

TOP SHIPS INC.
Form 20-F
May 01, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE
SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

Commission file number 000-50859

TOP SHIPS INC.

(Exact name of Registrant as specified in its charter)

(Translation of Registrant's name into English)

Republic of the Marshall Islands

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(Jurisdiction of incorporation or organization)

1 Vas. Sofias and Meg. Alexandrou Str, 15124 Maroussi, Greece

(Address of principal executive offices)

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Sofias and Meg. Alexandrou Str, 15124 Maroussi, Greece

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
Common Stock par value \$0.01 per share	Nasdaq Global Select Market

Securities registered or to be registered pursuant to Section 12(g) of the Act.

NONE

(Title of class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

NONE

(Title of class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of December 31, 2012, 17,147,534 shares of Common Stock, par value \$0.01 per share, were outstanding.

Indicate by check mark if the registrant is well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

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 for 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.

Yes No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Sec.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes

No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See the definitions of "large accelerated filer" and "accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No X

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Matters discussed in this report may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

Top Ships Inc. desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. This report and any other written or oral statements made by us or on our behalf may include forward-looking statements, which reflect our current views with respect to future events and financial performance. When used in this report, the words "anticipate," "believe," "expect," "intend," "estimate," "forecast," "project," "plan," "potential," "may," "should," and similar expressions identify forward-looking statements.

The forward-looking statements in this report are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to these assumptions and matters discussed elsewhere herein and in the documents incorporated by reference herein, important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including fluctuations in charterhire rates and vessel values, changes in demand in the shipping market, including the effect of changes in OPEC's petroleum production levels and worldwide oil consumption and storage, changes in regulatory requirements affecting vessel operating including requirements for double hull tankers, changes in our operating expenses, including bunker prices, dry-docking and insurance costs, changes in governmental rules and regulations or actions taken by regulatory authorities, changes in the price of our capital investments, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents, political events or acts by terrorists, and other important factors described from time to time in the reports filed by us with the Securities and Exchange Commission, or the SEC.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not Applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not Applicable.

ITEM 3. KEY INFORMATION

Unless the context otherwise requires, as used in this report, the terms "Company," "we," "us," and "our" refer to Top Ships Inc. and all of its subsidiaries, and "Top Ships Inc." refer only to Top Ships Inc. and not to its subsidiaries. We use the term deadweight ton or dwt, in describing the size of vessels. Dwt, expressed in metric tons each of which is equivalent to 1,000 kilograms, refers to the maximum weight of cargo and supplies that a vessel can carry. Throughout this annual report, the conversion from Euros to U.S. dollars is based on the U.S. dollar/Euro exchange rate of 1.3197 as of December 31, 2012, unless otherwise specified.

A. Selected Financial Data

The following table sets forth our selected historical consolidated financial data and other operating data for the years ended December 31, 2008, 2009, 2010, 2011 and 2012. The following information should be read in conjunction with "Item 5. Operating and Financial Review and Prospects" and the consolidated financial statements and related notes included herein. The following selected historical consolidated financial data is derived from our consolidated financial statements and notes thereto, which have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP, and have been audited by Deloitte, Hadjipavlou, Sofianos & Cambanis S.A., or Deloitte, an independent registered public accounting firm.

As of December 31, 2012, we declassified the M/V Evian as held for sale and reclassified it as held for use and determined not to discontinue our drybulk operations. Since tankers and dry bulk carriers have similar economic characteristics, we determined that in 2012 our vessels operated under one segment. Hence the revenues and expenses for all drybulk vessels have been reclassified to continuing operations for all years presented in the consolidated financial statements.

Year Ended December 31,

U.S. Dollars in thousands,
except per share dataS T A T E M E N T O F
C O M P R E H E N S I V E
I N C O M E / (L O S S)

	2008	2009	2010	2011	2012
Revenues	257,380	107,979	90,875	79,723	31,428
Other Income	-	-	-	872	-
Voyage expenses	38,656	3,372	2,468	7,743	1,023
Charter hire expense	53,684	10,827	480	2,380	-
Amortization of deferred gain on sale and leaseback of vessels and write-off of seller's credit	(18,707)	(7,799)	-	-	-
Lease termination expense	-	15,391	-	5,750	-
Vessel operating expenses	67,114	23,739	12,853	10,368	814
Dry-docking costs	10,036	4,602	4,103	1,327	-
Management fees-third parties	1,159	419	159	439	-
Management fees-related parties	-	-	3,131	5,730	2,345
General and administrative expenses	30,229	23,416	18,142	15,364	7,078
(Loss)/Gain on sale of vessels	(19,178)	-	(5,101)	62,543	-
Vessel Depreciation	32,664	31,585	32,376	25,327	11,458
Impairment on vessels	-	36,638	-	114,674	61,484
Operating income (loss)	61,723	(34,211)	22,264	(171,050)	(52,774)
Interest and finance costs	(25,764)	(13,969)	(14,776)	(16,283)	(9,345)
Loss on financial instruments	(12,024)	(2,081)	(5,057)	(1,793)	(447)
Interest income	1,831	235	136	95	175
Other (expense) income, net	(127)	(170)	(54)	(81)	(1,593)
Net (loss) income	25,639	(50,196)	2,513	(189,112)	(63,984)
Other Comprehensive income / (loss)	20	64	(51)	-	-
Comprehensive income / (loss)	25,659	(50,132)	2,462	(189,112)	(63,984)
(Loss) earnings per share, basic and diluted	\$ 10.08	\$ (17.78)	\$ 0.82	\$ (29.99)	\$ (3.77)
Weighted average common shares outstanding, basic	2,544,503	2,823,059	3,075,278	6,304,679	16,989,585
Weighted average common shares outstanding, diluted	2,544,503	2,823,059	3,077,741	6,304,679	16,989,585

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U.S. dollars in thousands, except fleet data and average daily results	Year Ended December 31,				
	2008	2009	2010	2011	2012
BALANCE SHEET DATA					
Current assets	57,088	3,787	3,420	14,866	26,735
Total assets	698,375	675,149	622,091	296,373	211,415
Current liabilities, including current portion of long-term debt	386,934	427,953	366,609	219,690	193,630
Total debt	342,479	399,087	337,377	193,749	172,619
Common Stock	283	311	322	171	172
Stockholders' equity					