

Company Registration No. 02651082 (England and Wales)

RUMFORD TANKERS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



RUMFORD TANKERS LIMITED

CONTENTS

	Page
Statement of financial position	1
Notes to the financial statements	2 - 12

RUMFORD TANKERS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 £000	2019 £000
Non-current assets			
Property, plant and equipment	4	2,060	2,950
Current assets			
Trade and other receivables	5	117	4,345
Current liabilities			
Trade and other payables	6	2,638	4,204
Net current (liabilities)/assets		(2,521)	141
Total assets less current liabilities		(461)	3,091
Net (liabilities)/assets		(461)	3,091
Equity			
Called up share capital	7	-	-
Retained earnings		(461)	3,091

The directors of the company have elected not to include a copy of the income statement within the financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime

The financial statements were approved by the board of directors and authorised for issue on 22 December 2021 and are signed on its behalf by:



Riulf Karsten Rustad
Director

Company Registration No. 02651082

RUMFORD TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Rumford Tankers Limited ("the Company") is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is 1 Park Row, Leeds, United Kingdom, LS1 5AB. The Company's principal activity is the ownership and management of marine assets

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

1.1 Accounting convention

These financial statements were prepared in accordance with the Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The Company has chosen to adapt the formats of the statement of financial position and statement of comprehensive income and has applied the relevant presentation requirements of IAS 1 "Presentation of Financial Statements".

The financial statements are presented in Great British Pounds (£) which is the Company's functional and presentation currency, being the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest thousand pounds (£000) except when otherwise stated.

The financial statements have been prepared on the historical cost basis unless otherwise specified within these accounting policies and in accordance with FRS 101 Reduced Disclosure Framework and the Companies Act 2006. The principal accounting policies adopted are set out below.

The Company meets the definition of a qualifying entity under FRS 101.

1.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

RUMFORD TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.3 Going concern

The Company has net current liabilities of £2.52m and net liabilities of £461k, which includes amounts due to fellow group companies of £2.64m. Despite this, the directors, having made due and careful enquiry, are of the opinion that the Company has adequate working capital to execute its operations over the next 12 months. The ultimate parent Company, Ousdal AS, has provided a letter of support to the Company noting that there is financial support available if required, for at least 12 months from the date of signing of the financial statements, to enable the Company to meet its liabilities as they fall due. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

1.4 Turnover

Income from bareboat charters is recognised on a straight-line basis over the term of the relevant charter and is stated net of discounts and sale taxes.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a straight line basis over their expected useful economic lives, as follows:

Vessel fleet	From date of purchase to vessel age of 30 years
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Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. A residual value of £5m has been determined for the vessel fleet. The Company owns 18.9% of the vessel fleet with the remaining 81.1% being held by a related party.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.6 Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below:

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a cash-generating unit (CGU), the reversal is applied first to the assets of the CGU on a pro-rata basis.

RUMFORD TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Financial assets

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

1.7 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost using the effective interest method:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

The Company's financial assets comprise only those measured at amortised cost.

RUMFORD TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

The Company has no purchased or originated credit-impaired financial assets.

Interest income is recognised in profit or loss and is included in the "finance income" line item.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on amounts due from group companies. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The expected credit losses on these financial assets are estimated with reference to the net assets of the respective counterparty at reporting date. An expected credit loss allowance is recognised to the extent the financial asset exceeds the net assets of the counterparty. In the event the counterparty's net assets are less than the carrying amount of the financial asset and the counterparty is an active trading entity, further consideration of the counterparties projected future cash inflows is made before recognition of an expected credit loss. To the extent there are supportable expectations for the counterparty to generate sufficient future cash inflows to settle amounts due to the Company, no expected credit loss is recognised.

The amounts due from group companies do not have set repayment dates.

RUMFORD TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a. significant financial difficulty of the issuer or the borrower;
- b. a breach of contract, such as a default or past due event (see (ii) above);
- c. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- d. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e. the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Company writes off a financial asset when there is information indicating that there is no realistic prospect of recovery, e.g. when the related group Company is being wound up and has no capacity to settle the outstanding amounts due to fellow group companies.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. The Company does not have compound instruments.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The Company only has financial liabilities subsequently measured at amortised cost.

RUMFORD TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Financial liabilities measured subsequently at amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax, including UK corporation tax and overseas tax, is provided at amounts expected to be paid (or recovered) using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only when there is legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

RUMFORD TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. The deferred tax assets and liabilities are not discounted. Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

RUMFORD TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Adoption of new and revised standards and changes in accounting policies

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

		<u>Effective from:</u>
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-Current	1 January 2023
IAS 16 (Amendments)	Property, Plant and Equipment - proceeds before intended use	1 January 2022
Annual Improvements 2018-2020 Cycle	Amendments to IFRS 1 (subsidiary as a first-time adopter), IFRS 9 (fees in the "10 percent test" for derecognition of financial liabilities), IFRS 16 (lease incentives), IAS 41 (taxation in the fair value measurements)	1 January 2022
IFRS 3 (Amendments)	References to the Conceptual Framework	1 January 2022
IAS 37 (Amendments)	Onerous contracts - cost of fulfilling a contract	1 January 2022
IFRS 4 (Amendments)	Extension of the Temporary Exemption from Applying IFRS 9	1 January 2023

The Directors' do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company' aside from additional disclosures.

RUMFORD TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

3	Exceptional items	2020 £000	2019 £000
	Impairment of vessel	760	669
	Intercompany impairment	105	-
	Loan waiver	2,557	-
		<u>3,422</u>	<u>669</u>

The vessel has been cold stacked whilst management seek new opportunities following difficult market conditions and this led to the vessel being impaired down to the value obtained from an independent ship broker. The impairment charge recognised in 2019 was £0.7m. In the year ended 31 December 2020, management impaired the vessel by a further £0.76m.

As part of a group restructure including disposal of entities by the wider group, there was an intercompany impairment charge of £0.1m and a loan waiver of £2.6m in the year ended 31 December 2020.

4 Property, plant and equipment

	Vessel fleet £000
Cost	
At 31 December 2019	6,338
At 31 December 2020	<u>6,338</u>
Accumulated depreciation and impairment	
At 31 December 2019	3,388
Charge for the year	130
Impairment loss (profit or loss)	760
At 31 December 2020	<u>4,278</u>
Carrying amount	
At 31 December 2020	<u>2,060</u>
At 31 December 2019	<u>2,950</u>

Vessel fleet includes assets with a total net book value of £2,060k (2019: £2,950k) which are provided as collateral to the loan received from the ultimate parent Company.

5 Trade and other receivables

	2020 £000	2019 £000
Amounts owed by fellow group undertakings - loan	75	4,204
Amounts owed by fellow group undertakings - trading	42	141
	<u>117</u>	<u>4,345</u>

RUMFORD TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Trade and other receivables

(Continued)

Intercompany loan balances attract interest at a rate of 8.0%. Interest is not charged on intercompany trading balances settled within terms. Intercompany balances are repayable on demand.

6 Trade and other payables

	2020 £000	2019 £000
Amounts owed to fellow group undertakings - loan	2,638	4,204

Intercompany loan balances attract interest at a rate of 8.0%. Interest is not charged on intercompany trading balances settled within terms. Intercompany balances are repayable on demand.

7 Share capital

	2020 £	2019 £
Authorised, issued and fully paid		
100 Ordinary shares of £1 each	100	100

The numbers are stated as the full amount and not in round thousands.

8 Related party transactions

The Company has taken advantage of the disclosure exemption under FRS 101 which exempts them from disclosing related party transactions with fellow group undertakings as outlined in IAS 24, as 100% of the voting rights are controlled by the ultimate parent undertaking, Ousdal AS.

9 Ultimate parent company and controlling party

The immediate parent Company is Rever Offshore Vessel Management Limited, a Company registered in England and Wales. The ultimate parent undertaking is Ousdal AS, a Company registered in Norway. The controlling party of Ousdal AS is Riulf Karsten Rustad. Ousdal AS is the parent undertaking of the smallest and largest group which consolidates these financial statements. A copy of these accounts are available from Nedre Vollgate 1, 0158, Oslo, Norway.

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The auditor was Anderson Anderson and Brown Audit LLP.

RUMFORD TANKERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Post balance sheet event

Following the end of the period, the company entered into a conditional sale and purchase agreement for its share in the Rever Sapphire. The agreement is conditional upon inter alia reactivation of the vessel and is expected to be closed in Q1 2022.