

Registration number: 03690154

Tankspan Leasing Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019



Saul Fairholm Limited
Chartered Accountants and Statutory Auditor
12 Tentercroft Street
Lincoln
Lincolnshire
LN5 7DB

Tankspan Leasing Limited

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Tankspan Leasing Limited

Company Information

Directors	Mr D K Moon Mr R Dawe
Company secretary	Mr R Dawe
Registered office	The Old Farm Office Peper Harow Park Godalming Surrey GU8 6BQ
Auditors	Saul Fairholm Limited Chartered Accountants and Statutory Auditor 12 Tentercroft Street Lincoln Lincolnshire LN5 7DB

Tankspan Leasing Limited

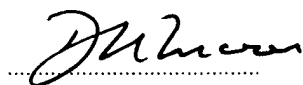
(Registration number: 03690154)
Balance Sheet as at 31 December 2019

	Note	2019 US\$	2018 US\$
Fixed assets			
Tangible assets	5	15,479,603	13,069,923
Current assets			
Debtors	6	2,950,571	2,250,155
Cash at bank and in hand		64,533	912,490
		<u>3,015,104</u>	<u>3,162,645</u>
Creditors: Amounts falling due within one year	7	<u>(3,429,818)</u>	<u>(3,464,310)</u>
Net current liabilities		<u>(414,714)</u>	<u>(301,665)</u>
Total assets less current liabilities		15,064,889	12,768,258
Creditors: Amounts falling due after more than one year	7	(11,761,945)	(10,203,082)
Provisions for liabilities		<u>(307,708)</u>	<u>(250,360)</u>
Net assets		<u>2,995,236</u>	<u>2,314,816</u>
Capital and reserves			
Called up share capital		16,000	16,000
Profit and loss account		<u>2,979,236</u>	<u>2,298,816</u>
Total equity		<u>2,995,236</u>	<u>2,314,816</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Directors' report and Profit and Loss Account has been taken. The Auditor's Report in respect of these financial statements was unqualified with no emphasis of matter. The Senior Statutory Auditor was Roger White of Saul Fairholm Limited (Statutory Auditor).

Approved and authorised by the Board on 16 December 2020 and signed on its behalf by:



Mr D K Moon
Director

Tankspan Leasing Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated in England, United Kingdom.

The address of its registered office is:

The Old Farm Office
Peper Harow Park
Godalming
Surrey
GU8 6BQ

The principal place of business is:

The Old Farm Office
Peper Harow Park
Godalming
Surrey
GU8 6BQ

These financial statements were authorised for issue by the Board on 16 December 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in US Dollars (\$)

Going concern

During the year and after date cashflow has come under pressure due to slow recovery of a major customers arrears. The customer was experiencing financial difficulties which have taken time to resolve. After initial issues experienced during the year which led to the arrears the customers subsequent rentals have been paid on time. Current developments have meant that the customer has started to pay down the arrears. Whilst the repayment of the customer debt occurs the directors will continue to monitor cash closely and budget cashflow accordingly.

The directors have considered the financial projections for the period of twelve months from the date of issue of these financial statements. These projections have taken into account the restrictions upon cashflow against the time frame for repayment of the customer arrears. The forecasts show that the company will have access to sufficient funding for the next 12 months to continue as a going concern. The companys profitability is expected to remain stable in comparison to previous years which will generate its own cash reserves going forward that will help to alleviate the cashflow issues experienced.

Accordingly, the directors have prepared the Annual Report and Accounts on a going concern basis, whilst acknowledging the risks that are explained above.

Tankspan Leasing Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Audit report

The Independent Auditors' Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 16 December 2020 was Roger White, who signed for and on behalf of Saul Fairholm Limited.

Revenue recognition - third party fleet management

Turnover comprises the fair value of the consideration received or receivable for managing, letting and promoting marine shipping containers. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Contract revenue recognition

The company leases tanks to its customers across all geographical locations. These services are provided on a contract basis, with contract terms generally over 3 months with a 60 day notice period.

Revenue from leasing contracts is recognised on a month by month basis. Where the contracts last beyond the year end revenue is recognised as a percentage of the total contract period.

If circumstances arise that may change the original estimates of revenues, estimates are revised. These revisions may result in increases or decreases in estimated revenues reflected in income in the period in which the circumstances that give rise to the revision become known by management.

Foreign currency transactions and balances

Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rate of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates is included as an exchange difference in the profit and loss account.

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates (\$) which is the company's functional and the company's presentation currency.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

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Notes to the Financial Statements for the Year Ended 31 December 2019

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation

Depreciation is charged so as to write off the cost of assets, less their residual value, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Equipment & equipment hired to customers	33% straight line method, 20% straight line method and 10% straight line method

Goodwill

Goodwill, representing the difference between the consideration paid and the fair values of identifiable assets acquired, is treated as an intangible asset and has been amortised over its estimated useful life of five years.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for the managing, letting and promoting marine shipping containers in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Tankspan Leasing Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable so that the charge for each accounting period is a constant percentage of the remaining balance of the capital sum outstanding.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the company's investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease agreements.

Tankspan Leasing Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

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Notes to the Financial Statements for the Year Ended 31 December 2019

3 Staff numbers

The average number of persons employed by the company (including directors with contracts of employment) during the year was 4 (2018 - 4).

4 Intangible assets

	Goodwill US\$	Total US\$
Cost or valuation		
At 1 January 2019	100,000	100,000
At 31 December 2019	100,000	100,000
Amortisation		
At 1 January 2019	100,000	100,000
At 31 December 2019	100,000	100,000
Carrying amount		
At 31 December 2019	-	-

5 Tangible assets

	Equipment US\$	Equipment hired to customers US\$	Total US\$
Cost or valuation			
At 1 January 2019	111,087	14,602,559	14,713,646
Additions	1,145	2,975,598	2,976,743
Disposals	-	(232,236)	(232,236)
At 31 December 2019	112,232	17,345,921	17,458,153
Depreciation			
At 1 January 2019	110,107	1,533,616	1,643,723
Charge for the year	602	447,889	448,491
Eliminated on disposal	-	(113,664)	(113,664)
At 31 December 2019	110,709	1,867,841	1,978,550
Carrying amount			
At 31 December 2019	1,523	15,478,080	15,479,603
At 31 December 2018	980	13,068,943	13,069,923

Tankspan Leasing Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

6 Debtors

	2019 US\$	2018 US\$
Trade debtors	2,152,238	1,760,346
Prepayments	161,948	163,406
Other debtors	636,385	326,403
	<u>2,950,571</u>	<u>2,250,155</u>

7 Creditors

Creditors: amounts falling due within one year

	Note	2019 US\$	2018 US\$
Due within one year			
Loans and borrowings	8	1,089,274	1,064,228
Trade creditors		2,121,103	2,219,710
Taxation and social security		171,938	151,845
Other creditors		47,503	28,527
		<u>3,429,818</u>	<u>3,464,310</u>

Due after one year

Loans and borrowings	8	<u>11,761,945</u>	<u>10,203,082</u>
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Creditors: amounts falling due after more than one year

	2019 US\$	2018 US\$
After more than five years by instalments	6,211,480	4,979,622
	<u>6,211,480</u>	<u>4,979,622</u>

Tankspan Leasing Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

8 Loans and borrowings

	2019 US\$	2018 US\$
Non-current loans and borrowings		
Bank borrowings	1,655,694	1,821,256
Finance lease liabilities	<u>10,106,251</u>	<u>8,381,826</u>
	<u>11,761,945</u>	<u>10,203,082</u>
	2019 US\$	2018 US\$
Current loans and borrowings		
Bank borrowings	165,561	159,205
Finance lease liabilities	<u>923,713</u>	<u>905,023</u>
	<u>1,089,274</u>	<u>1,064,228</u>

Bank borrowings

Bank borrowings is denominated in US\$ with a nominal interest rate of 3.99%, and the final instalment is due on 30 June 2021. The carrying amount at year end is US\$1,821,255 (2018 - US\$1,980,461).

Bank borrowings are secured on all inventory, book debts and monies due or payable to the company.

Finance lease liabilities

Finance lease liabilities of US\$11,029,964 (2018 - US\$9,286,849) are secured on the related assets.

9 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is US\$7,890,135 (2018 - US\$9,388,843). The financial commitments relate to the lease of the office premises for \$84,120 and operating leases on tanks for \$7,806,015. Each operating lease is subsequently leased to a customer at a higher price.

Capital commitments

The capital commitment in the prior year related to the acquisition of 100 tanks as part of a 9 year rental period. The total amount contracted for but not provided in the financial statements was US\$Nil (2018 - US\$1,639,224).

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Notes to the Financial Statements for the Year Ended 31 December 2019

10 Related party transactions

Summary of transactions with parent

Boleyn Containers Leasing Services Limited

(Immediate parent company)

At the balance sheet date the amount due from Boleyn Containers Leasing Services Limited was \$561,191 (2018 - £314,048).

BDLS LLC

(A company with a non controlling interest)

During the year the company incurred management charges of \$nil (2018 - \$nil) from BDLS LLC.

At the balance sheet date the amount due to BDLS LLC was \$nil (2018 - \$nil).

Summary of transactions with other related parties

Interbulk Inc

(A Company with a Director in common with BDLS LLC)

During the year the company purchased services of \$40,000 (2018 - \$42,743) from Interbulk Inc.

At the balance sheet date the amount due to Interbulk Inc was \$nil (2018 - \$nil).

11 Parent and ultimate parent undertaking

The company's immediate parent is Boleyn Containers Leasing Services Limited, incorporated in United Kingdom.

12 Non adjusting events after the financial period

On 11 March 2020, the World Health Organisation declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments have taken stringent steps to help contain or delay the spread of the virus. Currently there is ongoing economic uncertainty which is expected to continue for an unknown period. Covid 19 has not had a significant impact on the Company's financial position and trading performance due to its principle activity coming under the essential status.