

Company Registration No: 05564627

Seatruck Pennant Ltd

Annual Report and Financial Statements

For the year ended 31 December 2016



Seatruck Pennant Ltd

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Seatruck Pennant Ltd

Officers and professional advisers

Directors

A Bruun
K Donaldson
A Eagles
H Lund Dal
P Norborg (appointed 1 September 2017)

Company Secretary

K Donaldson

Independent auditor

Moore Stephens LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

Bankers

Danske Bank Limited
58 Hill Street
Newry
Co Down
BT34 1AR

Ulster Bank Limited
2 Charlotte Street
Warrenpoint
Co Down
BT34 3LF

Solicitor

Burness Paul LLP
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

Registered office

North Quay
Port of Heysham
Morecambe
Lancashire
LA3 2UH

Seatruck Pennant Ltd

Strategic report

Strategy update and business model

The company's aim is to secure continuous charters for its vessel, the Clipper Pennant, at viable rates. While rates are subject to market forces the company nevertheless aims to offer an enhanced service through the reliability and adaptability of its vessel, with a critical awareness of fuel efficiency. This is addressed and achieved through close co-operation with the company's technical managers.

Review of the business and future developments

The Clipper Pennant has been on charter to Seatruck Ferries Ltd continuously throughout the current and preceding year and post year-end. Reliability and cost control have been at satisfactory levels. The loss for the year is a result of depressed charter rates in the market but the company remains optimistic of an improvement in future years. The company's performance in 2016 has been adversely affected by currency exchange issues (2015: positively affected). The senior management of the company is continually seeking ways to mitigate any adverse effects of foreign exchange rates. Further details of the company's performance are set out in the profit and loss account on page 8.

As with many other businesses, the BREXIT decision introduces an unwelcome degree of uncertainty into the market. However the company does not foresee this having a significant impact on its operation. The company anticipates the continuance of its charter to Seatruck Ferries Ltd, and having made enquiries of the charterer it is confident that no major downturn is anticipated in its activities.

Banking arrangements

Clipper Group A/S, of which the company is a subsidiary, has had since 2014 a comprehensive financial agreement maturing early 2018 ensuring a robust cash flow model. In, 2017 Clipper is in the process of concluding the terms of a new long-term financial agreement which will enable the group to continue to reduce its debt. Whereas the terms of the new financial agreement are being agreed the finalisation of the new agreement is still in progress at the time of signing this report.

With the new financing agreement in place the group has adequate capital resources available and in place for the coming years.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

KPIs

The directors use a number of KPIs to the extent necessary to understand the development, performance and position of the company. Primarily these are shipping related indices, and include time-charter and TCE rates, and daily opex.

Principal risks and uncertainties

The company is exposed to a number of operational and financial risks of which the following are the most significant:

Seatruck Pennant Ltd

Strategic report (continued)

Principal risks and uncertainties (continued)

- Market development of roll-on/roll-off charter rates
- Foreign exchange risk
- Interest rate risk
- Credit risk

The directors have in place systems to ensure that the monitoring and control of these risks is ongoing. Policies and procedures are continually being developed to ensure the company is placed in the best possible position to counteract any adverse movements in these variables, and sub-committees regularly report to the board.

Policies considered and deployed where deemed suitable include: matching of currency receipts and payments to reduce exposure, dealing with financially strong and reputable counterparties, and regular market analysis. Policies on the management of interest and capital risks are developed in conjunction with the expertise of the company's parent.

Corporate and social responsibility

The company is fully committed to the following policies:

- To never compromise on the safety of anyone deployed at sea or ashore
- To recognise its responsibility towards the environment, and endeavour constantly to reduce its environmental footprint

These policies are implemented, managed, and reviewed within the overall framework of providing optimal services to customers and making sound business decisions. Health and safety management is a critical part of the company's daily working practices, as is the objective to constantly increase fuel efficiency across all vessels operated.

Signed on behalf of the Board



K Donaldson
Company Secretary

Date: 29 September 2017

Seatruck Pennant Ltd

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

Details of future developments, going concern and financial risk management can all be found in the Strategic Report on pages 2-3.

Results and dividends

The loss for the year was £2,704,785 (2015: loss of £250,929). The impact of foreign currency differences was as follows: 2016: loss of £2,082,097 (2015: profit of £753,653). The directors do not recommend payment of a dividend (2015: £nil).

Directors

The directors who served during the year are as follows:

A Bruun

K Donaldson

A Eagles

H Lund Dal

P Norborg (appointed 1 September 2017)

F Steen (resigned 30 August 2017)

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the 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). 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 of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

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

Disclosure of information to auditor

The directors have made enquiries in accordance with Section 418 of the Companies Act 2006 and report that so far as they are aware, there is no relevant audit information of which the company's auditor is unaware and they have taken all reasonable steps they ought to have 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.

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Directors' report (continued)

Reappointment of auditor

Deloitte LLP resigned as auditors of the company on 22 November 2016 and Moore Stephens LLP were appointed on the same date. Moore Stephens LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed to be reappointed as auditors in the absence of an Annual General Meeting.

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder has been notified in writing about the intention to take advantage of the exemptions and no objections have been received.

Signed on behalf of the Board



K Donaldson
Company Secretary

Date: 29 September 2017

Independent auditor's report to the member of Seatruck Pennant Ltd

We have audited the financial statements of Seatruck Pennant Limited for the year ended 31 December 2016 which are set out on pages 8 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Boards (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £2,704,785 during the year ended 31 December 2016 and, at that date, the company had net current liabilities of £13,620,525. These conditions, along with the other matters relating to the loan refinancing, as explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

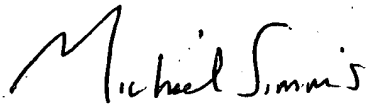
Independent auditor's report to the member of Seatruck Pennant Ltd (continued)

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 or 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, 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.



Michael Simms, *Senior Statutory Auditor*
For and on behalf of Moore Stephens LLP, *Statutory Auditor*
150 Aldersgate Street
London, EC1A 4AB

Date: 29 September 2017

Seatruck Pennant Ltd

Profit and loss account for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	2,791,712	2,512,620
Cost of sales		(2,744,765)	(2,945,393)
Operating loss	4	46,947	(432,773)
Other interest receivable and similar income	5	-	753,653
Interest payable and similar charges	9	(2,749,086)	(569,161)
Loss on ordinary activities before taxation		(2,702,139)	(248,281)
Tax on loss on ordinary activities	10	(2,646)	(2,648)
Loss for the financial year		(2,704,785)	(250,929)

The company has no additional income or adjustments to income other than those included in the results above, and therefore no separate statement of other comprehensive income has been presented.

Seatruck Pennant Ltd

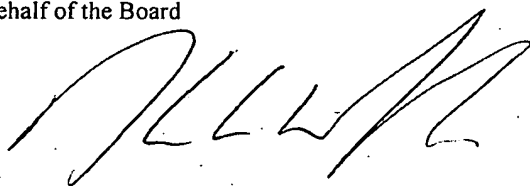
Balance sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	19,817,132	20,917,881
Current assets			
Debtors	12	1,814,519	891,217
Creditors: amounts falling due within one year	13	(15,435,044)	(6,589)
Net current (liabilities)/assets		(13,620,525)	884,628
Total assets less current liabilities		6,196,607	21,802,509
Creditors: amounts falling due after more than one year	14	-	(12,901,117)
Net assets		6,196,607	8,901,392
Capital and reserves			
Called up share capital	16	1	1
Capital contribution	16	10,000,000	10,000,000
Currency reserve	16	1,323,126	1,323,126
Profit and loss account deficit	16	(5,126,520)	(2,421,735)
Shareholder's funds		6,196,607	8,901,392

The financial statements of Seatruck Pennant Ltd, registered number 05564627, were approved by the Board of Directors and authorised for issue on 29 September 2017

Signed on behalf of the Board

A Eagles
Director



Seatruck Pennant Ltd

Statement of changes in equity for the year ended 31 December 2016

	Called up share capital £	Capital contribution account £	Currency reserve £	Profit and loss account deficit £	Total £
At 31 December 2014	1	10,000,000	1,323,126	(2,170,806)	9,152,321
Loss for the financial year	-	-	-	(250,929)	(250,929)
At 31 December 2015	1	10,000,000	1,323,126	(2,421,735)	8,901,392
Loss for the financial year	-	-	-	(2,704,785)	(2,704,785)
At 31 December 2016	1	10,000,000	1,323,126	(5,126,520)	6,196,607

Seatruck Pennant Ltd

Notes to the financial statements for the year ended 31 December 2016

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

Seatruck Pennant Ltd ('the Company') is a private company limited by shares and incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 3.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, Seatruck Ferries Holding Ltd, which may be obtained at North Quay, Port of Heysham, Morecambe Lancashire LA3 2UH. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Going concern

The Company has a range of funding initiatives in place to ensure it remains able to meet its long-term commitments in respect of loans. The company's ongoing revenue generation is secured through charter parties with its sister company, Seatruck Ferries Ltd, and both have the full support of the intermediate parent company, Seatruck Ferries Holding Ltd, in their current trading environment and future development plans. The directors have received confirmation in writing that ongoing financial support will be made available to the company from Seatruck Ferries Holding Ltd for a period of at least 12 months from the date of approval of these financial statements. The directors have considered the financial position of Seatruck Ferries Holding Ltd, including its cash flows, liquidity position and borrowing facilities. The directors are of the opinion that Seatruck Ferries Holding Ltd is well placed to provide the necessary support and that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. As the Company is in a net current liabilities position a letter of support has been obtained from Seatruck Ferries Holding Ltd.

As referred to in note 15, Clipper Group A/S is in the process of concluding the terms of a new long-term financing agreement to replace the current financing agreement which was agreed to expire in early 2018. Whereas the terms of the new financial agreement are being agreed the finalisation of the new agreement is still in progress at the time of signing this report.

At this stage, however, there can be no certainty as regards the finalisation of the new financing agreement upon which the company is reliant.

**Notes to the financial statements (continued)
for the year ended 31 December 2016**

1. Accounting policies (continued)

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The useful economic lives of assets are reviewed at the end of each reporting period and when necessary revised. The company also incurs significant levels of expenditure on dry-docking costs which enhance the condition of the vessels. It is the company's policy to capitalise this expenditure and write it off over the period until the next scheduled dry-dock. The principal annual depreciation rates used are:

Vessels	4%
Dry-docking	24 to 60 months depending on dry-docking interval

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Taxation

The company entered the tonnage tax regime on 13 October 2009. On commencement of trade Seatruck Pennant Ltd became a qualifying company with a qualifying trade and has calculated tax in line with the tonnage tax regime. This regime eliminates future potential liabilities on company profits and calculates tax based on a daily shipping profit. No provision is made for deferred taxation in accordance with the regime.

Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or the exchange rate of a related foreign exchange contract where appropriate. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the date of the transaction. The resulting gain or loss is dealt with in the profit and loss account.

The currency reserve arose on the change of local currency from Euro to Sterling in 2009.

Seatruck Pennant Ltd

Notes to the financial statements (continued) for the year ended 31 December 2016

1. Accounting policies (continued)

Turnover

Turnover represents the invoiced value of services provided during the year excluding value added tax and is net of trade discounts and rebates. Revenue is recognised on the basis of the charter agreement.

Finance costs

Finance costs incurred during the construction stage are capitalised and depreciated over the life of the vessel. Finance costs are recognised in the profit and loss account once the vessel is brought into use.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key source of estimation uncertainty - impairment of vessels

The Group has assessed estimated net selling prices and value in use of vessels. The review of estimated net selling prices was made with reference to prices provided by internationally acknowledged shipbrokers and value in use derived from discounted cash flow calculations. Value in use is derived from discounted cash flow calculations determined on the basis of an assumption of earnings from continued operation of the vessels. The assessments have not given rise to a write-down for impairment in either the current or preceding year.

3. Turnover

Turnover relates to the company's main activity which is carried out in the United Kingdom.

4. Operating loss

	2016	2015
Operating loss is stated after charging	£	£
Depreciation of tangible fixed assets	1,100,749	1,100,729

5. Other interest receivable and similar income

	2016	2015
	£	£
Foreign exchange gain	-	753,653

Foreign exchange gains arise on bank loans and are therefore included in other interest receivable and similar income.

Seatruck Pennant Ltd

Notes to the financial statements (continued) for the year ended 31 December 2016

6. Audit fees

The audit fees for Seatruck Pennant Ltd have been borne by another group company. A reasonable approximation of the fee is £2,000 (2015: £1,650). There were no non-audit services in either year.

7. Employee information

There were no employees during either year apart from the directors.

8. Directors' emoluments

The directors did not receive any emoluments during either year. There are no retirement benefits accruing to any director. The directors are remunerated by Seatruck Ferries Ltd and it is not practicable to allocate amounts to other subsidiaries.

9. Interest payable and similar charges

	2016 £	2015 £
Interest payable on bank loans	666,989	569,161
Foreign exchange loss	2,082,097	-
	<u>2,749,086</u>	<u>569,161</u>

Foreign exchange losses arise on bank loans and are therefore included in other interest payable and similar charges.

10. Taxation

	2016 £	2015 £
Current tax		
UK corporation tax	-	-
UK tonnage tax	1,555	1,574
Overseas tonnage tax	1,091	1,074
Total tax on loss on ordinary activities	<u>2,646</u>	<u>2,648</u>

Reconciliation of tax charge:

	£	£
Loss on ordinary activities before tax	<u>(2,702,139)</u>	<u>(248,281)</u>
Current tax at 20% (2015: 20.25%)	(540,428)	(50,277)
Effects of:		
Tax on loss on vessels and operating activities under tonnage tax	540,428	50,277
Tonnage tax payable	2,646	2,648
Total current tax charge for the year	<u>2,646</u>	<u>2,648</u>

Seatruck Pennant Ltd

Notes to the financial statements (continued) for the year ended 31 December 2016

10. Taxation (continued)

Factors that may affect future tax charges:

The company entered into the UK tonnage tax regime from 13 October 2009. The election was for ten years from 1 January 2006. The company has now extended this for a further ten years from 8 December 2015. The tonnage tax regime eliminates the need to provide for deferred tax on accelerated capital allowances. The company's activities which do not qualify under the tonnage tax remain subject to normal corporation tax.

The standard rate of tax applied to the loss on ordinary activities is 20% (2015: 20.25%). The Finance Act 2015 provides for the reduction in the main rate of corporation tax from 20% to 19% on 1 April 2017 and a subsequent reduction in the main rate to 17% on 1 April 2020. As a result, future taxable profits under the UK tonnage tax regime will be subject to tax at these rates.

11. Tangible fixed assets

	Vessel £	Dry-docking £	Total £
Cost			
At 1 January and 31 December 2016	29,925,315	120,889	30,046,204
Accumulated depreciation			
At 1 January 2016	9,062,661	65,662	9,128,323
Charge for year	1,059,336	41,413	1,100,749
At 31 December 2016	10,121,997	107,075	10,229,072
Net book value			
At 31 December 2016	19,803,318	13,814	19,817,132
At 31 December 2015	20,862,654	55,227	20,917,881

Cumulative finance costs capitalised in the cost of tangible fixed assets amount to £1,152,981 (2015: £1,152,981).

The vessel has been provided as security for a bank loan. At 31 December 2016 the carrying amount of the vessel provided as security for bank loans totalled £19,817,132 (2015: £20,917,881).

Each member of Clipper Group Ltd that is party to the refinancing agreements guarantees with each lender included in the refinancing agreement the punctual performance by all members of Clipper Group Ltd.

12. Debtors

	2016 £	2015 £
Amounts due from group undertakings	1,814,519	891,217

Amounts due from group undertakings are unsecured, do not bear interest and are repayable on demand.

Seatruck Pennant Ltd

Notes to the financial statements (continued) for the year ended 31 December 2016

13. Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loan (note 15)	15,427,711	-
Corporation tax	1,555	1,574
Accruals and deferred income	5,778	5,015
	<u>15,435,044</u>	<u>6,589</u>

14. Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loan (note 15)	<u>-</u>	<u>12,901,117</u>

15. Bank loan

	2016 £	2015 £
Maturity of borrowings		
Less than one year	15,427,711	-
Between one and two years	-	256,646
Between two and five years	-	12,644,471
	<u>15,427,711</u>	<u>12,901,117</u>

Subsequent to the balance sheet date Clipper Group A/S, of which the company is a subsidiary and part of the overall arrangement, is in the process of concluding the terms of a new long-term financing agreement to replace the current financing agreement which was agreed to expire early 2018. Whereas the terms of the new financial agreement are being agreed the finalisation of the new agreement is still in progress at the time of signing this report. As of 31 December 2016 there were breaches of certain conditions in the existing financing agreement. Although the lenders have not requested the loans to be repaid prior to maturity they have been presented as current in the balance sheet in line with the policy adopted by the parent company.

16. Called up share capital and reserves

	2016 £	2015 £
Allotted and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

The Company's reserves are as follows:

The capital contribution account represents a non-distributable equity injection made during the construction phase of the Clipper Pennant.

The currency reserve arose as a translation account when the Company's reporting currency was changed from Euro to Sterling. It is non-distributable.

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

Seatruck Pennant Ltd

Notes to the financial statements (continued) for the year ended 31 December 2016

17. Future minimum lease income

Future income under non-cancellable leases are as follows:

	2016 £	2015 £
Expiry date		
- within one year	2,326,246	1,998,114

18. Events after the balance sheet date

In 2017 Clipper Group A/S, of which the company is a subsidiary, is in the process of concluding the terms of a new long-term financial agreement. Whereas the terms of the new agreement are being agreed the finalisation of the new agreement is still in progress at the time of signing of this report. The financial impact of the new financial agreement will be reflected in the consolidated statements for 2017.

19. Related party transactions

The company has taken advantage of the exemption in FRS 102, section 33.1 (A) not to disclose transactions with other group companies as the company is a wholly-owned subsidiary of Clipper Group A/S.

20. Ultimate parent company

The company's immediate parent company is Seatruck Ferries Holding Ltd a company registered in England. The directors regard Clipper Group Limited, a company incorporated in the Bahamas, as the ultimate parent company.

The largest group in which the results of Seatruck Pennant Ltd are consolidated is that headed by Clipper Group A/S. The smallest group in which the results of Seatruck Pennant Ltd are consolidated is that headed by Seatruck Ferries Holding Ltd. The consolidated financial statements of the largest group are available to the public and may be obtained from Clipper Group A/S, Sundkrogsgade 19, 2100 Copenhagen, Denmark.