Registered No. SC005991

ANDREW WEIR SHIPPING LIMITED

REPORT AND ACCOUNTS

31 DECEMBER 2009

Company No. SC005991

The Directors present the audited accounts for the year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The Company's shipping activities include the ownership and operation of vessels. The Company provides ship management services both for its own vessels and for related or third party companies. Andrew Weir Shipping and its subsidiaries provide a range of shipping related services including travel, tours, agency services, technical support and supervision for vessel repairs and newbuilding contracts.

RESULTS, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Against the continued deepening recession within the shipping markets, a Group Loss on Ordinary Activities before Interest and Tax of £1,442k was recorded (2008: profit of £3k), which included a provision for impairment of £4,898k on one of our vessels.

The Group's key targets during 2009 were to minimise losses and conserve cash flows whilst trading in difficult market conditions. Having negotiated the release of the four River Class vessels from loss making onerous charters, the vessels were sold in the second half of the year generating net proceeds of £6.7m, enabling associated debts of £2.2m to be extinguished from the Balance Sheet. Another of the Company's vessels was unable to obtain a charter once redelivered in April 2009. This had a negative impact on profits of around £1.5m in 2009, and caused a breach in the associated loan covenants as detailed in Note 12. Following the year end, the vessel was sold and all associated loans were repaid in full.

Subsequent to the sale of the River Class vessels and the inactivity of the City of London, a difficult decision was taken towards the end of the year to reduce an element of the workforce. This exercise was satisfactorily completed by the end of the year, along with other identified overhead savings to provide a core business, which will be profitable going forward.

Once again, a strong performance was registered by our two major investments, UCA United Canal Agencies and Foreland, although a decision was taken by Sovereign Shipping, in light of the significant falls in charter rates, to dispose of it's loss making trading subsidiary (see Note 9).

The outcome of the 31 March 2009 actuarial valuation on the MNOPF Pension Scheme was finalised and communicated to the Company in May 2010. The additional deficit was sufficiently material for the Directors to provide for a further £10m liability, which was included within the Balance Sheet at the year end (see Note 5 c ii). The MNOPF entry, coupled with the impairment in the value of the vessels, has had an obvious impact upon Group Shareholders' Funds, which show a negative position at the year end of £6.6m. However, the Directors have prepared the Financial Statements on a going concern basis as they believe that in any event, there is sufficient underlying asset value to discharge the liabilities (see Note 1).

2009 has been a year of great change. The Group has restructured in order to focus upon profitable, core businesses, and to work closer with key customers going forward. Following the sale of the City of London in May 2010, the Group has now finalised its internal structure, and the underlying core trading business is both profitable and cash generating. Overall, our Associates and Joint Venture investments are expected to register improved results in 2010, and the Group currently has no borrowings on the Balance Sheet. Discussions with the MNOPF Trustees are expected to take place later this year to agree terms over future funding of the Group's allocated deficit.

DIVIDENDS

The Directors do not recommend the payment of any dividend for 2009 (2008 : £nil).

FIXED ASSETS AND FIXED ASSET INVESTMENTS

Details of fixed assets and fixed asset investments are shown in Notes 8 and 9 to the accounts.

EMPLOYEES

Information on matters of concern to employees is given through information bulletins and reports, which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's performance.

The Company's policy is to provide equal employment opportunities to all.

DIRECTORS

The Directors of the Company during the year and as at the date of this report are set out below.

Mr M G Parker
Mr S J Corkhill
Mr G Hamilton
Mr A F Jones
Mr N J C Walters (Appointed 29 June 2010)

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 the Group and of the profit or loss of the Company and 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 accounting 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 its 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 and the Group's transactions and 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 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RISK MANAGEMENT AND CONTROL

The management of risk is fundamental to the Group, with the Board of Directors (together with the Board of the Holding Company) having responsibility for the overall system of internal control and reviewing its effectiveness.

Operational Risk

Incomes may be disrupted by significant failures in procedures, controls and the mechanical workings of the vessels. In order to minimise the costs of such failures, the Group has well documented procedural processes and controls including disaster recovery and emergency plans and takes out insurances to cover periods of off hires and repair costs. These procedures and insurances are constantly reviewed to ensure their adequacy.

The Group prepares monthly management accounts including detailed profit and loss, balance sheet and cash flow schedules which are reviewed by the Directors at monthly Board Meetings. Ad hoc financial information is also produced and reviewed as requested by the Directors at these meetings.

Market Risk

The market for the chartering of vessels is dependent upon levels of worldwide trade. When looking at new charters and charterers, the Board considers the current state of the charter market along with future anticipated charter rates in determining how long, and at what rates, a vessel should be chartered.

Exchange Risk

The Group has significant assets and operations – income streams and costs - which are US$ based, and as such is exposed to movements in exchange rates. To protect cash flows against high levels of exchange rate risk, the Group reviews forecast future cashflows by currency and considers hedging exchange exposures using forward exchange contracts. In addition the Group matches the currency for the possible financing of any assets with the currency of the asset purchased in order to hedge the foreign currency exposure of the balance sheet.

Interest Risk

The Group is exposed to interest rate risk as it borrows funds at a floating interest rate. This risk is managed by regularly reviewing market projections of forward interest rates and hedging interest rates by using interest rate swap agreements where it is thought applicable.

Liquidity Risk

Liquidity risk is dependent upon the Group's ability to meet all obligations, including amounts due to the MNOPF as detailed in Note 5(c)(ii).

Detailed cash flow projections are regularly produced and reviewed by the Board to ensure that the Group is able to meet its financial obligations in a timely and cost effective manner.

Reputational Risk

The Group benefits from close commercial relationships with a number of key customers and suppliers within a close-knit shipping community. Regular meetings with such key customers and suppliers are held to ensure that their requirements are being met and any issues are resolved.

DISCLOSURE OF INFORMATION TO THE AUDITORS

The Directors confirm at the time when this report is approved :

- So far as each Director is aware, there is no relevant audit information of which the Company's Auditors are unaware; and
- Each Director has taken all steps that ought to have been taken as a Director, including making appropriate enquiries 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.

BY ORDER OF THE BOARD

G HAMILTON
COMPANY SECRETARY

Date : 29th June 2010

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF ANDREW WEIR SHIPPING LIMITED

We have audited the financial statements of Andrew Weir Shipping Limited for the year ended 31 December 2009 which are set out on pages 7 to 32. 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 page 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 Group's and the parent 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 Group's and the parent Company's affairs as at 31 December 2009 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going concern

We have considered the adequacy of the disclosures made in Note 1 of the financial statements concerning the Company's and Group's ability to continue as a going concern. The Group has recognised total losses, including the additional MNOPF actuarial deficit, of £14,693,000 during the year ended 31 December 2009 and had net liabilities amounting to £6,601,000 at 31 December 2009. These conditions, along with the other matters explained in Note 1 to the financial statements, indicate the existence of material uncertainties which may cast significant doubt about the Company's and Group's ability to continue as a going concern. The financial statements do not include adjustments that would result if the Company and Group were unable to continue as a going concern.

Opinion on other matter 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 MEMBERS OF ANDREW WEIR SHIPPING LIMITED (Continued)

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Michael Simms, *Senior Statutory Auditor*

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

30/6/2010

Group Profit and Loss Account
For the year ended 31 December 2009

	Notes		Group 2009 £'000		Group 2008 £'000
Turnover – group and share of joint ventures					
Continuing operations	2		19,369		24,505
Less share of joint ventures' turnover			(9,925)		(10,253)
			9,444		14,252
Cost of Sales			(8,788)		(11,942)
Gross profit			656		2,310
Operating expenses:					
(Impairment)/write back in value of vessels	8		(4,898)		574
Other operating expenses	3		(3,970)		(1,794)
Group operating (loss)/profit	4		(8,212)		1,090
Share of pre-impairment profit of joint ventures	9	3,997		4,197	
Share of joint venture writeback/(impairment) in value of vessel	9	143		(4,082)	
Share of joint venture profit on disposal of subsidiary	9	1,018		-	
Share of operating profit of joint ventures	9		5,158		115
Share of pre-impairment profit of associates	9	10		514	
Share of associates write back/(impairment) in value of vessel	9	399		(1,716)	
Share of operating profit/(loss) of associates	9		409		(1,202)
Profit on disposal of vessels			1,203		-
Operating (loss)/profit on ordinary activities including joint ventures and associates before interest and tax			(1,442)		3
Net interest payable					
Group			(688)		(664)
Joint ventures			(2,227)		(2,208)
Associated undertakings			(56)		(79)
	6		(2,971)		(2,951)
Loss on ordinary activities before taxation			(4,413)		(2,948)
Taxation	7		(80)		(201)
Loss on ordinary activities after taxation			(4,493)		(3,149)

Group Statement of Total Recognised Gains and Losses for the year ended 31 December 2009

	2009 £'000	2008 £'000
Retained loss for the financial year	(4,493)	(3,149)
Currency translation differences on foreign net investments	(124)	1,521
Actuarial loss (Note 5(c)(iii) – Pensions)	(10,076)	-
Total recognised gains and losses for the year	(14,693)	(1,628)

There is no difference between the loss on ordinary activities before taxation and the loss for the financial year and their historical cost equivalents.

	Notes	2009		2008	
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible fixed assets	8	6,943		19,801	
Investments	9	712		829	
			7,655		20,630
Investment in Joint Ventures	9				
Share of gross assets		41,212		46,888	
Share of gross liabilities		(36,315)		(46,771)	
		4,897		117	
Loans due within one year		151		151	
Loans due after one year		2,117		5,027	
			7,165		5,295
			14,820		25,925
Current Assets					
Debtors	10	428		3,558	
Stock	11	123		51	
Cash at bank and in hand		2,055		1,257	
		2,606		4,866	
Creditors amounts falling due within one year	12	(7,938)		(6,491)	
Net Current Liabilities			(5,332)		(1,625)
Total Assets less Current Liabilities			9,488		24,300
Creditors amounts falling due after more than one year	12		-		(9,170)
Pension liability	5(c)(iii)		(16,089)		(7,038)
			(6,601)		8,092
Capital and Reserves					
Called up share capital	15		12,100		12,100
Reserves	14		(18,701)		(4,008)
Shareholder's (Deficit) / Funds	16		(6,601)		8,092

The financial statements on pages 7 to 32 were approved by the Board of Directors on 29 June 2010, and signed on its behalf by:

A F JONES
DIRECTOR

S. Corkhill

S J CORKHILL
DIRECTOR

Company Balance Sheet
As at 31 December 2009

	Notes	2009		2008	
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible fixed assets	8	6,938		18,368	
Investments	9	4,266		9,121	
			11,204		27,489
Current Assets					
Debtors	10	396		6,093	
Stock	11	123		51	
Cash at bank and in hand		1,957		1,246	
		2,476		7,390	
Creditors – amounts falling due within one year	12	(7,789)		(14,707)	
Net Current Liabilities			(5,313)		(7,317)
Total Assets less Current Liabilities			5,891		20,172
Creditors - amounts falling due after more than one year	12		-		(7,523)
Pension liability	5(c)(iii)		(16,089)		(7,038)
			(10,198)		5,611
Capital and Reserves					
Called up share capital	15		12,100		12,100
Reserves	14		(22,298)		(6,489)
Shareholder's (Deficit)/Funds	16		(10,198)		5,611

The financial statements on pages 7 to 32 were approved by the Board of Directors on 29 June 2010, and signed on its behalf by:

A F JONES
DIRECTOR

S J CORKHILL
DIRECTOR

1. PRINCIPAL ACCOUNTING POLICIES

A summary of the more important accounting policies is set out below. These policies have been consistently applied during the years ended 31 December 2009 and 2008.

Basis of Accounting

The accounts are prepared on a going concern basis which is consistent with prior years, in accordance with applicable accounting standards in the United Kingdom.

Andrew Weir & Company Limited produces Consolidated Group Accounts and the cash flows of the Company are included in the Consolidated Group Cash Flow Statement. Consequently, the Company is exempt under the terms of Financial Reporting Standard No.1 "Cash Flow Statements" from publishing its own cash flow statement.

Going Concern

The Directors have considered the possible outcomes of any review by the MNOPF Pension Scheme Trustees in relation to the Company's ability to discharge its liability under the Scheme (see Note 5). The Company has previously demonstrated its ability to repay the current allotted share of the deficit by instalments. The Company will further demonstrate to the Trustees that any additional deficit allocations relating to the latest actuarial valuation at 31 March 2009 could also be repaid by the Company over an agreed payment period with similar terms to the original instalment plan. In any event, the Directors believe that there is sufficient underlying asset value to discharge the liability. As a result the Directors consider the going concern basis to be appropriate in preparing the Financial Statements. However, inherently there can be no certainty regarding this matter.

Basis of Consolidation

The Group Accounts comprise a consolidation of the audited accounts of the Company and all its subsidiary undertakings, together with the Group's share of the post-acquisition results of all joint ventures and associated undertakings. The results of subsidiary, joint ventures and associated undertakings are consolidated from the date of acquisition or to the date of disposal.

Shipping Results

Voyage results are computed on an accruals basis, and income and direct expenses relating to voyages in progress at the Balance Sheet date are accounted for on a pro rata basis.

Tangible Fixed Assets

These are stated at cost less depreciation provided.

The capital cost of ships includes costs of supervision during building or major modification together with any interest payable during the construction and pre-delivery period. Also included in cost is the amount spent on the last cyclical dry-dock of ships and special surveys.

Depreciation

Ships and equipment, both wholly-owned and lease financed, are depreciated from the time of entering into service on a straight line basis over their estimated useful lives, being 20 or 25 years for ships and 12 or 5 years for other equipment. Where expenditure is incurred to prolong the useful service life of a ship, which is more than twenty years old, this expenditure is written-off over the life extension period. Depreciation is based on cost and, in the case of ships, a residual value based on their estimated scrap value at the end of their estimated useful lives. All cyclical dry-dock costs are capitalised and written-off over the dry-docking cycle of 3 or 5 years.

Impairment

The Group reviews all fixed assets and investments for impairment whenever events or circumstances indicate that the carrying value of the assets may not be fully recoverable based upon estimated future cash flows. Provision for impairment in the value of fixed assets and investments is made in the profit and loss account.

Stock

Stocks are valued at the lower of cost and net estimated realisable value.

Pensions

The Group participates in a number of pension schemes for the benefit of its employees. The funds of the schemes are administered by trustees and are separate from the Group. In accordance with the recommendations of independent actuaries, the Group makes contributions to the schemes so as to secure the benefits set out in the rules of the schemes. The cost of such contributions is charged to the profit and loss account on a systematic basis over the service lives of the employees, except for the treatment relating to the Group's share of the MNOPF deficits, which is set out in Note 5.

In accordance with Financial Reporting Standard 17 – Retirement Benefits (FRS17), pension scheme deficits, which can be attributed to the AWS group, would be recognised on the balance sheet. The increases during the year in the present value of the schemes' liabilities arising from the passage of time would be included in interest payable. Actuarial gains and losses would be recognised in the statement of total recognised gains and losses. The Group has adopted the amendments to FRS17. As a result of this, quoted securities held as plan assets in the defined scheme are now valued at bid price rather than mid-market value.

Currencies

Revenue transactions in foreign currency are translated into sterling at the rates of exchange ruling at the dates of the transaction and current assets and liabilities are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Forward foreign exchange contracts are translated into sterling at the contracted rate at the date of maturity. These contracts are used to hedge future cash flows in foreign currencies. The resultant differences arising on exchange are included in the result before taxation.

For foreign branches, the Group uses the closing rate/net investment method for translation of associated balances into sterling at the year-end rate and the net differences are taken directly to reserves. Certain ships are recorded in the books of the Company in US$ and matched against US$ loans and finance leases which were used to finance the acquisition of the assets.

The Profit and Loss Accounts of overseas subsidiary and related companies are translated into sterling at an average rate of exchange for the period. The Balance Sheets of overseas subsidiary and related companies are translated into sterling at the rates of exchange ruling at 31 December. Differences on the translation of net assets arising from exchange fluctuations are taken directly to reserves.

Finance and Operating Leases

Where assets are financed by leasing agreements that approximate to the loan of money, 'finance leases', the assets are treated as if they had been purchased outright and the corresponding capital cost is shown as an obligation to the lessor. Leasing payments are treated as consisting of a capital element and finance charges, the capital element reducing the obligation to the lessor and the finance charges being written-off to the Profit and Loss Account over the period of the lease. All other leasing agreements are 'operating leases' and the relevant annual rentals are charged wholly to the Profit and Loss Account.

Deferred Taxation

Deferred tax is provided in respect of all timing differences, which will reverse subsequent to the balance sheet date at the rates expected at the time of reversal. Deferred tax assets are recognised to the extent they are regarded as recoverable.

Related Party Transactions

The Company is a wholly-owned subsidiary of Andrew Weir & Company Limited. The Company has taken advantage of Financial Reporting Standard No. 8 – Related Parties from disclosing related party transactions with its parent company and fellow wholly owned subsidiaries.

2. TURNOVER

Turnover represents the amounts receivable for charter hire, management fees, goods supplied and commissions received, net of value added tax.

3. OTHER OPERATING EXPENSES

Other operating expenses are made up as follows:-

	2009 £'000	2008 £'000
Selling expenses	14	35
Administrative expenses	3,748	3,060
Exchange losses/(gains) on investment loan revaluations	208	(1,301)
	3,970	1,794

4. OPERATING (LOSS) / PROFIT

	2009 £'000	2008 £'000
Group operating (loss) / profit is arrived at after charging/(crediting):		
Auditors' remuneration - audit services	49	46
Property lease payments	88	89
Depreciation (Note 9)	1,002	1,559
Directors' remuneration	290	271
Exchange losses/(gains) on investment loan revaluations	208	(1,301)
Impairment/(writeback) in value of vessels (see Note 8)	4,898	(574)

5. DIRECTORS AND EMPLOYEES

(a) Employees

The average number of persons employed during the year, including Executive Directors, was 44 (2008: 46).

	2009 £'000	2008 £'000
Aggregate gross wages and salaries paid to the Group's employees (including directors)	1,794	1,663
Employer's national insurance contributions	158	164
Other pension costs:		
Contribution to pension schemes	214	222
Ex gratia pensions	20	22
	2,186	2,071

(b) Directors

	2009 £'000	2008 £'000
Aggregate emoluments	290	271
Highest paid director		
Aggregate emoluments and benefits	160	148
Defined benefit pension schemes:		
Accrued pension at end of year	64	50

There are 2 Directors (2008 : 2) for whom retirement benefits are accruing in defined benefit schemes.

5. DIRECTORS AND EMPLOYEES (cont).

(c) Pension Costs

(i) Andrew Weir & Company Limited Staff Pension and Life Assurance Plan

The Group's principal pension scheme, The Andrew Weir & Company Limited Staff Pension and Life Assurance Plan (AWPP), is a UK defined benefit scheme with a defined contribution section, which was closed to new entrants from 21 November 2003, and to future accrual with effect from 31 January 2010.

The pension assets are held in a separate Trustee administered fund to meet long term pension liabilities to past and present employees. The trustees of the scheme are required to act in the best interest of the scheme's beneficiaries. The appointment of trustees to the scheme is determined by the scheme's trust documentation. The Group has a policy that one-third of all trustees should be nominated by members of the plan.

A full actuarial valuation was last carried out as at 31 December 2006 and updated to 31 December 2009 by a qualified independent actuary.

	2009 £'000	2008 £'000
Reconciliation of the present value of the defined benefit obligation		
Present value of funded defined benefit obligation at 1 January	99,136	109,936
Employers' service cost	149	176
Interest cost	6,186	6,315
Members' contributions	29	32
Actuarial loss/(gain) on scheme liabilities	6,950	(11,219)
Benefits paid	(6,120)	(6,104)
Present value of funded defined benefit obligation at 31 December	106,330	99,136
Reconciliation of fair value of scheme assets		
Fair value of scheme assets at 1 January	97,177	108,769
Expected return on scheme assets	5,968	6,467
Actuarial gain/(loss) on scheme assets	7,427	(12,834)
Contributions by the Company	814	847
Contributions by members	29	32
Benefits paid	(6,120)	(6,104)
Fair value of scheme at 31 December	105,295	97,177
Amounts recognised in the Group Balance Sheet		
Present value of funded obligation	106,330	99,136
Fair value of scheme assets	(105,295)	(97,177)
Net liability in Balance Sheet	1,035	1,959
Actuarial gain / (loss) recognised in Statement of total recognised gains and losses	477	(1,615)

5. DIRECTORS AND EMPLOYEES (cont).

(c) Pension Costs

(i) Andrew Weir & Company Limited Staff Pension and Life Assurance Plan

	£'000s 2009	%	£'000s 2008	%	£'000s 2007	%
Scheme Assets						
Equities	36,299	34	27,410	28	30,512	28
Gilts and bonds	24,809	23	26,470	27	31,125	28
Other	482	1	718	1	607	1
Total market value of invested assets	61,590	58	54,598	56	62,244	57
Insureds	43,705	42	42,579	44	46,525	43
Total assets	105,295	100	97,177	100	108,769	100
Expected rate of return on scheme assets	6.31%		6.09%		5.72%	

Nature and extent of the risks arising from financial instruments held

At 31 December 2009 the scheme assets were invested in a diversified portfolio that consisted primarily of equity and debt securities. The fair value of the scheme assets as a percentage of total scheme assets and target allocations are set out above.

There were no company related investments at either 31 December 2009 or 31 December 2008.

Expected return on assets

The overall expected return on assets is calculated as the weighted average of the expected returns on each individual asset class held by the Scheme. The expected return on equities has been based on long term market expectations. The expected return on gilts and bonds has been based on the average of the yields available on long dated gilts and bonds, with an adjustment for defaults. The expected return on other assets is based on cash return.

	2009 £'000s	2008 £'000s
Actual return / (fall) on scheme assets	13,395	(6,367)

Principal actuarial assumptions at the balance sheet date		
Discount rate	5.80%	6.43%
Expected return on scheme assets at the end of the year	6.30%	6.31%
Rate of increase in salaries	4.30%	3.70%
Price inflation	3.30%	2.70%
Pension increases:		
- Pension accrued before 6 April 1997	3.00%	2.60%
- Pension accrued between 6 April 1997 and 31 May 2006	3.00%	2.60%
- Pension accrued after 31 May 2006	2.00%	1.80%
Proportion of pension exchanged for cash	Three times	Two times

For mortality the PNMA00/PNFA00 birth year tables with an 80% multiplier and medium cohort projections were used at both 31 December 2009 and 31 December 2008.

5. DIRECTORS AND EMPLOYEES (cont).

(c) Pension Costs

(i) Andrew Weir & Company Limited Staff Pension and Life Assurance Plan

Following investigations carried out for the 31 December 2006 actuarial valuation, the Scheme's experience suggested that pensioners were living longer than the recent 00 series base tables predicted and therefore the Trustees decided to apply an 80% loading to the tables. In addition the Trustees decided to include an allowance for future improvements in mortality rates. The Group has adopted the same mortality assumptions. The assumed life expectations on retirement at age 60 based on the above mortality tables are:

	2009	2008
Retiring today		
Males	28.4	28.3
Females	30.7	30.7
Retiring in 20 years		
Males	29.5	29.5
Females	31.6	31.6

Sensitivity analysis of the principal assumptions used to measure scheme liabilities
The sensitivities regarding the principal assumptions used to measure the scheme liabilities are:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 1.0%	Increase/decrease by 13%
Rate of mortality	Mortality changed to include an underpin of 1.5% p.a. on future improvements	Increase by 5%

History of assets, liabilities and actuarial gains and losses

	2009 £'000s	2008 £'000s	2007 £'000s	2006 £'000s	2005 £'000s
Present value of defined benefit obligation	(106,330)	(99,136)	(109,936)	(119,164)	(104,034)
Fair value of assets	105,295	97,177	108,769	114,587	103,142
Deficit	(1,035)	(1,959)	(1,167)	(4,577)	(892)
Experience loss on scheme liabilities	(1,323)	0	(240)	0	0
Percentage of the present value of the scheme liabilities	-1.2%	0.0%	0.2%	0.1%	0.0%
Difference between the expected and actual return on scheme assets	5,305	(9,926)	(409)	221	5,822
Percentage of the present value of the scheme assets	5.0%	10.2%	0.4%	0.2%	5.6%

Estimated contributions
The agreed Group contribution rate for the coming year is 24.7% of Pesionable Salaries. However, the scheme closed to future accrual with effect from 31 January 2010. The best estimate of contributions to be paid to the scheme by the Group in 2010 is £9,850.

5. DIRECTORS AND EMPLOYEES (continued)

(c) Pension Costs

(i) Andrew Weir & Company Limited Staff Pension and Life Assurance Plan

Future funding obligations in relation to defined benefit schemes

The most recently completed triennial actuarial valuation was performed by an independent actuary for the Trustees as at 31 December 2006. Following the valuation, with effect from 10 March 2008, the Group's future service contribution rate was revised from 27.0% p.a. of pensionable salaries to 24.7% p.a. of pensionable salaries. In addition, Andrew Weir and Company Ltd. will also pay fixed contributions of £650,000 p.a. (payable prior to each 31 March) to remove the funding deficit by 31 March 2017.

The next triennial valuation is due to be completed as at 31 December 2009. In the interim Andrew Weir & Company Limited has agreed a revised recovery plan with the Trustees to pay £733,000 p.a. from 31 March 2015 to 31 March 2024 inclusive. This plan is supported by a deed of charge over a subsidiary and is subject to approval by the Pensions Regulator.

How the liabilities arising from defined benefit schemes are measured

The liabilities of the defined benefits scheme are measured by discounting the best estimate of future cash flows to be paid out by the scheme using the projected unit method. This amount is reflected in the deficit in the balance sheet. The projected unit method is an accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings.

5. DIRECTORS AND EMPLOYEES (continued)

(ii) Merchant Navy Officers Pension Fund

The Group has participated in an industry wide pension scheme – the Merchant Navy Officers' Pensions Fund ("MNOPF"). The scheme is split into two sections with the pre-1978 section having a deficit of £131 million as per the 31 March 2009 Actuarial Report. The Trustee has determined that the asset growth of the Fund, in excess of that assumed in calculating the deficit, subsequent to the date of formal valuation has been sufficient to eliminate the shortfall. Therefore no contributions are required to meet the shortfall.

The post-1978 section financial position is detailed below. AWSL is a participating employer in the scheme. Based upon the shortfall of £345m identified at the actuarial valuation at 31 March 2006, the Group was required to contribute £1,368,000 per annum until 2015.

Interest charged during the year ended 31 December 2009 amounted to £343,000 (2008 : £391,000).

Following the completion in April 2010 of the latest actuarial valuation at 31 March 2009, a further shortfall of £390m was identified. In May 2010, the Group was notified of its allocation of the additional deficit. The Group has provided just over £10m in line with the MNOPF Trustees notification. The MNOPF Trustees have given the Group, subject to credit application approval, options to repay the additional deficit over the next ten years. The Group will be providing the MNOPF Trustees with information to substantiate it's credit application, along with representations that the deficit should be repaid over a further agreed period.

In accordance with FRS17 (Retirement Benefits) a provision has been made in the financial statements for the obligation allocated to the Group. At 31 December 2009 this amounted to £16,089,000 (2008 : £8,023,000).

Included within the liability of the Group at 31 December 2009 is £3,435,000 (2008 : £1,629,000) relating to a subsidiary's debt to the MNOPF, which has been assumed by AWSL as part of a previous transfer of business. Detailed information in respect of assumptions and historic gains and losses has not been disclosed in respect of the MNOPF, as this information has not been provided by the actuary of the scheme.

(iii) Summary of movement in deficit in Schemes during the year :

	2009		2008	
	AWPP £'000	MNOPF £'000	AWPP £'000	MNOPF £'000
Deficit at 1 January	(1,959)	(7,038)	(1,167)	(8,023)
Current service cost	(149)	-	(176)	-
Contributions	814	1,368	847	1,376
Other finance income/(cost)	(218)	(343)	152	(391)
Actuarial (loss)/gain	477	(10,076)	(1,615)	-
Deficit at 31 December	(1,035)	(16,089)	(1,959)	(7,038)

The AWPP covers several companies in the Group and it is not possible to identify the share of assets and liabilities relating to individual companies. Consequently, in AWS's financial statements the above AWPP liability is not recorded and contributions are accounted for as a defined contribution scheme.

Deferred tax on the pension liabilities has not been taken into account because of the amount of unrecognised deferred tax assets.

6. NET INTEREST AND OTHER INCOME

	2009 £'000	2008 £'000
Interest payable :		
Finance leases	40	189
Bank loans and overdrafts	342	288
Interest on MNOPF liability (note 5 (c)(iii)	343	391
Share of net interest of joint venture	2,227	2,208
Share of net interest of associated undertakings	56	79
	3,008	3,155
Interest receivable :	(37)	(204)
Net interest and other income	2,971	2,951

7. TAXATION ON LOSS FOR THE YEAR

	2009 £'000	2008 £'000
Based on the results for the year :		
UK Corporation Tax : 28% (2008 : 28.5%)	(493)	(193)
Losses (utilised)/carried forward	(337)	193
Losses carried forward	830	-
Tax on results of associated undertakings	79	183
Tax on results of joint ventures	1	18
Tax on profit on ordinary activities	80	201

Tax Reconciliation

	2009	2008
Loss on ordinary activities before tax	(4,413)	(2,948)
Loss on ordinary activities before tax at 28% (2008 : 28.5%)	(1,236)	(840)
Tax effect of :		
Reversal of write back/(impairment) to the value of vessels	1,371	(164)
Impairments in joint venture and associate	(153)	1,652
Profit on disposal of subsidiaries in joint venture	(284)	-
Profit on sale of vessels	(337)	-
Losses not utilised	1,120	43
Lower tax arising from joint ventures' election to tonnage tax	(496)	(384)
Higher rates of tax on overseas earnings and associated company	95	(106)
Relating to current year	80	201

8. TANGIBLE FIXED ASSETS

Group

	Vessels and Equipment Owned £'000	Leased £'000	Total £'000
Cost			
At 1 January 2009	73,241	13,264	86,505
Currency adjustment	(2,523)	-	(2,523)
Transfer	13,264	(13,264)	-
Disposals	(61,286)	-	(61,286)
At 31 December 2009	22,696	-	22,696
Depreciation and Impairment			
At 1 January 2009	54,868	11,836	66,704
Currency adjustment	(1,091)	-	(1,091)
Charge for the year	952	50	1,002
Transfer	11,886	(11,886)	-
Disposals	(55,760)	-	(55,760)
Impairment in value of vessel	4,898	-	4,898
At 31 December 2009	15,753	-	15,753
Net Book Value			
At 31 December 2009	6,943	-	6,943
At 31 December 2008	18,373	1,428	19,801

The Directors have reviewed the carrying value of the vessel at the balance sheet date having made reference to an independent shipbroker valuation and value in use. The broker valuation, which is lower than the value in use, has been qualified with regards to the current financial turmoil making the assessment of values uncertain. The Directors are confident that the broker valuation represents the bottom end of any valuation range and that a valuation based on the value in use at the balance sheet date of $11m (£6.9m) is a more realistic figure. Subsequent to the year end, the vessel was sold for $12.2m (£8.1m) on the 30 April 2010.

During the year, prior to the disposal of a vessel, the associated finance lease was repaid in full.

Dry-docking

Dry-docking costs have been capitalised and are written off over the period of the dry-docking cycle. There were no (2008 : £nil) dry-docking additions during the year.

Depreciation of £152,000 (2008 : £817,000) has been charged in the year and the net book value of dry-docking costs at the balance sheet date is £119,000 (2008 : £271,000).

8. TANGIBLE FIXED ASSETS (Continued)

Company	Vessels and Equipment Owned £'000
Cost	
At 1 January 2009	43,737
Currency adjustment	(2,523)
Additions	2,166
Disposals	(20,698)
At 31 December 2009	22,682
Depreciation and Impairment	
At 1 January 2009	25,369
Currency adjustment	(1,091)
Charge for the year	952
Disposals	(14,384)
Impairment in value of vessel	4,898
At 31 December 2009	15,744
Net Book Value	
At 31 December 2009	6,938
At 31 December 2008	18,368

The Directors have reviewed the carrying value of the vessel at the balance sheet date having made reference to an independent shipbroker valuation and value in use. The broker valuation, which is lower than the value in use, has been qualified with regards to the current financial turmoil making the assessment of values uncertain. The Directors are confident that the broker valuation represents the bottom end of any valuation range and that a valuation based on the value in use at the balance sheet date of $11m (£6.9m) is a more realistic figure. Subsequent to the year end, the vessel was sold for $12.2m (£8.1m) on the 30 April 2010.

Dry-docking

Dry-docking costs have been capitalised and are written-off over the period of the dry docking cycle. There were no (2008 : £nil) dry-docking additions during the year.

Depreciation of £102,000 (2008 : £617,000) has been charged in the year and the net book value of dry docking costs at the balance sheet date is £119,000 (2008 : £221,000).

9. FIXED ASSET INVESTMENTS

Group	Joint Ventures			Associated Undertakings		
	Equity	Loans	Total	Equity	Loan	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2009	4,199	5,178	9,377	565	1,980	2,545
Currency adjustments	304	-	304	157	(208)	(51)
Additions in year	-	387	387	-	193	193
Repaid in year	-	(151)	(151)	-	-	-
Share of profit	2,930	-	2,930	(125)	-	(125)
Dividend	(1,600)	-	(1,600)	(533)	-	(533)
Amounts written-off	(936)	(3,146)	(4,082)	-	-	-
At 31 December 2009	4,897	2,268	7,165	64	1,965	2,029
Impairment						
At 1 January 2009	-	(4,082)	(4,082)	-	(1,716)	(1,716)
Impairments released in year	-	4,082	4,082	-	399	399
At December 2009	-	-	-	-	(1,317)	(1,317)
Net Value	4,897	2,268	7,165	64	648	712

The book value of the interests in the associated undertakings represents the Group's share of its net assets.

	Foreland		Sovereign		Total	
Joint Ventures	2009	2008	2009	2008	2009	2008
	£'000	£'000	£'000	£'000	£'000	£'000
Share of assets						
Tangible fixed assets, net of impairment	10,544	11,354	-	4,395	10,544	15,749
Non-current assets - finance lease receivables	26,267	27,504	-	-	26,267	27,504
Current assets	4,401	3,470	-	165	4,401	3,635
	41,212	42,328	-	4,560	41,212	46,888
Share of liabilities						
Creditors falling due within one year	(2,758)	(2,493)	-	(559)	(2,758)	(3,052)
Creditors falling due after one year	(33,557)	(35,534)	-	(8,185)	(33,557)	(43,719)
	(36,315)	(38,027)	-	(8,744)	(36,315)	(46,771)
Share of net assets/(liabilities)	4,897	4,301	-	(4,184)	4,897	117
Share of forward foreign currency contracts	4,403	6,482	-	-	4,403	6,482

9. FIXED ASSET INVESTMENTS (continued)

	Foreland		Sovereign		Total	
	2009	2008	2009	2008	2009	2008
	£'000	£'000	£'000	£'000	£'000	£'000
Share of results						
Turnover	9,375	9,004	550	1,249	9,925	10,253
Operating costs	(5,091)	(4,957)	(837)	(1,099)	(5,928)	(6,056)
Profit/(loss) before impairment	4,284	4,047	(287)	150	3,997	4,197
Impairment of vessel	-	-	143	(4,082)	143	(4,082)
Profit on sale of subsidiary	-	-	1,018		1,018	
Operating profit/(loss)	4,284	4,047	874	(3,932)	5,158	115
Net Interest	(2,081)	(2,001)	(146)	(207)	(2,227)	(2,208)
	2,203	2,046	728	(4,139)	2,931	(2,093)
Taxation charge	(5)	(14)	4	(4)	(1)	(18)
Share of profit/(loss) after tax	2,198	2,032	732	(4,143)	2,930	(2,111)

The audited financial statements of Foreland Holdings Limited have been prepared in accordance with International Financial Reporting Standards for the year ended 31 December 2009. The amounts above have been restated to conform with Generally Accepted Accounting Policies within the United Kingdom.

Unaudited management accounts for Sovereign Shipping Limited for the year ended 31 December 2009 have been included within the consolidated accounts. The lastest audited accounts relate to the year ended 31 December 2008.

The borrowings of Foreland Holdings Limited and Sovereign Shipping Limited are without recourse to Andrew Weir & Company Limited or its Subsidiaries.

	UCA		Moor Maritime		Total	
Associates	2009	2008	2009	2008	2009	2008
	£'000	£'000	£'000	£'000	£'000	£'000
Share of assets						
Tangible fixed assets, net of impairment	386	462	1,118	1,033	1,504	1,495
Current assets	1,546	2,447	124	201	1,670	2,648
	1,932	2,909	1,242	1,234	3,174	4,143
Share of liabilities						
Creditors falling due within one year	(1,490)	(2,168)	(306)	(247)	(1,796)	(2,415)
Creditors falling due after one year	-	-	(2,631)	(2,879)	(2,631)	(2,879)
	(1,490)	(2,168)	(2,937)	(3,126)	(4,427)	(5,294)
Share of net assets/(liabilities)	442	741	(1,695)	(1,892)	(1,253)	(1,151)

9. FIXED ASSET INVESTMENTS (continued)

	UCA		Moor Maritime		Total	
	2009	2008	2009	2008	2009	2008
	£'000	£'000	£'000	£'000	£'000	£'000
Share of results						
Turnover	1,530	1,788	254	366	1,784	2,154
Operating costs	(1,185)	(1,149)	(589)	(491)	(1,774)	(1,640)
Impairment of ship	-	-	399	(1,716)	399	(1,716)
Operating profit	345	639	64	(1,841)	409	(1,202)
Net Interest	(5)	(29)	(51)	(50)	(56)	(79)
	340	610	13	(1,891)	353	(1,281)
Taxation charge	(79)	(183)	-	-	(79)	(183)
Share of profit/(loss) after tax	261	427	13	(1,891)	274	(1,464)

Company	Subsidiary Undertakings	Joint Ventures		Associated Undertakings		
		Equity	Loans	Equity	£'000	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2009	8,036	30	5,178	3	1,672	14,919
Additions in year	-	-	387	-	193	580
Repaid in year	-	-	(151)	-	-	(151)
Exchange loss	-	-	-	-	(184)	(184)
Amounts written-off	-	-	(3,146)	-	-	(3,146)
At 31 December 2009	8,036	30	2,268	3	1,681	12,018
Impairments						
At 1 January 2009	-	-	(4,082)	-	(1,716)	(5,798)
Impairments in year	(6,036)	-	-	-	-	(6,036)
Impairments released year	-	-	4,082	-	-	4,082
At 31 December 2009	(6,036)	-	-	-	(1,716)	(7,752)
Net Value	2,000	30	2,268	3	(35)	4,266

Subsidiary, joint ventures and associated undertakings

The following are the subsidiary, joint venture and associated undertakings at 31 December 2009. Unless otherwise stated all are wholly owned by the Company and incorporated in Great Britain. All are engaged in shipping and ancillary industries either as ship owners or shipping agents, except for United Baltic Corporation Limited, which is a holding company for an overseas investment, UCA United Canal Agency GmbH.

9. FIXED ASSET INVESTMENTS (continued)

• Subsidiary Undertakings

Teignbank Shipping Limited	100% (Ordinary Shares)
United Baltic Corporation Limited	100% (Ordinary Shares)
Andrew Weir Shipping (SA) Pty Limited (incorporated in South Africa)	100% (Ordinary Shares)

• Joint Ventures

Foreland Holdings Limited	25% (Ordinary Shares)
Sovereign Shipping Limited (Dormant)	50% (Ordinary Shares)

During the year, a non-interest bearing loan of US$585,000 was provided to Sovereign Shipping Limited, in order to fund working capital requirements. All loans to Sovereign Shipping Limited totalling US$4,585,000 were forgiven in August 2009, following the sale of its subsidiary company, to allow a voluntary winding up of Sovereign Shipping Limited to commence.

• Associated Undertakings

UCA United Canal Agency GmbH (incorporated in Germany)	40% (Ordinary Shares)
Moor Maritime Limited	25% (Ordinary Shares)

The latest UCA United Canal Agency GMBH audited accounts relate to 31December 2009.

During the year, non-interest bearing loans of US$300,000 were provided to Moor Maritime Limited, in order to fund working capital requirements.

Unaudited management accounts for Moor Maritime Limited have been included within the consolidated accounts for the year to 31 December 2009, as the company has a 31 March year-end. The latest audited accounts relate to the year ended 31 March 2009.

10. DEBTORS - falling due within one year

	2009 £'000	2008 £'000
Group		
Trade debtors	64	69
Amounts owed by parent company	62	1,810
Other debtors	210	1,255
Prepayments and accrued income	92	424
	428	3,558
Company		
Trade debtors	64	69
Amounts owed by parent undertaking	62	1,810
Amounts owed by group undertakings	-	2,593
Other debtors	178	1,224
Prepayments and accrued income	92	397
	396	6,093

11. STOCKS

	2009 £'000	2008 £'000
Group and Company		
Raw materials and consumables	123	51

12. CREDITORS

Group	2009 Amounts falling due within one year £'000	2009 Amounts falling due after one year £'000	2008 Amounts falling due within one year £'000	2008 Amounts falling due after one year £'000
Trade creditors	10	-	847	-
Ship financing loans	6,790	-	1,305	7,523
Finance leases	-	-	1,024	1,647
Taxation and social security	48	-	86	-
Other creditors	688	-	746	-
Accruals and deferred income	402	-	2,483	-
	7,938	-	6,491	9,170

Company	2009 Amounts falling due within one year £'000	2009 Amounts falling due after one year £'000	2008 Amounts falling due within one year £'000	2008 Amounts falling due after one year £'000
Trade creditors	10	-	847	-
Ship financing loans	6,790	-	1,305	7,523
Amounts due to group undertakings	21	-	9,307	-
Taxation and social security	48	-	86	-
Other creditors	518	-	679	-
Accruals and deferred income	402	-	2,483	-
	7,789	-	14,707	7,523

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

12. CREDITORS (continued)

Ship financing loans

Group and Company	2009 £'000	2008 £'000
Repayable in quarterly instalments at 3% over US$ LIBOR	6,790	8,828

The £6,790,000 loan is secured on the relevant vessel and related charter and by a guarantee from Andrew Weir & Company Limited.

In August 2009, following the worldwide falls in vessel values, the Company received formal notification that an independent valuation of the vessel, obtained by the Lender, breached the Security Requirement as the loan value was greater than 65% of the market value of the vessel. Following discussions with the Lender, a Loan Amendment Agreement was signed in December 2009 with the following key amendments:

- All sums shall be repayable by the Company to the Lender on first demand
- An increase in the loan margin from 1% to 3% above US$ Libor
- The repayment schedule was revised from half-yearly to quarterly payments

The Loan remained a performing loan in terms of principal and interest repayments, but as at the Balance Sheet date, the Company was in default on certain conditions of the Loan Agreement, as the vessel on which the loan was secured did not have a current charter, due to the worldwide economic conditions within the maritime markets. The Company was also in breach of the financial covenant relating to the Cashflow to Debt Service ratio of the vessel for 2009. Consequently, the loan has been classified within current liabilities at the balance sheet date.

The Company continued in discussions with the Lender, but subsequent to the year-end, the Company received an offer of $12.2m for its remaining vessel. The Company sold the vessel and repaid the Loan in full on the 30 April 2010. All securities given to the Lender were released in full on this date.

Ship financing loans and finance leases

	Loans Group and Company		Finance Leases Group	
	£'000	£'000	£'000	£'000
Amounts payable in:	2009	2008	2009	2008
Within one year	6,790	1,305	-	1,024
Within two to five years	-	5,471	-	1,647
After five years	-	2,052	-	-
	6,790	8,828	-	2,671

During 2009 the finance lease liability was repaid in full prior to the disposal of the relevant vessel.

13. DEFERRED TAXATION

Assets not recognised	Group		Company	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Postponed capital allowances	17,000	15,500	17,000	14,700
Tax losses	4,200	3,300	4,200	2,300
Capital losses	3,100	3,000	3,100	3,000
Advance corporation tax	2,700	2,700	2,700	2,700
Pension schemes	1,700	2,000	1,700	2,000
At 31 December	28,700	26,500	28,700	24,700

Deferred tax assets not recognised have been calculated at 28% (2008 : 28%). Relief may be obtained against any future UK corporation tax liability at the corporation tax rates then prevailing.

14. RESERVES

	Group		Company	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
At 1 January	(4,008)	(2,380)	(6,489)	(3,356)
Retained (loss)/profit for year	(4,493)	(3,149)	(5,146)	(4,546)
Currency translation differences on foreign currency net investments	(124)	1,521	(587)	1,413
Actuarial loss (Note 5c)	(10,076)	-	(10,076)	-
At 31 December	(18,701)	(4,008)	(22,298)	(6,489)

15. SHARE CAPITAL

	Allotted, called up and fully paid Number	£
Ordinary Share Capital		
Ordinary shares of £1 each		
At 31 December 2009	4,000,000	4,000,000
At 31 December 2008	4,000,000	4,000,000
Ordinary "B" non-voting shares of £1 each (see note below)		
At 31 December 2009	8,100,000	8,100,000
At 31 December 2008	8,100,000	8,100,000

16. RECONCILIATION OF SHAREHOLDER'S (DEFICIT) / FUNDS

	Group		Company	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
At 1 January	8,092	9,720	5,611	8,744
Retained loss for the year	(4,493)	(3,149)	(5,146)	(4,546)
Currency translation differences on foreign currency net investments	(124)	1,521	(587)	1,413
Actuarial loss (Note 5c)	(10,076)	-	(10,076)	-
At 31 December	(6,601)	8,092	(10,198)	5,611

The parent company has taken advantage of the exemption available under the Companies Act 2006 (Section 408) not to show its individual profit and loss account.

17. CAPITAL AND OTHER FINANCIAL COMMITMENTS

Group and Company

Other financial commitments

Payments due under non-cancellable operating leases, which expire as indicated below :

	2009 £'000	2008 £'000
Plant and equipment within one year	2	2

18. POST BALANCE SHEET EVENTS

On 30 April 2010, the Company sold its vessel for $12.2m (£ 8.1m) and all associated loans and securities were released (see Note 12).

Following the provision of information from the MNOPF Trustees as detailed in Note 5c(ii), the Directors deemed it sufficiently material to record an adjusting, post balance sheet event.

19. CONTINGENT LIABILITIES AND GUARANTEES

	2009 £'000	2008 £'000
Company		
Guarantee of finance lease in a subsidiary undertaking	-	2,671

20. RELATED PARTY TRANSACTIONS

	2009 £'000	2008 £'000
Ship management and technical services provided to joint ventures and associated undertakings	731	2,339

21. ULTIMATE PARENT COMPANY

The ultimate parent company is Andrew Weir & Company Limited, incorporated in Great Britain and registered in England and Wales.

Copies of the Andrew Weir & Company Limited Group Accounts are available from Dexter House, 2 Royal Mint Court, London EC3N 4XX.