CARISBROOKE SHIPPING

CARISBROOKE SHIPPING HOLDINGS LIMITED

Company registered in England and Wales Number 03783705

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Registered Office : Bridge House, 38 Medina Road, Cowes, Isle of Wight PO31 7DA

Carisbrooke Shipping Holdings Limited

DIRECTORS

H J Tveitan
W Wester
C L Williams
P C Over (resigned 31 March 2019)

REGISTERED OFFICE
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Isle of Wight
PO31 7DA

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Rabobank
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The Netherlands

AUDITOR
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5 Benham Road
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Newcastle upon Tyne
NE1 3XX

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STRATEGIC REPORT

For the year ended 31 December 2019

The directors present their strategic report for Carisbrooke Shipping Holdings Limited for the year ended 31 December 2019.

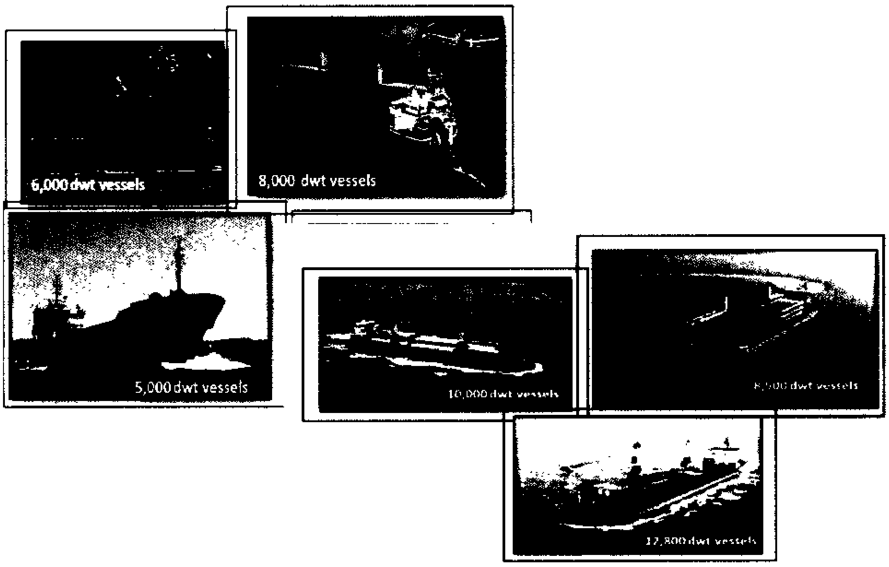
Directors' statement

Carisbrooke Shipping's history dates back to 1969, since which time the company have preserved family values and accumulated a wealth of shipping expertise to develop as a quality service provider, creating value for all its stakeholders. In 2019 Carisbrooke Shipping employed an average of 52 employees from the headquarters office in Cowes (United Kingdom) and a second office in Dordrecht (The Netherlands). Carisbrooke owns/operate over 30 general cargo and multipurpose vessels. The company is incorporated and registered in England and Wales. The vessels are modern, with an average age of around 10 years, are fuel efficient and have excellent safety records.

The fleet owned and / or managed, consists of vessels ranging from 5,000 dwt up to 12 900 dwt and trade worldwide, with particular emphasis on Southern and Northern Europe, North Coast South America & Caribbean, Brazil, West Africa, Southeast Asia and occasional calls in the St. Lawrence River and the US Gulf. Carisbrooke Shipping introduced eight new built 'Green' vessels in 2012. 'Green' vessels are characterised by innovative technical and design solutions that help significantly to reduce fuel consumption and are environmentally friendly.

Carisbrooke Shipping vessels carry a wide range of commodities. European coastal market (short sea 5,000-8,000 dwt vessels) is characterised by the transport of grain, coal, scrap, fertilizers and steel. Multipurpose open-hatch and box-shaped holds enable some part of vessels to carry not only bulk cargoes, but also containers, palletised cargo, forest products and project cargoes such as pipes, windmill blades and leisure yachts. With a modern, flexible fleet that provides outstanding performance and competitive pricing, Carisbrooke Shipping can virtually carry any type of dry cargo for any customer.

Ensuring safety is one of the most important goals of Carisbrooke Shipping. The safety on board and overall ship's risk reduction at sea is achieved by continuous internal and external audits, compliance with the International Safety Management code and other international shipping standards. Moreover continuous monitoring and analysis of safety results leads to regular targeted training campaigns that are dedicated to reduce the already low number of deficiencies, accidents and off-hire days.



Around 37% of the comparable World fleet is older than 20 years. Older vessels incur higher maintenance costs and their performance often is poorer compared to the ships that are built according to the latest technology, energy and environment requirements. Carisbrooke Shipping 'Green' vessels are designed to comply with the strictest environmental regulations, consuming around 25% less fuel, they have latest energy monitoring, water ballast treatment and weather optimal systems.

Review of the business

The audited financial statements for the year ended 31 December 2019 are set out on pages 8 to 30. The profit for the year after taxation was €476,596 (year to 31 December 2018 profit: €4,146,176), after exceptional income of €551 000 (2018. €1,880,000). No impairments or reversals have been recognised in the year (2018 reverse impairment €336,000).

Summary of key performance indicators

Operation profit on ordinary activities ratio	2019	2018	
The ratio of net operating profit excluding gains or losses on disposal of motor vessels to sales expressed as a percentage	10.9%	44.3%	2018 included non recurring income which has not occurred in 2019.
Operating profit excluding exceptional items	2019	2018	
The ratio of operating profit excluding gains or losses on disposal of motor vessels and exceptional items to sales expressed as a percentage	15.8%	29.3%	In 2018 the Group achieved additional non recurring benefits from re-organising certain investments and its assets.
Cash Balance (€'000)	2019	2018	
Cash as included in the consolidated Balance Sheet	1,511	1.610	Cash levels have been maintained at constant levels.
Gearing	2019	2018	
Long term liabilities divided by equity shareholders funds	35.6%	34.3%	The gearing levels are being maintained at constant levels. This reflects that the assets depreciating and amortisation are in-line, and the overall gearing is below the worldwide average for ship owing companies.
Current ratio	2019	2018	
Curent assets divided by current liabilities	1.08	0.96	With the dissolution of a joint venture partner, the short term loans have been cleared and hence there has been a marginal improvement.
Average head count	2019	2018	
Average of total headcounts derived from the payroll records	52	54	The company is operating with a stable number of employees in relation to the number of vessels it manages.

Future Developments

The group's business activities, performance and position are set out in the Review of the Business above. The financial position of the group, liquidity position and borrowing facilities are set out in the notes to the financial statements. In addition, the strategic report below includes the group's objectives, policies and processes for managing its capital; its financial risk management objectives, details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk

The past 4 years have seen improving times for the Group as the financial markets in which it operates have stabilised, with a balancing of supply and demand, and recovering freight levels. The Group has successfully navigated through these difficult times by restructuring, deleveraging and refocussing its activities.

Looking to the future, implementation of IMO 2020 changeover to low sulphur fuels, Ballast Water Management Treatment Systems on the vessels and complying with enhanced environmental requirements such as IHM, as well as an ongoing focus to reduce our fleets' greenhouse gas emissions will dominate our agenda. The Directors main focus will be on operational performance of the fleet as well as actively looking to renew the fleet.

COVID-19 Impact assessment

The coronavirus (COVID-19) pandemic is dynamic and is currently expanding in certain countries around the world. The continuation of this outbreak is expected to have, and the emergence of other epidemic or pandemic crises could have, material adverse effects on our business, results of operations, or financial condition.

As the COVID 19 pandemic is expanding, its ultimate scope, duration and effects are uncertain. We expect that this pandemic, and any future epidemic or pandemic crises could result in direct and indirect adverse effects on the transportation of general cargo goods. Effects of the current pandemic include or may include among others

- deterioration of worldwide regional or national economic conditions and activity, which could adversely affect global demand for general cargo products, demand for general cargo vessels, and charter and spot rates
- disruptions to operations of industry participants as a result of the potential health impact on workforces, including crew.
- business disruptions from, or additional costs related to, new regulations, directives or practices implemented in response to the pandemic, such as travel restrictions hygiene measures (such as quarantining) or increased implementation of remote working arrangements,
- potential delays in the loading and discharging of cargo on or from our vessels, potential delays in any repairs to or dry docking of, vessels (or of the delivery of newbuilding vessels), due to quarantine, worker health, regulations or a shortage of required spares,
- reduced access to capital as a result of any credit tightening generally or due to continued declines in global financial markets;
- potential decreases in the market values of vessels and
- potential deterioration in the financial condition and prospects of industry participants.

Although disruption and effects from the novel coronavirus pandemic may be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact on the general cargo market and its participants cannot be reasonably estimated at this time, but likely may have a material adverse effect.

As with most companies, the COVID-19 pandemic will likely have a significant effect on our business. By the middle of March, the virus had impacted all of our European trading territories, including the UK, as well worldwide. Our operations have continued to function and the vessels continue to trade.

The group has operated throughout the 2019 financial year within the financial covenants as contained in the various bank agreements.

TCE levels for our ship-owing entities (predominantly but not exclusively joint ventures) have remained nearly at budget level for the first quarter of 2020. Thereafter signs indicate downward trends for TCE levels. Net profits for the first quarter of 2020 were ahead of the previous year.

Management have prepared a detailed "bottom-up profit and loss and cash flow forecasts to 31 December 2021 on a cautiously realistic basis. This takes into account reduced activity levels across all income streams and geographical locations taking into account specific factors relevant in each of our businesses. It has been assumed that the impact of the coronavirus pandemic affects trading for the remainder of 2020 and thereafter things return to a more normal level Although the pandemic will affect trading world wide for our joint venture projects, the impact on the cashflow for the group will be limited as income generated from technical management activities are at a fixed rate.
Management have made various assumptions around cash inflows in relation to the disposal of investments and liquidation of investments, which are material, and subject to uncertainty in timing, however management have considered plans to mitigate any impact of changes to assumptions. These forecasts have been reviewed and approved by the Board.

Our cash flow forecast assumes that the cash position will increase in coming months as we work towards sourcing new investments. Another main contributor of the increase in cash will arise from the settlement of a claim against a former principal.

During this period of uncertainty, we have been in constant contact with our key stakeholders being our shareholders, staff, customers, vessel owners, banks and advisors to ensure clear concise communication. Our priority is to seek to ensure that our offices, services and vessels are kept as safe as possible, in order to protect our employees and business partners at all times. A number of our stakeholders are experiencing very difficult circumstances and we are seeking to support them where possible.

The health and wellbeing of our people remains our highest priority.

As the situation continues, cash management will be a key consideration. The Board remains satisfied with the group's funding and liquidity position.

The impact of COVID-19 will continue to be managed carefully with the necessary actions taken in order to protect our people whilst safeguarding the long-term future of the business.

Employee involvement

The group has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the group.

This is achieved through regular briefings to all departments in the group.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities.

In the event of employees becoming disabled, every effort is given to retrain them in order that their employment with the group may continue. It is the policy of the group that training, career development and promotion opportunities should be available to all employees.

Health, safety and the environment

The group takes health and safety extremely seriously. The group works to ensure that the best health and safety practices are carried out throughout the business and that employees work in a safe environment.

The group continuously monitors its impact on the environment attempting to minimise where possible its activities affecting the environment.

In addition the group recognises it has an important role to play in the communities it operates in and has created a Corporate & Social Responsibility Plan to ensure that this is achieved.

Employees and employment practice

The group pursues an employment policy of equal opportunity and strives to follow best practice in recruitment and selection. It does not discriminate on the grounds of race, nationality, sex, marital status, disability religious or political beliefs.

Principal and financial risk management objectives and policies

The board has an established, structured approach to risk management. The group's policy is to preserve the resources upon which its continuing reputation, viability and profitability are built, in order to enable the corporate objectives to be achieved

Market exposure - the group seeks to balance the risks and rewards of market exposure through maintaining a commercially managed fleet trading in part on long term contracts, in part via contracts of affreightment and in part trading on the spot market to take advantages of upturns in freight rates.

Financial risk - the group uses various financial instruments in order to manage the exposures that arise from its business operations as a result of movements in financial markets. All treasury activities are focused on the management and hedging of risk. It is the group's policy not to trade financial instruments or to engage in speculative financial transactions. There have been no significant changes in the group's policies in the last year.

Funding and liquidity - the group finances its operations through a mixture of shareholders' funds and bank borrowings. It employs derivatives where appropriate to generate the desired currency and interest rate profile.

The group holds cash at a level sufficient to ensure the group has available funds to meet its medium-term capital and funding obligations, to meet any unforeseen obligations and opportunities and to enable the group to manage its liquidity risk.

Currency risk - the group is exposed to movements in exchange rates for foreign currency transactions. The most significant transactional currency exposure is the US dollar, though the group also has an overhead base significantly in Sterling. Appropriate risk mitigation is undertaken where material mismatches arise.

Interest rate risk - the group's policy is to limit interest rate risk on delivery of motor vessels. Prior to delivery, loans may be at floating rates.

Insurance risk - the motor vessels are fully insured by third party providers.

Political risk – The group is aware of the UK leaving the EU and potential risks. The group has explored the potential implications and has mitigation plans in place including, if necessary, the reflagging of vessels to EU countries.

Credit risk - In the current economic climate, the directors placed increased focus on monitoring the level of debt due to the group, including working with customers to ensure that debts to the group remain manageable while allowing customers to continue to operate in a commercially satisfactory manner.

For long standing overdue balances, where appropriate, the group have sought to obtain charges over the vessels of customer to mitigate their exposure being risk of default. Interest is charged on overdue balances.

ON BEHALF OF THE BOARD

H J Tvertan
Director

Date 30th June 2020

Registered Office
Bridge House, 38 Medina Road, Cowes
Isle of Wight, PO31 7DA

REPORT OF THE DIRECTORS

For the year ended 31 December 2019

The directors submit their report and the audited financial statements of Carisbrooke Shipping Holdings Limited for the year ended 31 December 2019.

Principal activities

The company is a holding company of motor vessel operating subsidiaries. The group's activities are the ownership and operation of motor vessels. The group also provides ancillary services related to this trade including the commercial and technical management of ships owned by other entities.

Matters covered in the Strategic Report

As permitted by paragraph 1A of Schedule 7 to the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the Strategic Report on pages 1 to 4. These matters relate to the review and analysis of the business, development and financial performance, future prospects and the principal risks and uncertainties.

Directors

The directors who served the company throughout the year were, W Wester, H J Tveitan and C L Williams (left to right).
P C Over (no picture) has resigned per 31 March 2019.

The company has granted indemnity against liability to its directors during the year. Appropriate directors' and officers' liability insurance cover is in place in respect of the company's directors.

Management Team

The day to day management of the group is the responsibility of the management team of H J Tveitan (Chief Executive Officer) and R W Wester (Chief Operating Officer). From left to right.

The team has over 30 years experience within Carisbrooke Shipping, plus a wide range of experience in the broader shipping environment as well as banking, financial management and other relevant fields.

Directors' Responsibilities Statement

The directors are responsible for preparing Group Strategic report, the Directors' Report and the consolidated 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 Accounting Standards and applicable law including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 and the profit or loss of the company (and group) for that period.
In preparing those financial statements, the directors are required to

- select suitable accounting policies for the Group's financial statements and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Political and charitable gifts

Contributions for charitable purposes amounting to € 389 (31 December 2018 €551) were made in the year. There were no political donations (2018 nil)

Dividends

The directors do not recommend the payment of a dividend (2018 nil).

Going Concern

The group reported a profit for the year of €476,596 (2018 profit €4,146 176) after exceptional income of €551 000 (2018 income €1,880 000), which included a loss on disposals of group investments of €61 000 (2018 loss €296 000), a long term loan write off for € 106,000 (2018 €nil) a release on former principal liabilities for € 665,000 (2018 €nil) and the release of an insurance claim for €53,000 (2018 €nil). The group has net current assets of €467 000 (2018 liability €282,000) at the year end date. Throughout the period, the group operated in improving market conditions and the Directors have further consolidated its efforts to align the group's operations to the trading environment and the number of ships under management. The Directors have made various positive changes to its ownership and operating structure over the past 24 months as well as developing new relationships with key partners to ensure the long-term sustainability of the group.

The Directors continue to work closely with the group's funders to ensure financing arrangements are aligned to trading circumstances and expected asset lives. The average age of the Group's ships are 10 years and the total outstanding amount of the group's total loan facilities of €11 684,000 (2018 €12,287 000) are not due to mature before 2024 (2018, 2023). This indicates that there are sufficient years of use of the vessels covering the remaining years of the finance.

The group financial statements include amounts owed to external finance providers of €700,000 (2018 €1 882,000), which are scheduled for repayment within the next 12 months. Furthermore, companies which are connected to the group by virtue of the group's shareholding also have a number of debt repayment obligations during this period.

The group's aim is for all projects held in subsidiaries or connected entities is to be self-financing from operating cash flow. The group forecast is based on cash flow generated from its own technical management activities, other projects aim to be self financing from operating cash flows and any funding requirements are considered on a case by case basis, depending on the individual situation. The group has provided various cross guarantees in respect of bank loans to joint ventures and associates undertakings of which total €18 869,618 (2018 €18,175 198) of which further details can be found in note 20 of these financial statements In previous periods of uncertainty and notably following the financial crisis, the group has successfully restructured projects and secured additional or new financing arrangements to support projects and not experienced circumstances where the guarantees have exposed the group.

The directors have assessed the likelyhood of amounts drawn under the guarantees they have provided. The outcome of this assessment is an overall medium risk, with a few exceptions, which have been categorised as low. Low categorised risk have a decreased likelihood of happening compared to medium.

Since the balance sheet date, the COVID-19 virus has spread around the world and many governments, including that of the UK, have introduced strict measures to limit social contact in order to slow the spread of the virus. Carisbrooke Shipping Holdings Limited is likely to be impacted by the expected slowdown of the economy and by reduced trade flows caused by the measures to limit the spread of the virus. As explained in the Strategic report, reduced customer demand and our ongoing ability to meet that demand have been identified as our main areas of risk.

The group is carefully monitoring the fast-changing threat from the COVID-19 virus and is liaising with the relevant health authorities and statutory bodies to ensure the company is delivering the most appropriate and effective response. There is a risk that the COVID-19 virus will put pressure on commercial contracts resulting in lost business, and disrupt business operations, which will adversely impact the groups' results. The group is proactively considering downside scenarios, re-forecasting and stress testing financial results, and monitoring headroom against its loan covenants. Based on currently available information the group does not expect the impact of the virus to cause it to default on its covenants or to otherwise threaten the viability of the group.

Management have prepared a detailed "bottom-up" profit and loss and cash flow forecasts to 31 December 2021 on a cautiously realistic basis. This takes into account reduced activity levels across all income streams and geographical locations taking into account specific factors relevant in each of our businesses. It has been assumed that the impact of the coronavirus pandemic affects trading for the remainder of 2020 and thereafter things return to a more normal level Although the pandemic will affect trading world wide for our joint venture projects, the impact on the cashflow for the group will be limited as income generated from technical management activities are at a fixed rate.
Management have made various assumptions around cash inflows in relation to the disposal of investments and liquidation of investments which are material, and subject to uncertainty in timing, however the Directors have considered plans to mitigate any impact of changes to assumptions. These forecasts have been reviewed and approved by the Board.

The impact on the business since the end of March 2020 has been limited with trading levels close to expectation, and cash flow has not changed significantly. We are thankful and proud of our team members who continue to respond as essential service providers.

The wellbeing of our employees and business partners is of paramount importance as we adhere to the local government guidelines.

We have introduced social distancing measures in our offices and ships and have enabled at home working for many employees. Appropriate supplies of PPE are provided to our staff to enable them to carry out their duties in a safe manner. Our priority is to keep operations safe for customers employees and business partners.

In the UK, approximately 5% of our employees are furloughed. In Holland, our employees are currently continuing to work in a close to normal way.

Our cash flow forecast assumes that cash collections will reduce over the next nine months as the TCE will be under pressure due to reduced cargo and increased capacity. We will continue to make payments to our suppliers in accordance with our agreed terms and, with the exception of the May 2020 UK VAT payment and the quarter one payroll tax payment in the Netherlands that will be deferred until later in 2020, all fiscal payments to the UK and Holland government bodies will continue to be made on time. In close cooperation with our banks, the bank loan repayments have been deferred for a period of six months, as from the second quarter of the year. For the purposes of the cashflow forecast only, we have assumed that a normal level of loan repayments will be resumed as from October 2020.

In an extreme scenario of declining cash flows, further remedial action would be taken. Payroll costs could be controlled at the current levels until the business recovers and additional staff could be furloughed longer, in those cases where this staff has been furloughed before.

Our bank has been very supportive and has indicated that it would be prepared to make additional loan facilities available the group if required. The Board is, however, confident that none of these additional measures will be necessary due to the level of confidence it has in the future trading performance of the group.

The group has considerable financial resources and a wide operational base and the detailed forecasts take into account the anticipated impact of the COVID-19 pandemic. At the time of the approval of the groups' financial statements, the Directors do understand there are unprecedented market conditions driven by the outbreak of COVID-19 and this combined with longer term impact on levels of economic activity, including Brexit increases uncertainty and may have an impact on the ability to deliver the group's forecasts, support projects and in the highly unlikely event, fail to secure additional or renewed funding where necessary or guarantees are in place, which may be called upon. These conditions indicate that a material uncertainty exists that may cast significant doubt over the group's ability to continue as a going concern The consolidated accounts do not include any adjustments that would result if the group were unable to continue as a going concern.

The Directors understand that trading conditions may vary and result in changes to operating cash flows. Based on reasonably foreseeable circumstances, the Directors conclude that the group has adequate resources and necessary means to continue as a going concern in the normal course of business for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Post balance sheet events

COVID-19 impacts have been identified as a non-adjusting post balance sheet event. The main impacts of COVID-19 are forward looking; therefore this has been reviewed in more detail in the going concern note on pages 6 and 17 - 18 of these financial statements.

The Directors have reviewed factors for impairment in light of COVID-19, discount factors and future cash flows are considered to remain unchanged, or lower (income only). Even with revised income at 60% of its originally budgeted level, and for the full year of 2020, impairment will not be considered appropriate.

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Company Act 2006.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Director's report is approved has confirmed that.

- so far as each director is aware, there is no relevant audit information of which the company's auditor is; and
- the directors have taken all steps that they ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

ON BEHALF OF THE BOARD

H J Tveitan
Director

Date 30th June 2020

Registered Office
Bridge House, 38 Medina Road, Cowes
Isle of Wight, PO31 7DA
Company Registration Number 03783705 in England and Wales

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARISBROOKE SHIPPING HOLDINGS LIMITED

Opinion

We have audited the financial statements of Carisbrooke Shipping Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019, which comprise the consolidated income statement, the consolidated statement of other comprehensive income the consolidated and company statement of financial position the consolidated and company statement of changes in equity the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group s profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to pages 5 to 7 of the Directors report and pages 17 to 21 of the Accounting policies in the financial statements which indicates that although the group incurred a profit of €477,000 during the year ended 31 December 2019 and, as of that date the group's current assets exceeded its current liabilities by €467,000 there are uncertainties in trading conditions and funding requirements. As stated in going concern note on page 6 and 17 to 18, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit

- the information given in the strategic report and the directors report for the financial year for which the financial statements are prepared is consistent with the financial statements and
- the strategic report and the directors report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if in our opinion

- adequate accounting records have not been kept by 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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 5 and 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Grant Thornton UK LLP

Norman Armstrong BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Southampton

Date: 30/06/2020

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2019

	Note	2019 €'000	2018 €'000
Turnover		6.244	9.959
Cost of sales		(2,038)	(4,530)
Gross profit		4.206	5.429
Administrative expenses	1	(2,704)	(4,003)
Other operating charges		(1 838)	714
Other operating income		1.322	991
Exceptional items	3	551	1.880
Operating costs		(2,669)	(418)
Operating profit		1,537	5,011
Share of operating loss of joint ventures	10	(856)	(315)
Revaluation of joint venture (foreign currencies)	10	-	100
Profit on ordinary activities before interest and taxation		682	4,796
Net interest and similar charges	4	(292)	(600)
Profit on ordinary activities before taxation		390	4 196
Taxation on profit on ordinary activities	6	(75)	(55)
Profit on ordinary activities after taxation		315	4 141
Minority interest		(5)	5
Retained profit for the financial year		310	4.146

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	2019 €'000	2018 €'000
Profit for the financial year	310	4,146
Other recognised gains and losses	167	-
Total comprehensive income for the financial year	477	4,146

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

	Note	2019 €'000	2018 €'000
Fixed assets			
Tangible assets	8	14,083	14,935
Investment in Joint Ventures	10	29,712	28,510
Investment in associated companies	10	-	-
Other investments	10	3,764	3,764
		47,559	47,209
Current assets			
Stock	11	40	40
Debtors - due within one year	12	4,461	5,127
Debtors - due after one year	12	265	243
Cash at bank and in hand		1,511	1,610
		6,277	7,020
Creditors: amounts falling due within one year	13	(5,810)	(7,302)
Net current assets / (liabilities)		467	(282)
Total assets less current liabilities		48,026	46,927
Creditors: amounts falling due after more than one year	14	(12,298)	(11,682)
Provision for liabilities and charges	15	(14)	(13)
Net assets		35,714	35,232
Capital and reserves			
Called up share capital	16	799	799
Capital redemption reserve	17	1,062	1,062
Share premium	17	6,251	6,251
Revaluation reserve	17	(1,158)	(1,158)
Foreign exchange reserve	17	167	-
Profit and loss account	17	27,479	27,169
Equity shareholders' funds		34,600	34,123
Non-controlling interests		1,114	1,109
		35,714	35,232

The financial statements were approved by the board, and authorised for issue on 30th June 2020, and signed on its behalf by

H J Tveitan Director

The accompanying accounting policies (page 17 - 21) and notes (page 22 - 32) form an integral part of these financial statements.

CARISBROOKE SHIPPING HOLDINGS LIMITED (England and Wales registered company number 03783705)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at 31 December 2019

	Share Capital €'000	Share Premium €'000	Revaluation Reserve €'000	Capital Redemption €'000	Foreign Exchange Reserve €'000	Profit and loss account €'000	Non controlling interest €'000	Total €'000
Balance as at 1 January 2018 as	739	5,712	(1 158)	1 062	-	23,023	1 912	31 289
Share issue during the year	60	539	-	-	-		-	599
Profit for the year	-	-	-	-	-	4 146	(5)	4 141
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	(798)	(798)
Balance as at 31 December 2018	799	6 251	(1 158)	1 062	-	27 169	1 109	35,232
Share issue during the year	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	167	310	5	482
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Balance as at 31 December 2019	799	6 251	(1 158)	1 062	167	27 479	1 114	35 714

COMPANY BALANCE SHEET

as at 31 December 2019

	Note	2019 €'000	2018 €'000
Fixed assets			
Tangible assets	9	1	1
Investments	10	18,587	18,587
		18,588	18,588
Current assets			
Debtors - due within one year	12	535	4,629
Debtors - due after one year	12	10,651	6,025
Cash at bank and in hand		-	-
		11,186	10,654
Creditors: amounts falling due within one year	13	(1,100)	(304)
Net current assets		10,086	10,350
Total assets less current liabilities		28,674	28,938
Creditors: amounts falling due after more than one year	14	-	-
Provision for liabilities and charges	15	-	-
Net assets		28,674	28,938
Capital and reserves			
Called up share capital	16	799	799
Share premium	17	6,251	6,251
Capital redemption reserve	17	1,062	1,062
Profit and loss account	17	20,562	20,826
		28,674	28,938

The financial statements were approved by the board, and authorised for issue on 30th June 2020, and signed on its behalf by

H J Tveitan Director

The accompanying accounting policies (page 17 - 21) and notes (page 22 - 32) form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

as at 31 December 2019

	Share Capital €'000	Share Premium €'000	Capital Redemtpion €'000	Profit and loss account €'000	Total €'000
Balance as at 1 January 2018 as previously reported	739	5,711	1,062	21 177	28,689
Share issue during the year	60	540	-	-	600
Loss for the year	-	-	-	(351)	(351)
Other comprehensive income for the year	-	-	-	-	-
Balance as at 31 December 2018	799	6 251	1,062	20,826	28,938
Share issue during the year	-	-	-	-	-
Loss for the year	-	-	-	(264)	(264)
Other comprehensive income for the year	-	-	-	-	-
Balance as at 31 December 2019	799	6 251	1,062	20,562	28,674

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2019

	Note	2019 €'000	2018 €'000
Cash flows from operating activities			
Profit for the financial year		477	4,146
Adjustments for:			
Taxation		75	55
Interest received		(99)	(99)
Interest paid		391	699
Joint venture and associated undertakings movements		689	215
Exceptional items		(551)	(1,880)
Bad debt		551	(707)
Depreciation of tangible fixed asset		865	1,186
Decrease / (increase) in trade and other receivables		646	16,319
Decrease / (increase) in inventories		0	606
Increase / (decrease) in trade payables		(232)	(6,975)
Increase / (decrease) in long term provisions		1	1
Revaluation		98	-
Profit from disposal of group investment		-	84
Net cash from operations		2,911	13,649
Interest paid		(391)	(699)
Taxation paid		(105)	(46)
Interest received		99	99
Net cash from operating activities		2,514	13,003
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		-	5,484
Purchases of tangible fixed assets		(13)	-
Investment in associated undertakings and other fixed asset investments		(1,891)	(10,678)
Net cash from investing activities		(1,904)	(4,963)
Cash flows from financing activities			
Issue of ordinary share capital		-	600
Receipt of borrowings		(9)	(547)
Repayment of borrowings		(700)	(7,845)
Net cash from financing activities		(709)	(7,792)
Net (decrease) / increase in cash and cash equivalents		(99)	249
Cash and cash equivalents at beginning of year		1,610	1,361
Cash and cash equivalents at end of year		1,511	1,610
Component of cash and cash equivalents at the end of the year			
Cash		1,511	1,610
Foreign exchange		-	-
		1,511	**1,610**

Analysis of net debt

	At 1 January 2019 €'000	Cash flows €'000	Other non cash changes €'000	At 31 December 2019 €'000
Cash and cash equivalents				
Cash	1,610	(99)	-	1,511
Overdrafts	-	-	-	-
	1,610	**(99)**	-	**1,511**
Borrowings				
Debt due within one year	(1,882)	700	482	(700)
Debt due after one year	(10,405)	-	(579)	(10,984)
	(12,287)	**700**	- 97	**(11,684)**

The accompanying accounting policies (page 17 - 21) and notes (page 22 - 32) form an integral part of these financial statements.

ACCOUNTING CONVENTION

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in Euros, the currency of the primary economic environment in which the company operates and in which the majority of the company's transactions are denominated. The Euro to Pound Sterling exchange rate at 2019 was 0.8534 (2018 0.8987).

TURNOVER AND RELATED EXPENSES

Turnover is the revenue arising from the sales of services and includes gross freight, management fees shipbroking and agency fees It is stated at the fair value of the consideration receivable by the Group in the ordinary course of business with outside customers, net of value added tax rebates and discounts.

Revenue from services provided by the Group is recognised when the Group has performed its obligations and in exchange obtained the right to consideration.

Gross freight

Gross freight represents hire and freight receivable from charterers for the charter or hire of its vessels. Revenue on voyage in progress at year end is recognised on a pro-rata basis. Profits arising from voyage charters in progress at the balance sheet date are allocated into accounting periods on the basis of the proportion of the voyage completed at the balance sheet date on a discharge / discharge port basis. Full provision is made for any losses on voyages in progress at the balance sheet date.

Voyage costs

Voyage expenses primarily exits of port, canal and bunker expenses that are unique to a particular time charter or voyage charter arrangement. Furthermore voyage expenses include commissions paid. The group defers beunker expenses under the voyage charter agreements and amortises them over the relevant voyage Operating costs are accounted for on an accruals basis. Drydock costs are expensed as incurred.

Management fees

Management fees relate to where the group has responsibility for the day to day operations of the vessels or where the group books the freight for the vessel on behalf of a third party. These fees are recognised as earned and are based on either set fees or a percentage as determined within the individual contract.

OTHER OPERATING INCOME

Other operating income is income not related to the operation or management of specific motor vessels, but which arises from the function of managing a fleet of vessels.

GOING CONCERN

The group reported a profit for the year of €476,596 (2018, profit €4,146,176) after exceptional income of €551,000 (2018 income €1,880,000), which included a loss on disposals of group investments of €61,000 (2018 loss €296 000), a long term loan write off for € 106,000 (2018 €nil), a release on former principal liabilities for € 665,000 (2018 €nil) and the release of an insurance claim for €53,000 (2018:€nil). The group has net current assets of €467 000 (2018 liability €282,000) at the year end date. Throughout the period, the group operated in improving market conditions and the Directors have further consolidated its efforts to align the group's operations to the trading environment and the number of ships under management. The Directors have made various positive changes to its ownership and operating structure over the past 24 months as well as developing new relationships with key partners to ensure the long-term sustainability of the group.

The Directors continue to work closely with the group s funders to ensure financing arrangements are aligned to trading circumstances and expected asset lives. The average age of the Group's ships are 10 years and the total outstanding amount of the group's total loan facilities of €11,684,000 (2018. €12 287,000) are not due to mature before 2024 (2018 2023). This indicates that there are sufficient years of use of the vessels covering the remaining years of the finance.

The group financial statements include amounts owed to external finance providers of €700,000 (2018. €1,882,000), which are scheduled for repayment within the next 12 months. Furthermore, companies which are connected to the group by virtue of the group's shareholding also have a number of debt repayment obligations during this period.

The group s aim is for all projects held in subsidiaries or connected entities is to be self-financing from operating cash flow. The group forecast is based on cash flow generated from its own technical management activities, other projects aim to be self financing from operating cash flows and any funding requirements are considered on a case by case basis, depending on the individual situation. The group has provided various cross guarantees in respect of bank loans to joint ventures and associates undertakings of which total €18 869,618 (2018 €18,175 198) of which further details can be found in note 20 of these financial statements. In previous periods of uncertainty and notably following the financial crisis, the group has successfully restructured projects and secured additional or new financing arrangements to support projects and not experienced circumstances where the guarantees have exposed the group.

The directors have assessed the likelyhood of amounts drawn under the guarantees they have provided. The outcome of this assessment is an overall medium risk with a few exceptions, which have been categorised as low. Low categorised risk have a decreased likelihood of happening compared to medium.

Since the balance sheet date the COVID-19 virus has spread around the world and many governments, including that of the UK, have introduced strict measures to limit social contact in order to slow the spread of the virus. Carisbrooke Shipping Holdings Limited is likely to be impacted by the expected slowdown of the economy and by reduced trade flows caused by the measures to limit the spread of the virus. As explained in the Strategic report, reduced customer demand and our ongoing ability to meet that demand have been identified as our main areas of risk.

The group is carefully monitoring the fast-changing threat from the COVID-19 virus and is liaising with the relevant health authorities and statutory bodies to ensure the company is delivering the most appropriate and effective response. There is a risk that the COVID-19 virus will put pressure on commercial contracts resulting in lost business and disrupt business operations, which will adversely impact the groups' results. The group is proactively considering downside scenarios, re-forecasting and stress testing financial results, and monitoring headroom against its loan covenants. Based on currently available information the group does not expect the impact of the virus to cause it to default on its covenants or to otherwise threaten the viability of the group.

Management have prepared a detailed "bottom-up" profit and loss and cash flow forecasts to 31 December 2021 on a cautiously realistic basis. This takes into account reduced activity levels across all income streams and geographical locations taking into account specific factors relevant in each of our businesses. It has been assumed that the impact of the coronavirus pandemic affects trading for the remainder of 2020 and thereafter things return to a more normal level. Although the pandemic will affect trading world wide for our joint venture projects, the impact on the cashflow for the group will be limited, as income generated from technical management activities are at a fixed rate.
Management have made various assumptions around cash inflows in relation to the disposal of investments and liquidation of investments, which are material, and subject to uncertainty in timing, however the Directors have considered plans to mitigate any impact of changes to assumptions. These forecasts have been reviewed and approved by the Board.

The impact on the business since the end of March 2020 has been limited with trading levels close to expectation, and cash flow has not changed significantly. We are thankful and proud of our team members who continue to respond as essential service providers.

The wellbeing of our employees and business partners is of paramount importance as we adhere to the local government guidelines.

We have introduced social distancing measures in our offices and ships and have enabled at home working for many employees. Appropriate supplies of PPE are provided to our staff to enable them to carry out their duties in a safe manner. Our priority is to keep operations safe for customers, employees and business partners.

In the UK approximately 5% of our employees are furloughed. In Holland our employees are currently continuing to work in a close to normal way

Our cash flow forecast assumes that cash collections will reduce over the next nine months as the TCE will be under pressure due to reduced cargo and increased capacity. We will continue to make payments to our suppliers in accordance with our agreed terms and with the exception of the May 2020 UK VAT payment and the quarter one payroll tax payment in the Netherlands that will be deferred until later in 2020 all fiscal payments to the UK and Holland government bodies will continue to be made on time. In close cooperation with our banks, the bank loan repayments have been deferred for a period of six months as from the second quarter of the year. For the purposes of the cashflow forecast only we have assumed that a normal level of loan repayments will be resumed as from October 2020.

In an extreme scenario of declining cash flows further remedial action would be taken. Payroll costs could be controlled at the current levels until the business recovers and additional staff could be furloughed longer, in those cases where this staff has been furloughed before.

Our bank has been very supportive and has indicated that it would be prepared to make additional loan facilities available the group if required. The Board is, however, confident that none of these additional measures will be necessary due to the level of confidence it has in the future trading performance of the group.

The group has considerable financial resources and a wide operational base and the detailed forecasts take into account the anticipated impact of the COVID-19 pandemic. At the time of the approval of the groups' financial statements, the Directors do understand there are unprecedented market conditions driven by the outbreak of COVID-19 and this combined with longer term impact on levels of economic activity including Brexit, increases uncertainty and may have an impact on the ability to deliver the group's forecasts support projects and in the highly unlikely event, fail to secure additional or renewed funding where necessary or guarantees are in place, which may be called upon. These conditions indicate that a material uncertainty exists that may cast significant doubt over the group's ability to continue as a going concern. The consolidated accounts do not include any adjustments that would result if the group were unable to continue as a going concern.

The Directors understand that trading conditions may vary and result in changes to operating cash flows. Based on reasonably foreseeable circumstances, the Directors conclude that the group has adequate resources and necessary means to continue as a going concern in the normal course of business for the foreseeable future For these reasons, they continue to adopt the going concern basis of accounting in preparing the financial statements.

IMPAIRMENT OF ASSETS

In view of the current economic climate and the slower than expected rate of recovery evidenced within the commercial shipping sector, the directors are conscious of the fact that the currently reduced day rates being achieved may be an indicator of impairment and have therefore revisited and updated their impairment reviews.

Recoverable amounts have been determined based on value in use calculations on a vessel by vessel basis, using cash flow projections based on forecasts that have been extended to cover three years and which are considerate of current trading conditions and the cyclical nature of the industry.

Growth is assumed at 2.2% per annum from 1 January 2021 and thereafter for those markets in which the group operates and expectation per vessel class for the speed of recovery earnings. Each vessel is assumed to have a useful economic life of 25 years and the average age of the fleet is 10 years. Whilst impairment models might not normally extend beyond a five year horizon, cash flow projections have been extended to the assumed 25 year life unless a shorter period is expected based on specific investment conditions.

The discount rate used is 7.5% (previously 8%) reflecting the weighted average cost of capital and the risk factors specific to the group which includes the expected interest rates and anticipated equity return. The most significant assumptions used in calculating the value in use are the discount rate, growth rate and the expectation of future earnings. Where the sale of a vessel has occurred between the Statement of Financial Position date and the date the financial statements are signed, the recoverable amount has been determined as the net known realisable value of the vessel at the point of sale

For investments held by the group the directors additionally need to consider the prospect of those investment companies remaining as going concerns. In some cases the directors have concluded that there is a material risk that this may not be the case and have consequently written down the value of such investments to nominal amounts.

The conclusion of the review is that no impairment has been recognised (2018 reversal €336,000) for the year just ended, against the Group's investments.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the company and all entities controlled by the company (its subsidiaries). These are adjusted, where appropriate, to conform to group accounting policies. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are those entities in which the group, directly or indirectly, controls the composition of the board of directors, controls more than half the voting power or holds more than half of the issued share capital. The results of subsidiaries acquired or disposed of during the period are included in the group profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. Immaterial subsidiaries have been excluded from the consolidation. All intra-group transactions, balances, income and expenses (if any) are eliminated on consolidation.

JOINT VENTURES

Undertakings, other than subsidiary undertakings, in which the group has an investment representing between 50% and 51% of the voting rights are assessed annually to determine the appropriate accounting treatment. If it is demonstrated that the group and a very limited range of partners exert joint control over the major decisions of the undertaking that undertaking is accounted for as a joint venture. The range of factors that would lead to the conclusion that joint control is being shared between partners includes (but is not limited to) ownership percentage, the composition of the board of directors, the board minutes, the contractual arrangements agreed between parties, the roles of the parties in the ownership and management of the undertaking and evidence of shared decision making on major issues. Factors that would suggest that the correct accounting treatment would be as an associate include (but are not limited to) those as described in the accounting policy for associates.

The group's share of the results of its joint ventures are included in the group Income Statement. The group Statement of Financial Position includes the investment in its joint ventures at the group's share of gross assets and gross liabilities.

The company Statement of Financial Position shows the investment in the joint venture at cost less impairment.

ASSOCIATED UNDERTAKINGS

Undertakings, other than subsidiary undertakings and joint ventures, in which the group has an investment representing between 20% and 29% of the voting rights are assessed annually to determine the appropriate accounting treatment. If it is demonstrated that the group exerts significant influence over the major operating and / or financial strategic decisions of the undertaking that undertaking is accounted for as an associate using the equity method of accounting. The range of factors that would lead to the conclusion that significant influence is being exerted includes (but is not limited to) ownership percentage the role of an equity house in the investment project, the shareholder makeup, the role of a supervisory board, the articles of association of the undertaking and the share and certificate structure of the undertaking.

PRINCIPAL ACCOUNTING POLICIES

Investments in associates are recognised initially in the consolidated Statement of Financial Position at the transaction price and subsequently adjusted to reflect the group's share of total comprehensive income and equity of the associates, less any impairment.

Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets liabilities and contingent liabilities of the associate recognised at the date of acquisition although treated as goodwill, is presented as part of the investment in the associate. Amortisation is charged so as to allocate the cost of goodwill over its estimated useful life using the straight-line method. Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

Investments in associates are accounted for at cost less impairment in the individual financial statements.

TANGIBLE FIXED ASSETS

Depreciation is calculated to write down the cost of tangible fixed assets by equal instalments over their expected economic useful lives. Freehold land is not depreciated. Tangible fixed assets, under the cost model, are stated at historical cost less accumulated depreciation.

The annual rates generally applicable are

Freehold property	2%
Office equipment	20% - 33%
Motor vehicles	20%

No depreciation is charged on assets under construction.

Depreciation of trading motor vessels is calculated to write off the cost of each vessel to nil on a straight-line basis over the expected useful life of each vessel. Each vessel is assumed to have a 25 year economic life from delivery and the cost of the vessel is amortised over the remainder of that year from purchase. Each year, the directors review the remaining economic life of all vessels to ensure depreciation is provided on the most appropriate basis.

Following the change to FRS 102, the policy on freehold property has changed where as in prior years a full valuation was obtained from a qualified valuer for each freehold property every five years with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value, valuations will now not take place and the revalued freehold property balance as at 31 December 2014 will be deemed as cost and amortised over equal instalments for the remaining expected life.

CAPITALISATION OF INTEREST

Interest on borrowings to finance assets under construction is capitalised from the date work commences until delivery of the vessel or asset.

INVESTMENTS

Investments comprise investments in unquoted equity instruments which are measured at fair value through the Income Statement unless a reliable measure of fair value is no longer available. If a reliable measure is no longer available the investment will be valued at cost less impairment or on the last date the instrument was reliably measured.

Investments in subsidiaries are held at cost, less any impairment recognised to date.

STOCK

Marine fuel is stated at cost and comprises majority of stock reported on the Statement of Financial Position. Spare parts and other stock is stated at the lower of cost and net realisable value.

DEBTORS

Short term debtors are measured at transition price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method less any impairment.

CREDITORS

Short term creditors are measured at transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs and are measured subsequently at amortised cost using the effective interest method.

INTEREST INCOME

Interest income is recognised in the Income Statement using effective interest method.

TAXATION

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured on an undiscounted basis using rates of tax that have been enacted or substantively enacted by the balance sheet date.

For ship owning companies of the Carisbrooke Shipping group, these entities have entered the tonnage tax regime in the country where the company operates from the commencement of trading under which its ship operating activities are taxed based on the net tonnage of vessels operated. Any income and profits outside the tonnage tax regime are taxed under the normal corporation tax rules in the country where the company operates. As ship owning entities have entered into their respective tonnage tax regime from commencement of trading, the directors consider that no deferred tax assets or liabilities arise in respect of income and profits outside of the ship owning entities shipping operations.

FOREIGN CURRENCIES

Functional currency and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position are presented in Euros (€).

Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the Income Statement in the period in which they arise. However, in the consolidated financial statements exchange differences arising on monetary items that form part of the net investment in a foreign operation are recognised in other comprehensive income and are not reclassified to the Income Statement.

Translation of group companies

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated from their functional currency to Euros (€) using the closing exchange rate Income and expenses are translated using the average rate for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on the translation of group companies are recognised in other comprehensive income and are not reclassified to the Income Statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

ASSETS HELD UNDER HIRE PURCHASE AND LEASING AGREEMENTS

Where assets are financed by hire purchase or leasing agreements that give risks and rewards approximating to ownership they are treated as if they had been purchased outright on credit. They are therefore initially recorded as a fixed asset and a liability at a sum equal to the fair value of the asset. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Payments on such assets are regarded as consisting of a capital element which reduces the outstanding liability and an interest charge which is charged to the profit and loss account.

The total payments made under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

CONTRIBUTION TO PENSION FUNDS

The pension costs are charged against profits to represent the amount of the contributions payable to the schemes in respect of the accounting year

JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include

- Useful life of vessel There is a significant depreciation charge every year which impacts profitability of the group. The economic life of 25 years on which depreciation is based the directors consider is consistent with other companies in the sector and standard industry norm.
- Value of assets In view of the current economic environment and the slower rate of recovery there is a risk that the value in use calculations could overstate the value of vessels. As described within basis of preparation, the models adopted to review ship values and investments relating to ship owning entities, include key assumptions that have a material impact on the calculation and include growth and discount rates. The value in use calculations are reviewed each year.
- Dry dock. Dry dock costs are written off in the period they are incurred. The directors consider the impact of capitalising and depreciating the cost over the life of the asset to be immaterial given the number of vessels that incur dry dock annually on a rolling basis.
- Provision for doubtful debts. The directors regularly assess the recoverability of the amounts owed to the group and for those where a risk of material misstatement exists, they calculate the net present value of the exceptional receipts and make impairment adjustments to the asset values as appropriate.
- Onerous lease. The group holds a number of vessels under bareboat lease agreements When the present value of the future cash flows receivable from the operation of the leased assets is less than the present value of the payments to which the group is committed, the group applies the shortfall firstly against the carrying value of the assets and then provide for any further element of the contract. Determining the amount of such a provision requires estimation of the net present value of cash flows receivable in respect of these assets arising from the operation of these vessels. To the extent that actual cash flows received differ from those estimates, the amount of the provision could differ materially.
- The Governments response to COVID-19 is constantly evolving whilst they balance factors such as public health and the overall economy. Certainty over restrictions is currently provided on a three weekly review cycle by Government. Beyond this period, Directors have used a degree of judgement in forecasting results, based on emerging situations in countries which are more progressed in the pandemic than the UK, and the UK Chief Medical Officers statement that he will be advising the Government to lift restrictions in a phased manor.

  Management have reviewed factors for impairment in light of COVID-19, discount factors and future cash flows are considered to remain unchanged, or lower (income only). Even with an income at 60% of its original budgeted level, and for the full year of 2020 impairment will not be considered appropriate.
- Receivables and payables from, & to current or former principals, which are under guardianship or insolvent, are estimated on basis of information provided by external administrator and best estimation of collectability.

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in profit and loss. Outstanding derivatives at reporting date are included under the appropriate format heading depending on the nature of the derivative.

PROVISION FOR LIABILITIES

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the Income Statement in the period it arises.

PARENTAL GUARANTEE

As for the year ended 31 December 2019, the company has provided a parental guarantees enabling Vectis Crew Management Limited, Carisbrooke Shipping Limited and Carisbrooke Shipping 636 Limited, to be exempt from the audit requirement under the provisions of Section 479A of the Companies Act 2006 ("the act") relating to subsidiary companies.

EXCEPTIONAL ITEMS

Exceptional items are those amounts which the directors have concluded that, in view of their material nature and to assist the understanding of users of the financial statements, should be included on the face of the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The directors consider that the group is involved in one activity being the operation of trading motor vessels. The following table highlights the percentage of group turnover according to geographical area. This has been derived from where the owners of the vessels under Carisbrooke operation are based and not where the vessels are actually trading.

	Geographical Area					
	England & Wales		Europe		Other	
	2019	2018	2019	2018	2019	2018
Income	65%	71%	35%	6%	0%	23%

2 OPERATING PROFIT

		2019 €'000	2018 €'000
Profit on ordinary activities before taxation is stated after charging			
Profit on disposal of group investments		-	296
Depreciation charge for the year	- owned assets	865	1,186
Impairment charge for the year	- owned assets	-	(336)
Auditors' remuneration	- audit of the group's financial statements	72	130
	- Other services	10	4
Charges relating to operating leases		2	7
Charges relating to bareboat leases		-	290

The audit of the company amounted to €54,000 (2018 €54,000)

3 EXCEPTIONAL ITEMS

	2019 €'000	2018 €'000
Profit on disposal of group investments (Note 10)	-	296
Profit on disposal of fixed assets (Note 8)	-	(380)
Gain on settlements of loans	-	(2,167)
(Reversal) / Impairment of motor vessels	-	(336)
Provision for bad and doubtful debts	551	707
	551	(1,880)

Exceptional items include an additional provision bad debt on a former (insolvent) associated companies for € 61,000 (2018 €565,000), a long term debt write off for €106,000 (2018 €100,000), a write off of former principal liability for €665,000 (2018 €nil), a non recoverable insurance claim (liability) for €53,000 (2018 €95,950). .

4 NET INTEREST

	2019 €'000	2018 €'000
On bank loans and overdrafts	(365)	(628)
On loan notes	(23)	(80)
Hire purchase interest payable	(98)	(13)
Interest receivable	194	121
	(292)	(600)

5 DIRECTORS AND EMPLOYEES

The average monthly number of persons (including directors) employed by the group during the year was:

	2019	2018
Non-executive directors	2	2
Executive directors	1	1
Employees	49	51
	52	54

The company had no employees during 2019 or 2018, other than directors. The company chairman's emoluments were paid on a consultancy basis by the company during this period.

Staff costs for the above persons:

	2019 €'000	2018 €'000
Wages and salaries	2,279	2,478
Social security costs	170	174
Other pension costs	178	160
	2,627	2,812

Remuneration in respect of directors was as follows

	2019 €'000	2018 €'000
Emoluments	476	535
Social security costs	20	-
Pension contributions	18	14
	514	549

The amounts set out above are relating to Carisbrooke Shipping Holdings Limited and Carisbrooke Shipping Limited only. The amounts above include remuneration in respect of the highest paid director as follows

	2019 €'000	2018 €'000
Emoluments	241	398
	241	398

Retirement benefits for 3 directors are accruing under money purchase pension schemes in respect of qualifying services (2018 3). Amounts payable to third parties for directors fees in 2019 amounted to €319,000 (2018 €398,000).

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the year and comprises	2019 €'000	2018 €'000
Current year charge	-	-
Overseas taxation	75	55
Current tax charge for the year	75	55

The tax assessed for 2019 is lower than (2018 lower than) the standard rate of corporation tax in the UK of 19.00% (2018. 19.00%)
The differences are explained as follows

	2019 €'000	2018 €'000
Profit on ordinary activities before tax	390	4,196
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 19% (2018 19%).	74	797
Effect of		
Earnings on vessels assessable under tonnage tax	(299)	(271)
Expenses not deductible for tax purposes	(155)	(106)
Capital allowances in excess of depreciation	-	-
Income taxable outside the tonnage tax ring fence	75	55
Bought forward losses utilised	380	(420)
Difference in tax rates	-	-
Current tax charge for the year	75	55

Deferred tax assets for €83,049 (2018. deferred tax assets €534,183) have not been recognised in the balance sheet.

Taxable losses brought forward for the amount of €2 341,528 and carried forward for €2,574,754.

7 PROFIT ATTRIBUTABLE TO CARISBROOKE SHIPPING HOLDINGS LIMITED

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in the financial statements.

The group profit for the year includes loss of the parent company of €264,000 (2018 loss €351,000).

8 TANGIBLE FIXED ASSETS

The Group

	Freehold land and buildings €'000	Motor vessels €'000	Motor vehicles and office equipment €'000	Total €'000
Cost or valuation				
At 1 January 2019	1 274	20,998	2,449	24,721
Additions	-	-	13	13
At 31 December 2019	1 274	20 998	2.462	24,734
Depreciation				
At 1 January 2019	261	7,220	2.305	9,786
Charge for year	26	816	23	865
At 31 December 2019	287	8,036	2,328	10,651
Net book value				
At 1 January 2019	1 013	13,778	144	14,935
At 31 December 2019	987	12,962	134	14 083

The group's office at 38 Medina Road, Cowes Isle of Wight was valued on 1 May 2012 by Mark Rhodes of valuers Hose Rhodes Dickson Limited, and a Member of the Institute of Chartered Surveyors. The basis of this valuation was the property's open market value and on adoption of FRS 102. the transition relief has taken such that this is now treated as the deemed cost.

In view of the current economic climate and the slower than expected rate of recovery evidenced within the commercial shipping sector. the directors are conscious of the fact that the currently reduced day rates being achieved may be an indicator of impairment and have therefore revisited and updated their impairment reviews.

As a consequence of the review, no impairment has been recognised (2018 reversal €336 000) against the Group's tangible assets.

Vessels with a net book value of €12 962,427 are pledged as security for loans (2018 €13,778,946)

9 TANGIBLE FIXED ASSETS

The Company

	Equipment for motor vessels €'000
Cost or valuation	
At 1 January 2019	580
At 31 December 2019	580
Depreciation	
At 1 January 2019	579
At 31 December 2019	579
Net book value	
At 1 January 2019	1
At 31 December 2019	1

10 FIXED ASSET INVESTMENTS

Group

	Joint ventures €'000	Associated undertakings €'000	Other investments €'000	Total €'000
Cost				
At 1 January 2019	28 510	-	3.764	32.274
Additions	1 891	-	-	1.891
Share of joint venture profit	(856)	-	-	(856)
Revaluation of investment in foreign currencies	167			167
At 31 December 2019	29 712	-	3.764	33,476

Associated undertakings are listed and are held at cost less impairment as fair value cannot be reliably determined

Addition include USD 2,136 000 (€1,891 000) for a 50% share in joint venture company SMT Carisbrooke Holding Limited.

10 FIXED ASSET INVESTMENTS

Company

	Group companies €'000	Joint ventures €'000	Total €'000
Cost			
At 1 January 2019	17,277	1,310	18,587
Additions	-	-	-
Disposals	-	-	-
At 31 December 2019	17,277	1,310	18,587

10 FIXED ASSET INVESTMENTS (CONTINUED)

At 31 December 2019 the group had interests in the following subsidiaries:

Subsidiary undertakings	Country of incorporation	Class of share capital held	Nature of business	Proportion held by group
Vectis Crew Management Limited	England and Wales	Ordinary	Crew agency	100% *
Carisbrooke Shipping 636 Limited	England and Wales	Ordinary	Ship operating	100% *
Carisbrooke Shipping Limited	England and Wales	Ordinary	Ship operating	100% *
Carisbrooke Shipping (Management) GmbH	Germany	Ordinary	Ship operating	100%
Carisbrooke Shipping Germany GmbH	Germany	Ordinary	Dormant	100%
Megan C Verwaltungs UG (haftungsbeschranckt)	Germany	Ordinary	Ship operating	100%
Celine C Verwaltungs UG (haftungsbeschranckt)	Germany	Ordinary	Ship operating	100%
Carisbrooke GmbH	Germany	Ordinary	Ship operating	100%
Frisian Crew Management GmbH	Germany	Ordinary	Crew agency	100%
Carisbrooke Shipping (CV23) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (CV24) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (CV26) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping (SO21) BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Shipping Shipfund 6250 BV	The Netherlands	Ordinary	Holding company	100%
Carisbrooke Shipping (Holland) BV	The Netherlands	Ordinary	Holding company	100%
Northern Ship Management BV	The Netherlands	Ordinary	Ship operating	100%
Soetermeer Fekkes Cargadoorskantoor BV	The Netherlands	Ordinary	Ship operating	100%
Carisbrooke Chartering (former Merweship Management BV)	The Netherlands	Ordinary	Crew agency	100%
Carisbrooke Shipping BV	The Netherlands	Ordinary	Service provider	100%
Carisbrooke Shipping Norway AS	Norway	Ordinary	Ship operating	100%
Medina Maritime CV	The Netherlands	Ordinary	Ship operating	75%
Carisbrooke Shipping Verwaltungs GmbH	Germany	Ordinary	Ship operating	50%
Carisbrooke Shipping Yichang Verwaltung GmbH	Germany	Ordinary	Ship operating	50%
Carisbrooke Mary C Verwaltung GmbH	Germany	Ordinary	Ship operating	50%
Carisbrooke Jiangsu Verwaltung GmbH	Germany	Ordinary	In Insolvency	50%
Margrete C Verwaltungs UG (haftungsbeschranckt)	Germany	Ordinary	In Insolvency	50%
Jannie C Verwaltungs UG (haftungsbeschranckt)	Germany	Ordinary	In Insolvency	50%
Dina C Verwaltungs UG (haftungsbeschranckt)	Germany	Ordinary	Ship operating	50%

* Interest held directly by the holding company

During 2019 multiple entities have been liquidated and removed.

At 31 December 2019 the group had interests in the following associated undertakings / joint ventures

Joint ventures	Country of incorporation	Class of share capital held	Nature of business	Proportion held by group
Carisbrooke Shipping 6250 BV	The Netherlands	Ordinary	Ship operating	50%
SMT Carisbrooke Holding Ltd	Cyprus	Ordinary	Ship operating	50%
EOS Carisbrooke AS	Norway	Ordinary	Ship operating	50%
Associated undertakings				
Vlootfonds Hanzevast II CV	The Netherlands	Ordinary	In Insolvency	29%
Hanzevast Carisbrooke Shipping 1 NV #	Belgium	Ordinary	In Insolvency	20%
Super Greenship BV	The Netherlands	Ordinary	Ship operating	19%

* Interest held directly by the holding company

Although the group owns 50% of the ordinary shares in this NV, the capital structure and articles of the company give the other participants equivalent to 80% of the effective capital.

Associated undertakings	Income	Expenditure	Amounts owed to associate	Amounts owed by associate
	€'000	€'000	€'000	€'000
Super Greenship BV	5 451	4,754	-	187
Vlootfonds Hanzevast II CV	-	-	-	1,993
			-	2,180

The figures above are stated gross before provisions.

Share of associates	Fixed assets	Current assets	Liabilities falling due within one year	Liabilities falling due after more than one year
	€'000	€'000	€'000	€'000
At as at 31 December 2019 the group's share of assets and liabilities of the associated undertakings was	30 748	2 445	2,040	11,016

10 FIXED ASSET INVESTMENTS (CONTINUED)

Share of joint ventures

The group's share of the results assets and liabilities of the Carisbrooke Shipping 6250 BV group was.

	2019 €'000	2018 €'000
Turnover	9,600	9,300
Profit before tax	(74)	291
Tax	(10)	(2)
Profit after tax	(84)	289
Fixed assets	38,279	41,092
Current assets	938	586
Liabilities due within one year	(1 874)	(2,926)
Liabilities due after more than one year	(17,669)	(18,994)

The group's share of the assets and liabilities of SMT Carisbrooke Holding Limited was.

	2019 €'000	2018 €'000
Turnover	9,653	4,260
Profit before tax	(882)	(546)
Tax	-	-
Profit after tax	(882)	(546)
Fixed assets	16,425	18,905
Current assets	1,667	1,540
Liabilities due within one year	(2,648)	(2,918)
Liabilities due after more than one year	(7,000)	(9,905)

The group's share of the results assets and liabilities of EOS Carisbrooke AS was

	2019 €'000	2018 €'000
Turnover	2,500	-
Profit before tax	116	(58)
Tax	6	-
Profit after tax	110	(58)
Fixed assets	6,311	899
Current assets	248	593
Liabilities due within one year	(3,469)	(8)
Liabilities due after more than one year	(1,496)	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

11 STOCK

	Group 2019	Company 2019	Group 2018	Company 2018
	€'000	€'000	€'000	€'000
Vessel consumables	40	-	40	-
	40	-	40	-

Stock comprises of fuel on board when delivered on time charter to vessel, no inventories were recognised as expenses during the period.

12 DEBTORS

	Group 2019	Company 2019	Group 2018	Company 2018
	€'000	€'000	€'000	€'000
Amounts falling due within one year:				
Trade debtors	463	-	625	-
Amounts owed by group undertakings	-	532	-	4,626
Amounts owed by associated undertakings	2 181	-	2,660	-
Amounts owed by entities in which the group has a participating interest	638	-	1,019	-
Other debtors	117	-	229	-
Prepayments and accrued income	1,062	3	564	-
	4,461	535	5,127	4,629
Amounts falling due after more than one year:				
Amounts owed by group undertakings		10,651		
Other debtors	265		243	6,025
	4,726	11,186	5,370	10,654

Balances due within one year from group undertakings are interest free and unsecured.
On September 27 2019, the outstanding balance between Carisbrooke Shipping Holdings Limited and Carisbrooke Shipping Limited has been converted into a long term loan, for the amount of € 4,626,000.
In the year 2020 an amount of € 2,500 000 from this loan is eligible to be waived

13 CREDITORS

	Group 2019	Company 2019	Group 2018	Company 2018
	€'000	€'000	€'000	€'000
Amounts falling due within one year:				
Instalments due on bank loans and overdrafts	700	-	1,882	-
Shareholder loans	54	-	63	10
Non-shareholder loans	-	-	-	-
Trade creditors	1 961	-	2,013	-
Amounts owed to entities in which the group has a participating interest	589	-	113	-
Amounts owed to group undertakings	-	845	-	31
Amounts owed to associated undertakings	-	-	89	-
Corporation tax	21	-	52	-
Other taxation and social security	51	-	87	-
Other creditors	-	-	570	-
Accruals and deferred income	2,434	255	2,433	263
	5 810	1,100	7,302	304

The bank overdrafts and loans are secured by a floating charge over the assets of the company, by cross guarantees and fixed charges over book debts freehold property and motor vessels of companies of the Carisbrooke Shipping Holdings Limited group.
Shareholder loans include receivables from private investors.

14 CREDITORS

	Group 2019 €'000	Company 2019 €'000	Group 2018 €'000	Company 2018 €'000
Amounts falling due after more than one year:				
Bank loans	10 984	-	10,405	-
Amounts owed to participating interests	1 244	-	1,242	-
Other creditors	70	-	35	-
	12 298	-	11,682	-

Bank loans including current instalments are repayable as follows.	Group 2019 €'000	Company 2019 €'000	Group 2018 €'000	Company 2018 €'000
Within one year	700	-	1,882	-
After one and within two years	968	-	1,882	-
After two and within five years	10,016	-	6,209	-
After five years	-	-	2,314	-
	11,684	-	12,287	-

A bank loan of € 3,195 000 (2018 €3 415,000) is repayable in quarterly instalments of € 55,000, until final balloon payment of €2 535,000 due on 31 January 2023. The interest is based on Euribor plus a range of 1.2% - 4%. The loan is secured against a vessel.

A bank loan of €3,760,000 (2018 €4 240,000) is repayable in quarterly instalments of €120,000 until quarter one 2023 when the remaining balance is due. The interest rate is based on Euribor plus a range of 1.2% - 4%. The loan is secured against a vessel.

A credit facility of $5,300,000 (2018 $5 300,000) is repayable in instalments of USD 100,000, as from 30 April 2021, and quarterly thereafter. The interest rate is 3,5% currently, and 5.0% as from 31 January 2021. The final maturity date for the loan is 31 January 2023. The loan is unsecured.

15 PROVISIONS FOR LIABILITIES AND CHARGES

	Group 2019 €'000	Company 2019 €'000	Group 2018 €'000	Company 2018 €'000
Pensions	14	-	13	-
	14	-	13	-

Group

	Pensions €'000	Total €'000
At 1 January 2019	13	13
Profit and loss release	1	1
At December 31, 2019	14	14

The pensions provision relates to contributions due for December 2019 which were not paid until January 2020 for the amount of € 14,000

16 CALLED UP SHARE CAPITAL

	2019 €'000	2018 €'000
Authorised		
552 632 (2018 552 632) ordinary shares of £1 each	799	799
	799	799
Allotted, called up and fully paid		
552 632 (2018 552 632) ordinary shares of £1 each	799	799
	799	799

17 RESERVES

The called up share capital represents the nominal value of shares that have been issued.

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

The revaluation reserve account includes the revaluation of the group's office at 38 Medina Road, Cowes Isle of Wight following the valuation on 1 May 2012 by Mark Rhodes of valuers Hose Rhodes Dickson Limited. Following the change to FRS 102, the accounting policy in relation to freehold property has changed and therefore the revaluation reserve as at the 31 December 2014 will be amortised for the remainder of the freehold property's expected life.

The capital redemption account relates to the purchase of the company s own shares.

The foreign exchange reserve relates to the valuation of joint ventures, which have a different functional currency than euro.

The profit and loss account includes all current and prior period retained profit and losses.

18 PENSIONS

Contributions are made into defined contribution pension schemes on behalf of some employees of the group. The assets are held separately from those of the group in independently administered funds.

The pension charge represents contributions payable by the group to those funds and amounted to €177 608 (31 December 2018 €160,252) in the year.

The pensions provision relates to contributions due for December 2019 which were not paid until January 2020 for the amount of € 14,000. All other contributions due for the year have been paid for during the year.

19 OPERATING LEASE COMMITMENTS

The minimum annual rentals under these leases are

	Group 2019 €'000 Other	Company 2019 €'000 Other	Group 2018 €'000 Other	Company 2018 €'000 Other
Operating leases which expire				
In less than one year	3	-	7	-
Between one and five years	1	-	1	-
	4	-	8	-

20 CONTINGENT LIABILITIES

Various members of the group, including the parent company have given cross-guarantees in respect of the bank loans included in notes 13 and 14.

The group has provided guarantees to support subsidiaries amounting to €8,300,265 (2018. €8 476,462), guarantees to support joint ventures amounting to €11,428 864 (2018 €15,719,998) and guarantees to support associated undertakings amounting to €7,440,754 (2018 €2,455,200).

There were no other contingent liabilities at 31 December 2019 or 31 December 2018.

21 CAPITAL COMMITMENTS

The group defines as capital commitment as a material commitment for an asset that the group has a liability to purchase as at the balance sheet date. At 31 December 2019 the group had no capital commitments (2018 €nil).

22 RELATED PARTIES TRANSACTIONS

The group is exempt under Financial Reporting Standard 102 from disclosing any transactions or balances between wholly owned group entities that have been eliminated on consolidation.

The directors have concluded that key management are those statutory directors of the company and their remuneration is disclosed in note 5.
The directors renumeration as mentioned under note 5 have all been paid during the year, and there are no outstanding balances (2018 €nil).

During the year the group recharged purchases of €309,304 (2018 €312,612) to Medina Maritime CV, a company incorporated in The Netherlands with common stakeholders and directors. Medina Maritime CV is a 75% owned subsidiary by Carisbrooke Shipping (Holland) BV and Carisbrooke Shipping (CV23) BV. The group also collected income of €1,824,657 (2018 €1,861,189) on behalf of the company. At 31 December 2019 the net balance due from Medina Maritime CV amounted to €85,154 (2018 €63,175 due from).

Carisbrooke Shipping (Holland) BV maintains a current account with Carisbrooke Shipping 6250 BV for settlement of management fees and vessel equipment costs. Carisbrooke Shipping 6250 BV is a joint venture in which the Group has a 50% interest.

During the year, guarantee fees were earned by the Directors of Carisbrooke Shipping Holdings Limited in relation to the partial deferment of certain bareboat lease costs. The fees for the year are stated below

	2019 €'000	2018 €'000
H J Tveitan	2	2
R W Wester	4	4
W Wester	5	5
	11	11

At year end, the amounts outstanding were €Nil (2018 €nil).

The table below shows income and expenditure incurred within the Group and recharged to Joint venture and Associated undertakings at cost. The group interests in Joint venture companies are stated above. Vlootfonds Hanzevast II CV is a 20% Associate undertaking, which has been in insolvency as from February 2018, and which has ended in February 2019.
Super Greenship BV is a 19% Associate undertaking. The Amounts owed by and owed to Joint venture and Associated undertakings are stated to show amounts owed to and from Group.

	Income		Expenditure		Amounts owed to		Amounts owed by	
Joint ventures	2019	2018	2019	2018	2019	2018	2019	2018
Carisbrooke Shipping 6250 BV	3,741	3,945	7,083	2,796	307	113	-	-
Carisbrooke Shipping 637 Limited	-	-	589	229	-	-	357	499
Carisbrooke Shipping 638 Limited	-	-	504	330	-	-	281	298
SMT Carisbrooke Holding Ltd	-	-	1,925	100	282	-	-	222
Associate Companies								
Super Greenship BV	-	6	2,460	714	-	89	187	-
Carisbrooke Shipping Mary C CV	-	152	-	3	-	-	-	-
Vlootfonds Hanzevast II CV	-	4,936	-	3,134	-	-	1,993	2,660

23 ULTIMATE CONTROLLING PARTY

The directors believe that there is no single controlling individual.

24 POST BALANCE SHEET EVENTS

COVID-19 impacts have been identified as a non-adjusting post balance sheet event. The main impacts of COVID-19 are forward looking; therefore, this has been reviewed in more detail in the going concern note on pages 6 and 17 - 18 of these financial statements.

The Directors have reviewed factors for impairment in light of COVID-19, discount factors and future cash flows are considered to remain unchanged, or lower (income only). Even with revised income at 60% of its originally budgeted level, and for the full year of 2020, impairment will not be considered appropriate.

CARISBROOKE SHIPPING HOLDINGS LIMITED (03783705) – SUPPLEMENTARY NOTE TO THE ORIGINAL GROUP OF COMPANIES' ACCOUNTS MADE UP TO 31 DECEMBER 2019

The directors of the company, under section 454 of the Companies Act 2006, wish to include the following note to the accounts, under Note 16 Called Up Share Capital on page 34 of the original audited financial statements FOR THE YEAR ENDED 31ST December 2019:

In October 2019 the Company entered an agreement to repurchase 150,877 ordinary shares from two shareholders for a total consideration of Euro 3,017,540 in total payable in 6 tranches commencing January 2020, and periodically thereafter ending on or before 31 January 2022. It is anticipated the shares will subsequently be cancelled. Interest on outstanding amounts accrue at 4% per annum from the date of the agreement. The purchase of a tranche is subject to the availability of sufficient distributable profits by reference to relevant accounts where necessary. Repurchases will not be made out of capital and the agreement is subject to a longstop date of 31 January 2024. The immediate repurchase of all outstanding tranches will be triggered in the event of a change of control or change of CEO of the Group. The Company has undertaken not to make distributions, nor capitalise profits before the completion of the repurchase.

On behalf of the Board

H J Tveitan
Director

Date 23rd October 2020