



CARISBROOKE SHIPPING

**CARISBROOKE SHIPPING HOLDINGS LIMITED**

Company registered in England and Wales Number 03783705

**REPORT AND FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 DECEMBER 2020**



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

# **CARISBROOKE SHIPPING HOLDINGS LIMITED**

## **DIRECTORS**

H J Tveitan-De Jong  
W Wester  
C L Williams

## **REGISTERED OFFICE**

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

## **BANKERS**

National Westminster Bank  
3 Hampshire Business Park  
PO Box 462 Templars Way  
Chandlers Ford  
SO53 3RY

Rabobank  
Boompjes 40, Gebouw Willemsswerf  
3011 XB Rotterdam  
The Netherlands

## **AUDITORS**

Moore (South) LLP  
9 St John's Place  
Newport  
Isle of Wight  
PO30 1LH

## **SOLICITORS**

Eversheds Sutherland  
Central Square South  
Orchard Street  
Newcastle upon Tyne  
NE1 3XX

# **CARISBROOKE SHIPPING HOLDINGS LIMITED**

## **CONTENTS**

---

	<b>PAGE</b>
Strategic report	1 - 4
Report of the Directors	5 - 7
Report of the independent auditors	8 - 11
Consolidated income statement	12
Consolidated statement of other comprehensive income	13
Consolidated statement of financial position	14
Consolidated statement of changes in equity	15
Company statement of financial position	16
Company statement of changes in equity	17
Consolidated statement of cash flows	18 - 19
Accounting policies	20 - 27
Notes to the financial statements	28 - 44

# CARISBROOKE SHIPPING HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their strategic report for Carisbrooke Shipping Holdings Limited and the group for the year ended 31 December 2020.

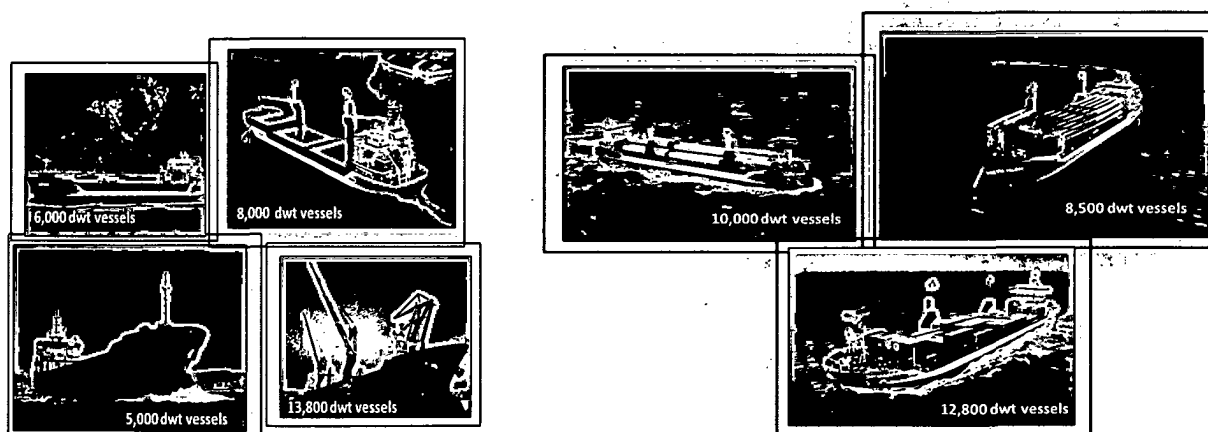
#### Directors' statement

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 2020 Carisbrooke Shipping employed an average of 50 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 11 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 35,000 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 on-going ambition is to provide exceptional ship management services whilst minimising our environmental impact. Hence whilst maintaining commercial success is critical, our operations must be compatible with the environment which must be protected for future generations.

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 50% 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.

# CARISBROOKE SHIPPING HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### Review of the business

The audited financial statements for the year ended 31 December 2020 are set out on pages 8 to 30. The profit for the year after taxation was €141,000 (year to 31 December 2019 profit: €310,000), after exceptional income of €420,000 (2019: €551,000). No impairments or reversals have been recognised in the year (2019: €Nil).

#### 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 COVID 19 pandemic resulted in challenging market conditions for the Group in Q2 and Q3 of 2020. Putting aside the COVID pandemic, the past 5 years have seen improving times for the Group as the markets in which it operates have stabilised, with a balancing of supply and demand, and recovering freight levels.

Looking to the future, the IMO has set a goal to a 50% reduction in carbon emissions from shipping recorded in 2008 by 2050. In addition, there are a variety of other initiatives and regulations which are changing the landscape of ship operations. Increased focus on sustainability and efficiency are driving change. Regulations such as 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 improving the 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 it continues to have a significant impact on all countries around the world. Whilst the roll-out of vaccinations around the world has turned the tide, the continuation of this outbreak is expected to have, and as well as the possible emergence of other epidemic or pandemic crises could have an impact on our business operations. We recognise 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.

As with most companies, the COVID-19 pandemic has had, and continues to have a significant effect on our business. Our operations have continued to function and the vessels continue to trade. Market conditions have improved from Q3 2020 when production facilities re opened.

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.

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

The group has operated throughout the 2020 financial year within the financial covenants as contained in the various bank agreements.

TCE levels for our ship-owning entities (predominantly but not exclusively joint ventures) have out performed budget level for the first six months of 2021. Thereafter signs indicate levels remain strong for the rest of the year.

Management has prepared a detailed "bottom-up" profit and loss and cash flow forecast for the 12 months ending June 2022 on a conservative basis. This takes into account activity levels across all income streams and geographical locations taking into account specific factors relevant in each of our businesses. 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 a result of the improved market conditions. Another main contributor of the increase in cash will arise from the settlement of a claim against a former principal.

---

# **CARISBROOKE SHIPPING HOLDINGS LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

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

### **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, and 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.

---

# CARISBROOKE SHIPPING HOLDINGS LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

---

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 company has been exploring alternatives. The Group is prepared in case re-flagging to EU countries should become necessary.

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.

ON BEHALF OF THE BOARD

Willem Wester  
Director

Registered Office  
Bridge House, 38 Medina Road, Cowes

Isle of Wight, PO31 7DA

Date

09/01/2021

# CARISBROOKE SHIPPING HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

---

The Directors submit their report and the audited financial statements of Carisbrooke Shipping Holdings Limited and the group for the year ended 31 December 2020.

#### 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-de Jong and C L Williams (left to right).



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.

#### 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;



# **CARISBROOKE SHIPPING HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

---

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

#### **Political Donations**

There were no political donations in the year (2019: nil).

#### **Dividends**

The Directors do not recommend the payment of a dividend (2019: nil).

#### **Going Concern**

The group reported a profit for the year of €141,000 (2019: profit €310,000) after exceptional income of €420,000 (2019: income €551,000). No impairments or reversal have been recognised in the year (2019: €Nil).

The group has net current assets of €1,644,000 (2019: assets €467,000) at the year end date. Throughout the period, the group operated in volatile 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 36 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 €10,918,000 (2019: €11,684,000) are due to mature between 2023 and 2026 (2019: 2024). 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 €944,000 (2019: €700,000), 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 €28,671,377 (2019: €18,869,618) of which further details can be found in note 20 of these financial statements. In previous periods of uncertainty and notably following both the financial and COVID 19 pandemic crisis, the group has successfully restructured projects and secured additional or new financing arrangements to positively support a large number of projects. The group has not experienced circumstances where the guarantees have exposed the group.

The Directors have assessed the likelihood of amounts drawn under the guarantees they have provided. The outcome of this assessment is an overall low risk.

Since the prior 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 has been impacted by the expected slowdown of the economy and by reduced trade flows caused by the measures to limit the spread of the virus, especially during Q2 and Q3 2020. During the 2nd half of 2020, which trend has continued in 2021, both demand and earnings have made a noticeable and sustained recovery.

# CARISBROOKE SHIPPING HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

---

In the UK, the group has made use of the furlough scheme from UK Government in 2020.

The financing banks to the group have been very supportive during 2020. A number of the projects received exceptional deferments of principal to alleviate cash flow during Q2 and Q3 2020, in addition to which the group was able to secure a new working capital funding facility. The group continues to meet its financing obligations and either sourced new or existing financing for over half the fleet during 2020 and Q1 2021. This funding was arranged with a mix of new and existing lenders and further re-enforces the strength of the group and its projects.

The group has considerable financial resources and a wide operational base.

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

During the year 2019 a share buy back schedule has started, which will be completed in 2022. An existing share holder has bought 17,500 shares of these earlier repurchased shares in 2021.

#### Auditors

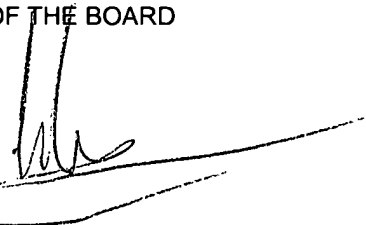
Moore South LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Company Act 2006.

#### 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

  
Willem Wester  
Director

Date 09/07/2021

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

Company Registration Number

03783705 in England and Wales

**CARISBROOKE SHIPPING HOLDING LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**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 2020 which comprise of the group income statement, the statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**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.

# CARISBROOKE SHIPPING HOLDING LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF CARISBROOKE SHIPPING HOLDINGS LIMITED

---

#### Opinions on other matters prescribed by the Companies Act 2006

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

#### Matters on which we are required to report by exception

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

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

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

As explained more fully in the directors' responsibilities statement, 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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

#### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the group.

# **CARISBROOKE SHIPPING HOLDING LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CARISBROOKE SHIPPING HOLDINGS LIMITED**

---

Our approach was as follows:

- The engagement partner selected a team for the audit, led by persons who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations, having previous experience in similar assignments.
- We assessed the risk of material misstatement in the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with responsibility for compliance with relevant legal and regulatory requirements.
- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation
- We discussed the operations of systems and procedures for managing the processing of financial information with those responsible for maintaining and operating the controls and assessed the risk of irregularities and errors arising. As a consequence, we considered that management override represented a significant risk.
- Revenue recognition was also identified as a significant risk due to the nature of the revenue sources and complexity of the recognition criteria which could give rise to revenue being recorded other than in accordance with suitable accounting policies
- We considered the valuation of operating assets, in particular the carrying value of the vessels through enquiry of management, reviewing relevant market and financial information on which the valuations are based and obtaining information from relevant third parties.
- As part of our planning, we designed our audit procedures in consideration of the identified risks. The approach comprised a mixture of control testing, substantive testing and analytical procedures as well as proof of balances.
- Both Carisbrooke Shipping 6250 BV and SMT Carisbrooke Holding Limited are audited by independent component auditors. As part of our planning, we assessed the audit methodologies of the component auditors and provided direction to the work they were undertaking to gain a level of assurance in the context of component information included in the financial statements. Formal instructions were issued to the component auditors setting out the identified risks and approach to be adopted as well as placing limits on the parameters used in determining the level of testing required. A reporting pack was then completed by the component auditors for the purpose of our audit, enabling us to conclude on the risks and identify any issues or adjustments that may have an impact on our work done and our report.

To address the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed transactions with related parties as well as any transactions with directors;
- reviewed the disclosures within the financial statements to assess they meet the requirements of the financial reporting standards and relevant legislation;
- reviewed all financial covenants to identify calculations were free of bias and identify any breaches.

To consider whether revenue has been recorded correctly, we:

- reviewed our independent component auditors files to satisfy ourselves they have managed the risk of revenue being misstated;
- reviewed our independent component auditors files to assess the commercial managers accuracy and completeness of revenue;
- performed analytical procedures to identify any unexplained fluctuations;
- compared industry trends with the time charter rates to assess the value and accuracy of revenue;

# CARISBROOKE SHIPPING HOLDING LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF CARISBROOKE SHIPPING HOLDINGS LIMITED

---

- reviewed a sample of technical management fees to assess the revenue is recognised consistently in line with the policy.
- Assessed the income of the two ships within the holding company to determine completeness and accuracy of revenue.

In response to the risk of vessel impairment we:

- reviewed and discussed the valuation of vessels for any impairment;
- reviewed the insurance cover on the vessels held;
- reviewed global vessels sales post year end to support vessel valuations used;
- challenged management on assumptions used in the valuation model.
- Verified the existence of the vessels.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any other party 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.



**Sue Lucas (Senior Statutory Auditor)**  
**for and on behalf of Moore (South) LLP**  
**Chartered Accountants**  
**Statutory Auditor**

9<sup>th</sup> July 2021

9 St John's Place  
Newport  
PO30 1LH

# CARISBROOKE SHIPPING HOLDINGS LIMITED

## CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 €'000	2019 €'000
Turnover	1	6,124	6,244
Cost of sales		(2,355)	(2,038)
<b>Gross profit</b>		3,769	4,206
Administrative expenses		(3,015)	(2,704)
Other operating charges		(684)	(1,838)
Other operating income		744	1,322
Exceptional items	3	420	551
<b>Operating costs</b>		(2,535)	(2,669)
<b>Operating profit</b>		1,234	1,537
Share of operating loss of joint ventures	10	(921)	(856)
<b>Profit on ordinary activities before interest and taxation</b>		313	682
Net interest and similar charges	4	(361)	(292)
<b>Profit on ordinary activities before taxation</b>		(48)	390
Taxation on profit on ordinary activities	6	10	(75)
<b>Profit on ordinary activities after taxation</b>		(38)	315
		==	===
Profit/Loss for the financial year is attributable:			
Owners of the parent company		(38)	315
Non-controlling interests		179	(5)
<b>Retained profit for the financial year</b>		141	310
		===	===

**CARISBROOKE SHIPPING HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

	<b>2020</b> <b>€'000</b>	<b>2019</b> <b>€'000</b>
<b>Profit for the financial year</b>	<u>141</u>	<u>310</u>
Other recognised gains and losses in respect of foreign exchange	(776)	167
Revaluation surplus	<u>1,454</u>	<u>-</u>
<b>Total comprehensive income for the financial year</b>	<u>819</u> <u>===</u>	<u>477</u> <u>===</u>



**CARISBROOKE SHIPPING HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2020**

	Note	2020 €'000	Restated 2019 €'000
<b>Fixed assets</b>			
Tangible assets	8	14,601	14,083
Investment in Joint Ventures	10	25,774	29,712
Other investments	10	<u>4,514</u>	<u>3,764</u>
		44,889	47,559
<b>Current assets</b>			
Stock	11	40	40
Debtors – due within one year	12	4,492	4,461
Debtors – due after one year	12	288	265
Cash at bank and in hand		<u>2,773</u>	<u>1,511</u>
		7,593	6,277
<b>Creditors: amounts falling due within one year</b>	13	<u>(5,949)</u>	<u>(5,810)</u>
<b>Net current assets/(liabilities)</b>		1,644	467
		—	—
<b>Total assets less current liabilities</b>		46,533	48,026
<b>Creditors: amounts falling due after more than one year</b>	14	(11,511)	(12,298)
Provision for liabilities and charges	15	<u>(15)</u>	<u>(14)</u>
<b>Net assets</b>		35,007	35,714
		=====	=====
<b>Capital and reserves</b>			
Called up share capital	16	711	799
Capital redemption reserve	17	1,150	1,062
Share premium	17	6,251	6,251
Revaluation reserve	17	1,454	-
Foreign exchange reserve	17	(609)	167
Profit and loss account	17	<u>24,812</u>	<u>26,321</u>
<b>Equity attributable to the owners</b>		33,769	34,600
		=====	=====
Non-controlling interests		<u>1,238</u>	<u>1,114</u>
<b>Total equity</b>		35,007	35,714
		=====	=====

The financial statements were approved by the Board and authorised for issue on 9/7/2021 and signed on its behalf by

  
Willem Wester Director

The accompanying accounting policies (page 20 - 27) and notes (page 28- 44) form an integral part of these financial statements.

**CARISBROOKE SHIPPING HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 DECEMBER 2020**

	Share Capital €'000	Capital Redemption €'000	Share Premium €'000	Revaluation Reserve €'000	Foreign Exchange Reserve €'000	Profit and loss account €'000	Non controlling interest €'000	Total €'000
Balance as at 1 January 2019 (as previously stated)	799	1,062	6,251	(1,158)	-	27,169	1,109	35,232
Prior year adjustment (note 25)	-	-	-	1,158	-	(1,158)	-	-
1 January 2019 (as restated)	799	1,062	6,251	-	-	26,011	1,109	35,232
Share issue during the year	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	167	310	5	482
Balance as at 31 December 2019 (as restated)	799	1,062	6,251	-	167	26,321	1,114	35,714
	===	=====	=====	===	===	=====	=====	=====
Share issue during the year	-	-	-	-	-	-	-	-
Share buy back during the year	(88)	88	-	-	-	(1,509)	-	(1,509)
Profit for the year	-	-	-	-	-	141	(179)	(38)
Other comprehensive income for the year	-	-	-	1,454	(776)	-	-	678
Reserve transfer	-	-	-	-	-	(141)	141	-
Minority interest	-	-	-	-	-	-	162	162
Balance as at 31 December 2020	711	1,150	6,251	1,454	(609)	24,812	1,238	35,007
	===	=====	=====	=====	===	=====	=====	=====

# CARISBROOKE SHIPPING HOLDINGS LIMITED

## COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	2020 €'000	2019 €'000
<b>Fixed assets</b>			
Tangible assets	9	1	1
Investments	10	<u>17,131</u>	<u>18,587</u>
		17,132	18,588
<b>Current assets</b>			
Debtors – due within one year	12	4,103	535
Debtors – due after one year	12	10,833	10,651
Cash at bank and in hand		—	—
		14,936	11,186
<b>Creditors: amounts falling due within one year</b>	13	<u>(2,642)</u>	<u>(1,100)</u>
<b>Net current assets</b>		12,294	10,086
		—	—
<b>Total assets less current liabilities</b>		29,426	28,674
		—	—
<b>Net assets</b>		29,426	28,674
		=====	=====
<b>Capital and reserves</b>			
Called up share capital	16	711	799
Share premium	17	6,251	6,251
Capital redemption reserve	17	1,150	1,062
Profit and loss account	17	<u>21,314</u>	<u>20,562</u>
		29,426	28,674
		=====	=====

The financial statements were approved by the Board and authorised for issue on 9/7/2021 and signed on its behalf by

  
Willem Wester Director

The accompanying accounting policies (page 20 - 27) and notes (page 28- 44) form an integral part of these financial statements.

# CARISBROOKE SHIPPING HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2020

---

	Share Capital €'000	Share Premium €'000	Capital Redemption €'000	Profit and loss account €'000	Total €'000
Balance as at 1 January 2019 as previously reported	799	6,251	1,062	20,826	28,938
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
Share buy back during the year	(88)	-	88	(1,509)	(1,509)
Profit for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,261</u>	<u>2,261</u>
Balance as at 31 December 2020	<u>711</u> ===	<u>6,251</u> =====	<u>1,150</u> =====	<u>21,314</u> =====	<u>29,426</u> =====

# CARISBROOKE SHIPPING HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 €'000	2019 €'000
<b>Cash flows from operating activities</b>			
Profit for the financial year		819	477
Adjustments for:			
Taxation		(10)	75
Interest received		(31)	(99)
Interest paid		392	391
Joint venture and associated undertakings movements		921	689
Exceptional items		(420)	(551)
Bad debt		-	551
Other operational income		(539)	-
Depreciation of tangible fixed assets		937	865
Decrease/(increase) in trade and other receivables		(53)	646
Increase/(decrease) in trade payables		(110)	(232)
Increase/(decrease) in long term provisions		1	1
Revaluation		(677)	98
Profit from disposal of investment		(179)	-
<b>Net cash from operations</b>		<b>1,051</b>	<b>2,911</b>
Interest paid		(392)	(391)
Taxation paid		-	(105)
Interest received		31	99
<b>Net cash from operating activities</b>		<b>690</b>	<b>2,514</b>
<b>Cash flows from investing activities</b>			
Purchases of tangible fixed assets		-	(13)
Proceeds for sale of associated undertakings & participating interests		4,300	-
Investment in associated undertakings and other fixed asset investments		(1,875)	(1,891)
<b>Net cash from investing activities</b>		<b>2,425</b>	<b>(1,904)</b>
<b>Cash flows from financing activities</b>			
Share buy back		(1,509)	-
Receipt of borrowings		5	(9)
Repayment of borrowings		(350)	(700)
<b>Net cash from financing activities</b>		<b>(1,854)</b>	<b>(709)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,262</b>	<b>(99)</b>
Cash and cash equivalents at beginning of year		1,511	1,610
<b>Cash and cash equivalents at end of year</b>		<b>2,773</b>	<b>1,511</b>
		=====	=====
<b>Component of cash and cash equivalents at the end of the year</b>			
Cash		2,773	1,511
Foreign exchange		-	-
		2,773	1,511
		=====	=====

**CARISBROOKE SHIPPING HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Analysis of net debt**

	At 1 January 2020 €'000	Cash flows €'000	Other non cash changes €'000	At 31 December 2020 €'000
<b>Cash and cash equivalents</b>				
Cash	1,511	1,262	-	2,773
Overdrafts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	1,511	1,262	-	2,773
<b>Borrowings</b>				
Debt due within one year	(700)	350	(594)	(944)
Debt due after one year	<u>(10,984)</u>	<u>-</u>	<u>1,010</u>	<u>(9,974)</u>
	(11,684)	350	416	(10,918)
	=====	===	===	=====

The accompanying accounting policies (page 20 -27) and notes (page 28-44) form an integral part of these financial statements.

# CARISBROOKE SHIPPING HOLDINGS LIMITED

## PRINCIPAL ACCOUNTING POLICIES

**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

### COMPANY INFORMATION

Carisbrooke Shipping Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is Bridge House, 38 Medina Road, Cowes, Isle of Wight, PO31 7DA.

### 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 instruments have been prepared on the historical cost basis, modified to include the revaluation of certain motor vessels and certain financial instruments at fair value.

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 2020 was 0.9006 (2019: 0.8534).

### 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 include 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 bunker expenses under the voyage charter agreements and amortises them over the relevant voyage. Operating costs are accounted for on an accruals basis. Dry dock costs are capitalised as incurred and depreciated in five years.

#### 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.

# CARISBROOKE SHIPPING HOLDINGS LIMITED

## PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

### GOING CONCERN

The group reported a profit for the year of €141,000 (2019: profit €310,000) after exceptional income of €771,000 (2019: income €551,000), which completely relate to internal transfers of group investments (2019: loss €61,000). The group has net current assets of €1,644,000 (2019: assets €467,000) 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 36 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 11 years and the total outstanding amount of the group's total loan facilities of €10,918,000 (2019: €11,684,000) are not due to mature before 2023 (2019: 2024). 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 €944,000 (2019: €700,000), 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 €28,671,377 (2019: €18,869,618) 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 likelihood 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 prior 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 has been impacted by the expected slowdown of the economy and by reduced trade flows caused by the measures to limit the spread of the virus, especially during Q2 and Q3 2020. During the 2nd half of 2020, which trend has continued in 2021, both demand and earnings have made a noticeable and sustained recovery.

The group continues to re-assess its risks and exposure, including to the COVID-19 virus and potentially impacts on business operations and which may 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 30 June 2022 on a conservative basis. This takes into account potentially reduced activity levels across all income streams and geographical locations taking into account specific factors relevant in each of our businesses. In the first quarter of 2021 it is noticeable that trading remains at well above budgeted level.

Management have made various assumptions around cash inflows, which are 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.

In the UK, the group has made use of the furlough scheme from UK Government in 2020.



# **CARISBROOKE SHIPPING HOLDINGS LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

---

The financing banks to the group have been very supportive during 2020. A number of the projects received exceptional deferments of principal to alleviate cash flow during Q2 and Q3 2020, in addition to which the group was able to secure a new working capital funding facility. The group continues to meet its financing obligations and either sourced new or existing financing for over half the fleet during 2020 and Q1 2021. This funding was arranged with a mix of new and existing lenders and further re-enforces the strength of the group and its projects.

The group has considerable financial resources and a wide operational base. At the time of the approval of the groups' financial statements, the Directors do recognise that there are unprecedented market conditions driven by the continuing outbreak of COVID-19 which combined with the longer term potential impact on levels of economic activity, including Brexit, increases uncertainty. Equally having assessed these risks, the Directors have confidence in the outlook for the group.

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 higher than expected rates in the commercial shipping sector, the directors are conscious of the fact that the currently increased day rates being achieved may be an indicator of reversal of earlier impairment. Directors' approach remains prudent for their impairment reviews. No reversal impairment has been applied.

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 11 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% 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 (2019: €nil) 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.

---

# **CARISBROOKE SHIPPING HOLDINGS LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

### **JOINT VENTURES**

Undertakings, other than subsidiary undertakings, in which the group exerts joint control over the major decisions of the 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.

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.

### **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.

### **TANGIBLE FIXED ASSETS**

During the year, the group changed from the cost model to revaluation model, based on the sale of similar vessels which allows the group to reliably measure the fair value of its 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.

# CARISBROOKE SHIPPING HOLDINGS LIMITED

## PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

---

The annual rates generally applicable are:

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

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.

### 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.

# **CARISBROOKE SHIPPING HOLDINGS LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

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**

---

# CARISBROOKE SHIPPING HOLDINGS LIMITED

## PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

---

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.
- 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 Officer's 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, and 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.

---

# **CARISBROOKE SHIPPING HOLDINGS LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

---

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 2020, 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.

# CARISBROOKE SHIPPING HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 TURNOVER

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	
	2020	2019	2020	2019	2020	2019
Income	68%	65%	32%	35%	0%	0%

### 2 OPERATING PROFIT

	2020 €'000	2019 €'000
Profit on ordinary activities before taxation is stated after charging		
Profit on disposal of group investments	-	-
Depreciation charge for the year	937	865
Impairment charge for the year	-	-
Auditors' remuneration prior year	-	72
Auditors' remuneration current year	54	-
	6	10
Component Auditors' remuneration	24	-
Charges relating to operating leases	1	2

The audit of the company amounted to €54,000 (2019: €54,000)

### 3 EXCEPTIONAL ITEMS

	2020 €'000	2019 €'000
Profit on disposal of group investments (Note 10)	420	-
Provision for bad and doubtful debts	-	551
	420	551
	===	===

Exceptional items include gains on the sale of subsidiaries to an external third party.

**CARISBROOKE SHIPPING HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**4 NET INTEREST**

	<b>2020</b>	<b>2019</b>
	<b>€'000</b>	<b>€'000</b>
On bank loans and overdrafts	(392)	(365)
On loan notes	-	(23)
Hire purchase interest payable	-	(98)
Interest receivable	<u>31</u>	<u>194</u>
	(361)	(292)
	===	===

**5 DIRECTORS AND EMPLOYEES**

	<b>2020</b>	<b>2019</b>
Non-executive directors	2	2
Executive directors	1	1
Employees	<u>47</u>	<u>49</u>
	50	52
	==	==

The company had no employees during 2020 or 2019, other than directors. The company chairman's emoluments were paid on a consultancy basis by the company during the period.

Staff costs for the above persons:

	<b>2020</b>	<b>2019</b>
	<b>€'000</b>	<b>€'000</b>
Wages and salaries	2,547	2,279
Social security costs	191	170
Other pension costs	<u>217</u>	<u>178</u>
	2,955	2,627
	====	====

Remuneration in respect of directors was as follows:

	<b>2020</b>	<b>2019</b>
	<b>€'000</b>	<b>€'000</b>
Emoluments	330	476
Social security costs	25	20
Pension contributions	<u>28</u>	<u>18</u>
	383	514
	===	===

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:

	<b>2020</b>	<b>2019</b>
	<b>€'000</b>	<b>€'000</b>
Emoluments	277	241
Pension contributions	<u>28</u>	-
	305	241
	===	===

Retirement benefits for 1 director is accruing under money purchase pension schemes, in respect of qualifying services (2019: 3). Amounts payable to third parties for directors' fees in 2020 amounted to €44,000 (2019: €319,000).



**CARISBROOKE SHIPPING HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**6 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2020 €'000	2019 €'000
The tax charge is based on the year and comprises:		
Overseas taxation	(10)	75
Current tax charge for the year	10 ==	75 ==

The tax assessed for 2020 is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)

The differences are explained as follows:

	2020 €'000	2019 €'000
Profit on ordinary activities before tax	(48)	390
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 19% (2019: 19%)	(9)	74
Effect of:		
Earnings on vessels assessable under tonnage tax	32	(299)
Expenses not deductible for tax purposes	232	(155)
Capital allowances in excess of depreciation	2	-
Income taxable outside the tonnage tax ring fence	(190)	75
Bought forward losses utilised	(77)	380
Current tax charge for the year	(10) ==	75 ==

Deferred tax assets for €261,703, and a deferred tax liability of €77,788 are not provided for in the balance sheet (2019: €83,049 deferred tax assets and deferred tax liability of €nil).

Taxable losses brought forward were €1,866,419 and carried forward €1,170,144.

**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 profit of the parent company of €2,261,000 (2019 loss: €264,000).

# CARISBROOKE SHIPPING HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 TANGIBLE FIXED ASSETS The Group

	Freehold Land and Buildings €'000	Motor vessels €'000	Motor vehicles and office equipment €'000	Total €'000
<b>Cost or valuation</b>				
At 1 January 2020	1,274	20,998	2,462	24,734
Additions	-	-	20	20
Disposals	-	-	(1,593)	(1,593)
Revaluation to market value	-	1,454	-	1,454
At 31 December 2020	1,274	22,452	889	24,615
	=====	=====	=====	=====
<b>Depreciation</b>				
At 1 January 2020	287	8,036	2,328	10,651
Charge for year	26	881	30	937
Disposals	-	-	(1,573)	(1,573)
At 31 December 2020	313	8,917	785	10,015
	=====	=====	=====	=====
<b>Net book value</b>				
At 1 January 2020	987	12,962	134	14,083
	=====	=====	=====	=====
At 31 December 2020	962	13,535	104	14,601
	=====	=====	=====	=====

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.

As a consequence of the review, no impairment has been recognised (2019: no impairment) against the Group's tangible assets.

During the year, one of the vessels was revalued to the market value of two sister vessels, sold from group entities in February 2020.

Vessels with a net book value of €12,695,069 are pledged as security for loans (2019: €12,962,427).

If the motor vessels were measured entirely using the cost model, the carrying amounts would be approximately €12,081,000 (2019: €12,962,000), the historical cost would be €20,998,000 (2019: €20,998,000) and accumulated depreciation would be €8,917,000 (2019: €8,036,000).

**CARISBROOKE SHIPPING HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**9 TANGIBLE FIXED ASSETS**  
**The Company**

	Equipment for motor vessels €'000
<b>Cost or valuation</b>	
At 1 January 2020	<u>580</u>
At 31 December 2020	<u>580</u> ===
<b>Depreciation</b>	
At 1 January 2020	<u>579</u>
At 31 December 2020	<u>579</u> ===
<b>Net book value</b>	
At 1 January 2020	<u>1</u> ==
At 31 December 2020	<u>1</u> ==

**10 FIXED ASSETS INVESTMENTS**

**Group**

	Joint ventures €'000	Other undertakings & investments €'000	Total €'000
<b>Cost</b>			
At 1 January 2020	29,712	3,764	33,476
<b>Additions</b>	1,125	750	1,875
Share of joint venture profit/(loss)	(921)	-	(921)
Disposals	(2,065)	-	(2,065)
Received dividend	(550)	-	(550)
Repayment of invested capital	(750)	-	(750)
Revaluation of investment in foreign currencies	<u>(776)</u>	<u>-</u>	<u>(776)</u>
At 31 December 2020	<u>25,774</u> =====	<u>4,514</u> =====	<u>30,288</u> =====

Addition includes USD 825,000 (€750,000) for a 50% share in joint venture company SMT Carisbrooke Holding Limited and €375,000 as additional investment in Carisbrooke Shipping 6250 BV. €750,000 has been added into other investments.

**CARISBROOKE SHIPPING HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**10 FIXED ASSETS INVESTMENTS (CONTINUED)**

<b>Company</b>	<b>Group companies €'000</b>	<b>Joint ventures €'000</b>	<b>Total €'000</b>
Cost			
At 1 January 2020	17,277	1,310	18,587
Additions	-	-	-
Disposals	<u>(146)</u>	<u>(1,310)</u>	<u>(1,456)</u>
At 31 December 2020	17,131 =====	- =====	17,131 =====

Carisbrooke Shipping 636 Limited, a group company, has been sold to CS Shipfund BV, another owned entity within Carisbrooke Shipping Holdings Limited.

Joint venture EOS Carisbrooke AS has been sold to CS Shipfund BV, another owned entity within Carisbrooke Shipping Holdings Limited.

**CARISBROOKE SHIPPING HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**10 FIXED ASSETS INVESTMENTS (CONTINUED)**

At 31 December 2020 the group had interests in the following subsidiaries:

	Country of Incorporation	Registered Office	Class of share capital held	Nature of business	Proportion held by group
Vectis Crew Management Limited	England and Wales	Cowes	Ordinary	Crew agency	100% *
Carisbrooke Shipping Limited	England and Wales	Cowes	Ordinary	Ship operating	100% *
Carisbrooke Shipping BV	The Netherlands	Dordrecht	Ordinary	Service provider	100%
Carisbrooke Shipping Norway AS	Norway	Oslo	Ordinary	Ship operating	100% *
Carisbrooke Shipping (CV23) BV	The Netherlands	Dordrecht	Ordinary	Ship operating	100%
Carisbrooke Shipping (CV24) BV	The Netherlands	Dordrecht	Ordinary	Ship operating	100%
Carisbrooke Shipping (CV26) BV	The Netherlands	Dordrecht	Ordinary	Liquidated	100%
Carisbrooke Shipping (SO21) BV	The Netherlands	Dordrecht	Ordinary	Ship operating	100%
CS Shipfund BV (former CS Shipfund 6250 BV)	The Netherlands	Dordrecht	Ordinary	Holding company	83%
Carisbrooke Shipping (Holland) BV	The Netherlands	Dordrecht	Ordinary	Holding company	100% *
Northern Ship Management BV	The Netherlands	Dordrecht	Ordinary	Ship operating	100%
Soetermeer Fekkes Cargadoorskantoor BV	The Netherlands	Dordrecht	Ordinary	Ship operating	100%
Carisbrooke Chartering (former Merweship Management BV)	The Netherlands	Dordrecht	Ordinary	Crew agency	100%
Frisian Crew Management GmbH	Germany	Leer	Ordinary	In liquidation	100%
Carisbrooke Shipping (Germany) GmbH	Germany	Leer	Ordinary	In liquidation	100%
Carisbrooke Shipping 636 Limited	England and Wales	Cowes	Ordinary	Ship operating	82%
Medina Maritime CV	The Netherlands	Dordrecht	Ordinary	Ship operating	73%

\* interest held directly by the holding company

During 2020 multiple entities have been liquidated and removed.

**CARISBROOKE SHIPPING HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**10 FIXED ASSETS INVESTMENTS (CONTINUED)**

At 31 December 2020 the group had interest in the following undertakings/joint ventures:

	Country of Incorporation	Registered Office	Class of share capital held	Nature of business	Proportion held by group
<b>Joint ventures</b>					
SMT Carisbrooke Holding Ltd	Cyprus		Ordinary	Ship operating	50%
Carisbrooke Shipping 6250 BV	The Netherlands		Ordinary	Ship operating	41%
EOS Carisbrooke AS	Norway		Ordinary	Ship operating	41%
<b>Other undertakings and investments</b>					
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%
Eileen C LLP	England and Wales		Ordinary	Ship operating	16%
Mirjam II LLP	England and Wales		Ordinary	Ship operating	16%
Nicole LLP	England and Wales		Ordinary	Ship operating	16%
Odette LLP	England and Wales		Ordinary	Ship operating	16%
Reierdijk LLP	England and Wales		Ordinary	Ship operating	16%

# 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.

**CARISBROOKE SHIPPING HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**10 FIXED ASSETS INVESTMENTS (CONTINUED)**

**Other undertakings and investments**

	Income €'000	Expenditure €'000	Amounts owed to €'000	Amounts owed by €'000
Super Greenship BV	5,451	4,754	37	-
Vlootfonds Hanzevast II CV	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,996</u>
			37	1,996
			==	====

The figures above are stated gross before provisions.

	Fixed assets €'000	Current assets €'000	Liabilities falling due within one year €'000	Liabilities falling due after more than one year €'000
<b>Other undertakings and investments</b>				
As at 31 December 2020 the group's share of assets and liabilities of the associated undertakings was	29,001	2,393	2,517	10,131
	=====	=====	=====	=====

**CARISBROOKE SHIPPING HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**10 FIXED ASSET INVESTMENTS (CONTINUED)**

<b>Share of joint ventures</b>	<b>2020 €'000</b>	<b>2019 €'000</b>
The group's share of the results, assets and liabilities of the Carisbrooke Shipping 6250 BV group was:		
Turnover	6,782	9,600
Profit before tax	(1,403)	(74)
Tax	<u>(6)</u>	<u>(10)</u>
Profit after tax	(1,409)	(84)
	=====	==
Fixed assets	30,758	38,279
Current assets	870	938
Liabilities due within one year	(2,334)	(1,874)
Liabilities due after more than one year	(14,224)	(17,669)
The group's share of the assets and liabilities of SMT Carisbrooke Holdings Limited was:		
	<b>2020 €'000</b>	<b>2019 €'000</b>
Turnover	9,235	9,653
Profit before tax	(590)	(882)
Tax	<u>-</u>	<u>-</u>
Profit after tax	(590)	(882)
	===	===
Fixed assets	16,942	16,425
Current assets	2,440	1,667
Liabilities due within one year	(2,070)	(2,648)
Liabilities due after more than one year	(9,529)	(7,000)
The group's share of the assets and liabilities of EOS Carisbrooke AS was:		
	<b>2020 €'000</b>	<b>2019 €'000</b>
Turnover	1,060	2,500
Profit before tax	1,318	116
Tax	<u>(2)</u>	<u>(6)</u>
Profit after tax	1,316	110
	=====	===
Fixed assets	3,082	6,311
Current assets	726	248
Liabilities due within one year	(39)	(3,469)
Liabilities due after more than one year	(2,405)	(1,496)



# CARISBROOKE SHIPPING HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 11 STOCK

	Group 2020 €'000	Company €'000	Group 2019 €'000	Company €'000
Vessel consumables	<u>40</u>	<u>-</u>	<u>40</u>	<u>-</u>
	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 2020 €'000	Company €'000	Group 2019 €'000	Company €'000
<b>Amounts falling due within one year:</b>				
Trade debtors	527	-	463	-
Amounts owed by group undertakings	-	4,100	-	532
Amounts owed by undertakings	1,996	-	2,181	-
Amounts owed by entities in which the group has a participating interest	1,055	-	638	-
Taxation	24	-	-	-
Other debtors	220	-	117	-
Prepayments and accrued income	<u>670</u>	<u>3</u>	<u>1,062</u>	<u>3</u>
	4,492	4,103	4,461	535
	=====	=====	=====	=====
<b>Amounts falling due after more than one year:</b>				
Amounts owed by group undertakings	-	10,833	-	10,651
Other debtors	<u>288</u>	<u>-</u>	<u>265</u>	<u>-</u>
	4,780	14,936	4,726	11,186
	=====	=====	=====	=====

Balances due within one year from group undertakings are interest free and unsecured.

# CARISBROOKE SHIPPING HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 13 CREDITORS

	Group 2020 €'000	Company €'000	Group 2019 €'000	Company €'000
<b>Amounts falling due within one year:</b>				
Instalments due on bank loans and overdrafts	944	-	700	-
Shareholder loans	59	-	54	-
Trade creditors	1,492	-	1,961	-
Amounts owed to entities in which the group has a participating interest	205	-	589	-
Amounts owed to group undertakings	-	2,367	-	845
Amounts owed to associated undertakings	37	-	-	-
Corporation tax	12	-	21	-
Other taxation and social security	121	-	51	-
Accruals and deferred income	<u>3,079</u>	<u>275</u>	<u>2,434</u>	<u>255</u>
	5,949	2,642	5,810	1,100
	=====	=====	=====	=====

The bank loans are secured by a floating charge over the assets of the company, by cross guarantees and fixed charges over book debts and motor vessels of companies of the Carisbrooke Shipping Holdings Limited group. The overdraft is secured by a fixed charge on the freehold property of Carisbrooke Shipping Limited, and cross guarantees of the company.

Shareholder loans include receivables from private investors.

### 14 CREDITORS

	Group 2020 €'000	Company €'000	Group 2019 €'000	Company €'000
<b>Amounts falling due after more than one year:</b>				
Bank loans	9,974	-	10,984	-
Amounts owed to participating interests	897	-	1,244	-
Amounts owed to associated undertakings	210	-	-	-
Other creditors	<u>430</u>	<u>-</u>	<u>70</u>	<u>-</u>
	11,511	-	12,298	-
	=====	==	=====	==

The bank loans are secured by a floating charge over the assets of the company, by cross guarantees and fixed charges over book debts and motor vessels of companies of the Carisbrooke Shipping Holdings Limited group. The overdraft is secured by a fixed charge on the freehold property of Carisbrooke Shipping Limited, and cross guarantees of the company.

**CARISBROOKE SHIPPING HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Group 2020 €'000	Company €'000	Group 2019 €'000	Company €'000
Bank loans including current instalments are repayable as follows:				
Within one year	944	-	700	-
After one and within two years	3,585	-	968	-
After two and within five years	<u>6,388</u>	-	<u>10,016</u>	-
	10,918	-	11,684	-
	=====	==	=====	==

During the year a payment holiday has been granted for the repayments of quarters two and three. These instalments are included in the final instalment.

A bank loan of €3,085,000 (2019: €3,195,000) is repayable in quarterly instalments of €55,000, until final balloon payment of €2,645,000 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.

During the year a payment holiday has been granted for the repayments of quarters two and three. These instalments are included in the final balloon payment.

A bank loan of €3,520,000 (2019: €3,760,000) 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 (2019: \$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 PROVISION FOR LIABILITIES AND CHARGES**

	Group 2020 €'000	Company €'000	Group 2019 €'000	Company €'000
Pensions	<u>15</u>	-	<u>14</u>	-
	15	-	14	-
	==	==	==	==
<b>Group</b>			<b>Pensions €'000</b>	<b>Total €'000</b>
At 1 January 2020			14	14
Profit and loss charge			<u>1</u>	<u>1</u>
At 31 December 2020			15	15
			==	==

The pensions provision relates to contributions due for December 2020, which were not paid until January 2021, for the amount of €15,000.

**CARISBROOKE SHIPPING HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**16 CALLED UP SHARE CAPITAL**

	2020 €'000	2019 €'000
<b>Authorised</b>		
552,632 (2019: 552,632) ordinary shares of £1 each	<u>711</u>	<u>799</u>
	711	799
	===	===
<b>Allotted, called up and fully paid</b>		
477,197 (2019: 552,632) ordinary shares of £1 each	<u>711</u>	<u>799</u>
	711	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 brought forward 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. This has been removed during the year. See note 25.

Vessel Paula C has been revaluated to market value in the beginning of the year.

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.

During the year, shares have been repurchased for an amount of €1,509,000 against the profit and loss reserve.

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 €217,198 (2019: €177,608) in the year.

The pensions provision relates to contributions due for December 2020, which were not paid until January 2021, for the amount of €15,208. All other contributions due for the year have been paid for during the year.

**CARISBROOKE SHIPPING HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**19 OPERATING LEASE COMMITMENTS**

The minimum annual rentals under these leases are:

	Group 2020 €'000	Company €'000	Group 2019 €'000	Company €'000
Operating leases which expire:				
In less than one year	1	-	3	-
Between one and five years	-	-	1	-
	1	-	4	-
	==	==	==	==

**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 €2,920,196 (2019: €8,300,265), guarantees to support joint ventures amounting to €21,478,285 (2019: €11,428,864) and guarantees to support associated undertakings amounting to €7,193,092 (2019: €7,440,754).

There were no other contingent liabilities at 31 December 2020 or 31 December 2019.

At the year end, Carisbrooke Shipping Holdings Limited, had a commitment to repurchase shares from two shareholders.

This is part of a share buy back agreement, dated October 2019, to take place over six tranches. At the year end, three tranches were outstanding, totalling 75,442 ordinary £1 shares for €1,508,840. These are scheduled to take place in 2021 and 2022.

This is contingent on the company having sufficient distributable profits available at the date of each tranche. There is also a long stop date per the agreement of 31 January 2024, whereby if any tranches have not taken place, the agreement shall cease for the outstanding tranches.

**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 2020 the group had no capital commitments (2019: €nil).

**CARISBROOKE SHIPPING HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**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. In addition, there is one key management employee and the total remuneration for all key management is €614,000 (2019: €514,000). The directors' remuneration as mentioned under note 5 have all been paid during the year, and there are no outstanding balances (2019: €nil).

During the year the group recharged purchases of €371,358 (2019: €309,304) to Medina Maritime CV, a company incorporated in The Netherlands with common stakeholders and directors. Medina Maritime CV is a 73% owned subsidiary by Carisbrooke Shipping (Holland) BV and Carisbrooke Shipping (CV23) BV. The group also collected income of €1,563,122 (2019: €1,824,657) on behalf of the company. At 31 December 2020 the net balance due from Medina Maritime CV amounted to €183,924 (2019: €85,154 due from).

During the year the group recharged purchases of €579,788 (2019: €480,925) to Carisbrooke Shipping 636 Limited, a company incorporated in United Kingdom with common stakeholders and directors. Carisbrooke Shipping 636 Limited is a 82% owned subsidiary of Carisbrooke Shipping (Holland) BV and CS Shipfund BV. At 31 December 2020 the net balance due from Carisbrooke Shipping 636 Limited amounted to €18,094 (2019: €1,063,905 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 41% interest.

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

Guarantee fees were payable to shareholders, in respect of company loans:-

	2020 €'000	2019 €'000
H J Tveitan – de Jong	1	2
W Wester	<u>1</u>	<u>5</u>
	2	7
	==	==

At year end, the amounts outstanding were €Nil (2019: €nil).

The table below shows income and expenditure incurred within the Group and recharged to Joint venture and other undertakings at cost. The group interests in Joint Venture companies are stated above. Vlootfonds Hanzevast II CV is a 20% undertaking, which has been in insolvency as from February 2018.

Super Greenship BV is a 19% 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 associates & joint venture €'000		Amounts owed by associate & joint venture €'000	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Joint ventures</b>								
Carisbrooke Shipping 6250 BV	3,297	3,741	7,232	7,083	-	307	782	-
Carisbrooke Shipping 637 Limited	-	-	648	589	205	-	-	357
Carisbrooke Shipping 638 Limited	-	-	543	504	-	-	-	281
SMT Carisbrooke Holding Ltd	-	-	8,075	1,925	-	282	273	-
<b>Other undertakings and interest</b>								
Super Greenship BV	-	-	2,845	2,460	37	-	-	187
Vlootfonds Hanzevast II CV	-	-	-	-	-	-	1,996	1,993

**CARISBROOKE SHIPPING HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
***FOR THE YEAR ENDED 31 DECEMBER 2020***

---

**23 ULTIMATE CONTROLLING PARTY**

The directors believe that there is no single controlling individual.

**24 POST BALANCE SHEET EVENTS**

Since the year end, several tranches of the share buyback agreement have taken place. Please see the contingent liability note for further details of the share buy back agreement. 42,106 ordinary £1 shares have been repurchased for €842,120, prior to the approval of the 2020 financial statements.

An existing share holder has bought 17,500 shares of these earlier repurchased shares in 2021.

**25 PRIOR YEAR ADJUSTMENT**

There has been a change in accounting treatment of the revaluation reserve to remove any negative balances and transfer to the profit and loss reserve. As a result the opening position of the comparative figures has been restated to increase the negative revaluation reserve to nil and reduce the profit and loss reserve to €26,011,000.