u>	<u>81,909</u>
Profit before taxation		96,748	651,080
Taxation	6	<u>(38,389)</u>	<u>(204,914)</u>
Profit after taxation		<u><u>58,359</u></u>	<u><u>446,166</u></u>

The operating profit for the year arises from the company's continuing operations

There are no recognised gains and losses for the year other than those included in the profit and loss account

d'Amico Shipping UK Limited
Company Registration No. 04480614
Balance Sheet

As at 31 December 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	7	<u>28</u>	<u>5,552</u>
Current assets			
Debtors	8	2,357,947	1,782,855
Cash at bank and in hand		<u>1,226,624</u>	<u>502,343</u>
		3,584,571	2,285,198
Creditors' amounts falling due within one year	9	<u>(2,805,903)</u>	<u>(1,570,413)</u>
Net current assets		<u>778,668</u>	<u>714,785</u>
Total assets less current liabilities		<u><u>778,696</u></u>	<u><u>720,337</u></u>
Capital and reserves			
Called up share capital	11	40,000	40,000
Profit and loss account	12	<u>738,696</u>	<u>680,337</u>
Shareholder's funds		<u><u>778,696</u></u>	<u><u>720,337</u></u>

The financial statements were approved by the Board on

09 JUL 2010



 Enjo Spurio
 Director

d'Amico Shipping UK Limited
Notes to the Financial Statements
For the year ended 31 December 2009

1 Principal Accounting Policies

The following accounting policies have been applied in dealing with items which are considered material in relation to the financial statements

a) Basis of accounting

These financial statements have been prepared under the historic cost basis and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the requirements of the Companies Act 2006

b) Revenue

Revenue represents commissions on sales and purchases of assets, freight income charter hire and demurrage receivable in the year net of voyage expenses and commissions

c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows -

Leasehold property improvements	-	over the life of the lease
Fixtures and fittings	-	33% straight line
Computer equipment	-	33% straight line

d) Transactions in foreign currency

Transactions in foreign currencies are translated into sterling at the exchange rates ruling at the date of the transaction. Assets and liabilities at the balance sheet date are translated into sterling at the rate ruling at the balance sheet date. All resultant differences arising from the above policy are dealt with in the profit and loss account.

e) Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, 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 to those in which they are included in the 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 for the time value of money.

f) Operating leases

The annual rentals payable under operating leases are charged to the profit and loss account on a level term basis over the life of each lease.

d'Amico Shipping UK Limited
Notes to the Financial Statements (continued)

For the year ended 31 December 2009

1 Principal Accounting Policies (continued)

g) Cash flow statement

In accordance with FRS 1 (revised) a cashflow statement has not been prepared as the cashflows of the company are included in those of the ultimate parent company d'Amico Societa di Navigazione S p A .

h) Cash at bank and in hand

Cash at bank and in hand consist of cash on hand and balances with banks, and investments in money market instruments which are readily available. Cash at bank and in hand are measured at fair value, based on the relevant exchange rates at the financial position date.

i) Debtors

Debtors arising from outstanding freight are initially measured at their nominal value (representative of the 'fair value' of the transaction) and are subsequently measured at amortized cost, net of write-downs for impairment and allowance for credit losses. Impairment is recognised in the income statement when there is objective evidence that the asset is impaired. Such write-downs are calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Particularly with regard to short-term trade receivables, considering the short period of time, the measurement at amortized cost is equivalent to the nominal value, less write-downs for impairment.

Allowances for credit losses are made when management consider the full recovery of a receivable to be in doubt. If management consider the amounts non-recoverable then they are written off to the statement of income.

j) Creditors

Creditors are measured at amortized cost which, considering the characteristics and maturity of such payables, is generally equivalent to the nominal value.

d'Amico Shipping UK Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2009

2 Profit before taxation

	2009	2008
	£	£
The profit before taxation is stated after charging		
Depreciation	5,524	10,958
Auditor's remuneration	20,879	5,786
Operating lease rentals - Land and buildings	<u>9,728</u>	<u>13,382</u>

3 Directors and employees

	2009	2008
	£	£
Staff costs including directors' costs were as follows		
Wages and salaries	201,375	186,142
Social security costs	25,054	13,537
Other pension costs	7,125	7,362
Other benefits	<u>2,138</u>	<u>3,795</u>
	<u>235,692</u>	<u>210,836</u>

The average monthly number of persons (including directors) remunerated by the company during the year was

	2009	2008
	£	£
Office and management	<u>1</u>	<u>1</u>

4 Directors' Emoluments

	2009	2008
	£	£
Staff costs include the following emoluments in respect of directors of the company		
Emoluments	<u>208,500</u>	<u>193,504</u>

The number of directors to whom retirement benefits are accruing is 1 (2008 1)

5 Net Financial Costs

	2009	2008
	£	£
Exchange gain / (loss)	(147,611)	45,602
Financial income	1,488	36,307
	<u>(146,123)</u>	<u>81,909</u>

d'Amico Shipping UK Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2009

6 Taxation

The taxation liability on the result for the year is £ 38,389 (2008 £ 204,914). The actual tax charge for the current year is higher than the standard rate of tax for the reasons set out in the following reconciliation:

	2009 £	2008 £
Corporation tax on profit for the year at 28%	38,389	204,914
Adjustment in respect of prior periods	-	-
	<u>38,389</u>	<u>204,914</u>
	2009 £	2008 £
Profit on ordinary activities before taxation	<u>96,748</u>	<u>651,080</u>
Tax on profit on ordinary activities at 28%	27,089	182,302
<i>Factors affecting the charge for the year</i>		
Disallowable expenditure	2,810	19,270
Accelerated capital allowances	(1,797)	(1,084)
Change in corporate tax rate from 30% to 28%	-	3,589
Other timing differences	(213)	837
Tax charge on profit on ordinary activities	<u>27,889</u>	<u>204,914</u>

7. Tangible Fixed Assets

	Leasehold Property Improvements £	Computer Equipment £	Fixtures & Fittings £	Total £
Cost				
At 1 January 2009	48,519	8,027	21,248	77,794
Additions	-	-	-	-
Disposal	-	-	-	-
At December 31, 2009	<u>48,519</u>	<u>8,027</u>	<u>21,248</u>	<u>77,794</u>
Accumulated Depreciation				
At 1 January 2009	43,958	7,036	21,248	72,242
Charge for the year	4,561	963	-	5,524
Disposal	-	-	-	-
At 31 December 2009	<u>48,519</u>	<u>7,999</u>	<u>21,248</u>	<u>77,766</u>
Net Book Value				
At 31 December 2009	<u>-</u>	<u>28</u>	<u>-</u>	<u>28</u>
At 31 December 2008	<u>4,561</u>	<u>991</u>	<u>-</u>	<u>5,552</u>

d'Amico Shipping UK Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2009

8 Debtors

	2009	2008
	£	£
Trade debtors	1,946,534	1,617,013
Amounts owed by group undertakings	348,475	70,016
Other debtors	38,321	83,454
Corporation tax	10,451	-
Prepayments and accrued income	14,166	12,372
	<u>2,357,947</u>	<u>1,782,855</u>

The amounts owed by group undertakings relate to trading balances

Included in other debtors is a rent deposit of £30,558 over which the landlord has a first charge and which is due in more than one year

9 Creditors amounts falling due within one year

	2009	2008
	£	£
Trade creditors	217,135	37,231
Amounts owed to group undertakings	1,467,370	350,671
Corporation tax	-	205,695
Other taxation and social security costs	-	844
Other creditors	9,580	5,777
Accruals and deferred income	1,111,818	970,195
	<u>2,805,903</u>	<u>1,570,413</u>

The amounts owed to group undertakings relate to trading balances

10 Risk management**Financial instruments**

The company has no financial instruments except cash and balances arising directly from its operations. All financial instruments at the balance sheet date approximate to their fair value. The company does not perform any hedging activities.

Market risk

The company is not significantly exposed to market risk as the company principally provides services to other shipping companies. The company's activity will however be impacted by the cyclical nature of the shipping markets.

Currency risk

The company is exposed to currency risk in respect of transactions denominated in currencies other than GB Pounds, principally US Dollars. The company does not hedge against movements in exchange rates.

D'Amico Shipping UK Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2009

10 Risk management (continued)**Interest rate risk**

The company is only exposed to interest rate risk as it has cash deposits which earn interest based on the prevailing market rates. The company does not hedge against movements in market interest rates.

Credit risk

Credit risk is the risk that a counterparty will fail to discharge its obligations and cause a financial loss. The company is exposed to credit risk in the event of non-performance by any of its counterparties. To limit this risk, the group deals exclusively with creditworthy institutions. The Directors believe that there is no substantial credit risk arising from counterparties.

Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The company considers the issued capital and reserves of £816,196 as capital.

11 Share capital

	2009 £	2008 £
Issued and fully paid 40,000 ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>

12 Reserves

	2009 £	2008 £
Opening reserves at 1 January	680,337	234,171
Profit for the year	<u>58,359</u>	<u>446,166</u>
Closing reserves at 31 December	<u>738,696</u>	<u>680,337</u>

13 Movement in Shareholder's Funds

	2009 £	2008 £
Profit for the year	58,359	446,166
Opening shareholder's funds at 1 January	<u>720,337</u>	<u>274,171</u>
Closing shareholder's funds at 31 December	<u>778,696</u>	<u>720,337</u>

D'Amico Shipping UK Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2009

14. Commitments

The company acts as guarantor in respect of the non-cancellable lease agreement between d'Amico Tankers UK Limited and Windsor Life Assurance Company Limited. The lease covers the period to September 2014 with annual lease charges of £97,650.

15. Related Party Transactions

Advantage has been taken of the exemption, as permitted by FRS 8, for subsidiaries where 100% of the voting rights are controlled within the group, not to disclose transactions with other group members.

Balances with related parties are disclosed in notes 8 and 9.

16 Ultimate Controlling Party

d'Amico Shipping UK Limited is a wholly owned subsidiary of d'Amico International S A (Luxembourg) which is in turn 100% owned by d'Amico Società di Navigazione S p A a company registered in Italy.

d'Amico Shipping UK Limited
Detailed Profit and Loss Account
For the year ended 31 December 2009
For Management Information Only

	2009	2008
	£	£
Income		
Freight and charter hire receivable	53,697,337	39,941,568
Commissions on vessels' sales	312,296	404,755
Cost of sales		
Voyages costs and charter expenses	<u>(52,630,607)</u>	<u>(39,237,085)</u>
Gross Profit	1,379,026	1,109,238
Administrative expenses		
Directors' remuneration	-	-
Wages and salaries	201,375	186,142
Employer's National Insurance	25,054	13,537
Pension costs	7,125	7,362
Other staff costs	2,138	3,785
Legal and Secretarial Costs	2,215	1,090
Commercial management	438,541	69,102
Service Management	356,334	-
Rent, rates and service charge	9,728	13,382
Insurance	86	182
Printing, postage and stationery	1,677	2,708
Communications	10,541	7,933
Computer consumables	1,425	15,468
Promotion and Advertising	-	20,100
Travel, hotel and subsistence	28,333	115,228
Audit and accountancy fees	20,879	5,786
Bank charges	9,295	6,993
Entertaining	8,854	24,576
Sundry expenses	2,304	8,367
Subscriptions	2,319	2,135
Depreciation	5,524	10,958
Donations	-	5,000
Other	2,408	20,233
	<u>(1,136,155)</u>	<u>(540,067)</u>
Financial income	<u>(146,123)</u>	<u>81,909</u>
Profit for the year before taxation	<u><u>96,748</u></u>	<u><u>651,080</u></u>

This page does not form part of the statutory financial statements