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**AGELEF TANKER CHARTERING  
LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**31st DECEMBER 2005**



12

**Agelef Tanker Chartering Limited**

**Directors**

J.A. Angelicoussis  
S. Hadjigeorgiou

**Secretary and Registered Office**

S. Hadjigeorgiou  
22 Carlisle Place, London, SW1P 1JA

**Auditors**

Moore Stephens LLP  
Chartered Accountants  
St. Paul's House, Warwick Lane, London, EC4M 7BP

**Report of the Directors**

The directors present their report and the audited financial statements for the year ended 31st December 2005.

**Review of Activities**

The company's principal activity is that of chartering brokers specialising in the tanker market. The directors do not foresee any significant change in the activities of the company in the near future.

**Results and Dividends**

The profit for the financial year amounted to £653,673 (2004: £935,058). The directors do not recommend the payment of a dividend for the year.

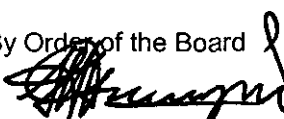
**Directors' Interests**

Both of the directors held one share each in the share capital of the company at the beginning and end of the year. The interest of Mr. J.A. Angelicoussis in the share capital of the ultimate holding company, Amesgain Limited, is disclosed in that company's financial statements.

**Small Company Exemptions**

The company has prepared the financial statements in accordance with the special provisions of part VII of the Companies Act 1985 applicable to small companies and the Financial Reporting Standard for Smaller Entities (effective January 2005).

By Order of the Board



S. HADJIGEORGIOU

Director

**Agelef Tanker Chartering Limited****Statement of Directors' Responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and 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 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 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 Shareholders of Agelef Tanker Chartering Limited**

We have audited the financial statements of Agelef Tanker Chartering Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 auditors**

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

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

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

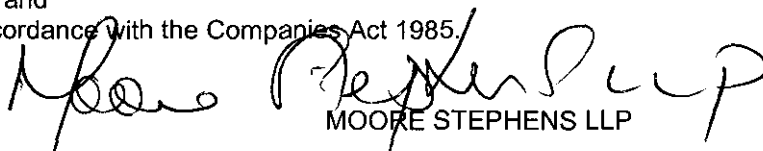
**Opinion**

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

St. Paul's House  
London, EC4M 7BP

30 October 2006

  
MOORE STEPHENS LLP

Registered Auditor  
Chartered Accountants

## Agelef Tanker Chartering Limited

**Profit and Loss Account**  
**For the year ended 31st December 2005**

	<u>Note</u>	<u>2005</u>	<u>2004</u>
<b>Turnover</b>	1(b)	3,609,631	3,221,245
Administrative expenses		(2,663,273)	(1,984,173)
<b>Operating Profit</b>	2	946,358	1,237,072
Interest payable		(1,284)	(14)
<b>Profit on Ordinary Activities before Taxation</b>		945,074	1,237,058
Taxation on ordinary activities	4	(291,401)	(302,000)
<b>Profit for the Financial Year</b>		£ 653,673	£ 935,058
<b>Summary of Retained Profits</b>			
At 1st January 2005		568,284	(366,774)
Profit for the financial year		653,673	935,058
At 31st December 2005		£ 1,221,957	£ 568,284

## Agelef Tanker Chartering Limited

## Balance Sheet - 31st December 2005

	Note	2005	2004
<b>Fixed Assets</b>			
Tangible assets	5	1,575	2,156
<b>Current Assets</b>			
Debtors	6	1,584,940	1,384,212
Cash at bank and in hand		75,356	53,300
		<u>1,660,296</u>	<u>1,437,512</u>
<b>Creditors, amounts falling due within one year</b>	7	<u>(348,314)</u>	<u>(674,384)</u>
<b>Net Current Assets</b>		<u>1,311,982</u>	<u>763,128</u>
<b>Total Assets Less Current Liabilities</b>		<u>1,313,557</u>	<u>765,284</u>
<b>Provision for Liabilities</b>	8	<u>(81,600)</u>	<u>(187,000)</u>
		<u>£ 1,231,957</u>	<u>£ 578,284</u>
<b>Capital and Reserves</b>			
Called up share capital	9	10,000	10,000
Profit and loss account		1,221,957	568,284
<b>Shareholders' Funds</b>		<u>£ 1,231,957</u>	<u>£ 578,284</u>

The company has prepared the financial statements in accordance with the special provisions of part VII of the Companies Act 1985 applicable to small companies and the Financial Reporting Standard for Smaller Entities (effective January 2005).

Approved by the Board on

  
S. HADJIGEORGIOU

Director

27/10/2006

**Agelef Tanker Chartering Limited****Financial Statements for the year ended 31st December 2005****Notes****1. Principle Accounting Policies****(a) Basis of accounting**

The financial statements have been prepared in accordance with Financial Reporting Standard for Smaller Entities (effective January 2005) under the historical cost convention.

**(b) Turnover**

Commissions on time hire are recognised pro-rata over the period of the charter. Commissions on voyage charters are recognised when invoiced in accordance with the terms of the charter party.

**(c) Fixed assets and depreciation**

Fixed assets are stated at cost less accumulated depreciation. Depreciation has been calculated in order to write off the cost of fixed assets over their useful lives at the following rates:

Fixtures, fittings and equipment 10% on cost

**(d) Foreign currencies**

Transactions in foreign currencies are translated at the approximate rates of exchange ruling on the date of transaction. Monetary assets and liabilities in other currencies at the balance sheet date are translated at the rate of exchange ruling at that date.

**(e) Deferred taxation**

Deferred taxation is provided in full on all timing differences which relate to an obligation to pay more tax, or a right to pay less tax, in the future at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised only to the extent that it is more likely than not there will be suitable taxable profits from which future reversals of the underlying timing differences can be deducted. No provision is made where the amounts involved are not material.

**(f) Pension arrangements**

The company participates in the defined benefit pension scheme of its parent company. The scheme requires contributions to be made to a separately administered fund. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the average expected remaining working lives of employees. Variations in pension costs, which are identified as a result of actuarial valuations are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and the amounts charged to the profit and loss account are treated as either provisions or prepayments in the balance sheet.

## Agelef Tanker Chartering Limited

## Financial Statements for the year ended 31st December 2005

## Notes (Continued)

## 2. Operating Profit

Operating profit is stated after charging:

	<u>2005</u>	<u>2004</u>
	£	£
Depreciation	581	581
Directors' emoluments	244,681	232,557
Auditors' remuneration	6,758	5,840
	<u>          </u>	<u>          </u>

## 3. Directors

	<u>2005</u>	<u>2004</u>
	£	£
Staff costs include the following in respect of directors of the company:		
Emoluments	<u>244,681</u>	<u>232,557</u>

## 4. Taxation

	<u>2005</u>	<u>2004</u>
United Kingdom corporation tax	397,500	115,000
Over provision - prior year	(699)	-
	<u>          </u>	<u>          </u>
Current tax charge	396,801	115,000
Deferred taxation charge/(credit) - note 8	<u>(105,400)</u>	<u>187,000</u>
Tax on profit on ordinary activities	<u>£ 291,401</u>	<u>£ 302,000</u>

## 5. Fixed Assets

	<u>Office Equipment</u>
Cost	
At 1st January 2005	
and 31st December 2005	£ 5,815
Depreciation	
At 1st January 2005	3,659
Charge for the year	581
	<u>          </u>
At 31st December 2005	£ 4,240
Net book value	
At 31st December 2005	£ 1,575
	<u>          </u>
At 31st December 2004	£ 2,156

## Agelef Tanker Chartering Limited

## Financial Statements for the year ended 31st December 2005

## Notes (Continued)

## 6. Debtors

	<u>2005</u>	<u>2004</u>
Trade debtors	775,717	621,236
Other debtors	69,307	130,644
Amount owed by parent company	456,752	-
Prepayments	11,161	7,747
Pension Prepayment	272,003	624,585
	<u>£ 1,584,940</u>	<u>£ 1,384,212</u>

## 7. Creditors, amounts falling due within one year

	<u>2005</u>	<u>2004</u>
Corporation tax	299,500	69,000
Amounts owed to parent company	-	558,907
Other taxation and social security	34,942	34,323
Accruals and deferred income	13,872	12,154
	<u>£ 348,314</u>	<u>£ 674,384</u>

## 8. Provision for Liabilities

	<u>Pension Timing Differences</u>
Deferred Taxation	
At 1st January 2005	187,000
Credit - Note 4	(105,400)
At 31st December 2005	<u>£ 81,600</u>

## 9. Called Up Share Capital

	<u>2005</u>	<u>2004</u>
Authorised, allotted called up and fully paid 10,000 ordinary shares of £1 each	<u>£ 10,000</u>	<u>£ 10,000</u>

**Agelef Tanker Chartering Limited****Financial Statements for the year ended 31st December 2005****Notes (Continued)****10. Pension Arrangements**

The company contributes to a defined benefit pension scheme operated by its parent, Agelef Shipping Company (London) Limited. The position of the scheme is determined on a member wide basis, and it is therefore not possible to identify the company's share of the underlying assets and liabilities of the scheme on a reasonable and consistent basis.

The information relating to the scheme's assets, liabilities and deficit can be found in the accounts of the parent company. The scheme is currently reporting a deficit of £1,413,000 (2004: £1,900,000).

The contributions charged to the profit and loss account amounted to £939,195 (2004: £481,851).

**11. Related Party Disclosures**

In the opinion of the directors, the ultimate holding company at 31st December 2005 was Amesgain Limited, incorporated in the United Kingdom.

The parent company is Agelef Shipping Company (London) Limited.

During the year the parent company recharged £1,488,538 (2004: £1,628,306) in respect of expenses. The amount due from the parent company at 31st December 2005 was £456,752 (2004: £558,905 due to the parent).