

MC SHIPPING INC
Form 10-Q
August 14, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Quarter ended June 30, 2006

Commission File Number:
1-10231

MC SHIPPING INC.
(Exact name of the registrant as specified in its charter)

LIBERIA
State or other jurisdiction of incorporation or
organization

98-0101881
(IRS Employer Identification N°)

Richmond House, 12 Par-la-ville Road, Hamilton HM CX, Bermuda
(Address of principal executive offices)

441-295-7933
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

ý yes o no

Indicate by a check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer o Accelerated filer o Non-accelerated filer ý

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act)

o yes ý no

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Shares outstanding at August 10, 2006

Common stock, par value \$.01	9,508,141
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CONDENSED CONSOLIDATED BALANCE SHEETS****ASSETS**

	JUNE 30, 2006 (UNAUDITED)	DECEMBER 31, 2005
CURRENT ASSETS		
Cash	\$ 7,617,313	\$ 12,292,015
Restricted cash	1,884,344	1,759,237
Hire receivables	296,748	13,583
Recoverable from insurers	619,810	68,807
Inventories	594,220	406,643
Receivables from affiliates	-	202,208
Prepaid expenses and other current assets	4,225,713	1,950,940
TOTAL CURRENT ASSETS	15,238,148	16,693,433
VESSELS, AT COST		
Less accumulated depreciation	(36,707,049)	(33,414,622)
	128,239,882	121,991,571
OTHER ASSETS		
Down payment on acquisition of vessel	4,000,000	-
Investments in associated companies	6,850,147	6,485,906
Furniture & Equipment (net of accumulated depreciation of \$4,348 at June 30, 2006 and \$13,596 at December 31, 2005)	136,133	3,139
Dry-docking costs (net of accumulated amortization of \$2,383,700 at June 30, 2006 and \$1,772,673 at December 31, 2005)	7,228,702	3,139,184
Debt issuance costs (net of accumulated amortization of \$103,214 at June 30, 2006 and \$68,511 at December 31, 2005)	394,587	429,290
TOTAL ASSETS	\$ 162,087,599	\$ 148,742,523

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

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MC SHIPPING INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY

	JUNE 30, 2006 (UNAUDITED)	DECEMBER 31, 2005
CURRENT LIABILITIES		
Accounts payable	2,097,335	747,692
Payable to affiliates	86,478	-
Hire received in advance	1,446,020	801,043
Accrued expenses	6,883,832	2,466,845
Accrued interest	1,073,699	1,061,128
Dividend payable	594,259	557,104
Current portion of long term debt	13,893,776	12,116,000
TOTAL CURRENT LIABILITIES	26,075,399	17,749,812
LONG TERM DEBT		
Secured Loans, net of current portion	77,490,224	77,326,000
DEFERRED GAIN ON SALE OF VESSELS	10,837,807	13,199,901
TOTAL LIABILITIES	114,403,430	108,275,713
COMMITMENT AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Common stock, \$.01 par value - 20,000,000 shares authorized 9,508,141 shares issued and outstanding at June 30, 2006 (8,913,658 at December 31, 2005)	95,081	89,137
Additional paid-in capital	49,523,189	49,411,285
Accumulated deficit	(4,289,308)	(10,024,072)
Accumulated other comprehensive income	2,355,207	990,460
	47,684,169	40,466,810
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 162,087,599	\$ 148,742,523

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS.

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MC SHIPPING INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters ended June 30, 2006 and June 30, 2005
(UNAUDITED)