Registration number: 03690154

# Tankspan Leasing Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018



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

# Tankspan Leasing Limited

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# Tankspan Leasing Limited

## Company Information

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

## Tankspan Leasing Limited

## (Registration number: 03690154)
## Balance Sheet as at 31 December 2018

| | Note | 2018 US$ | 2017 US$ |
|---|---|---|---|
| **Fixed assets** | | | |
| Tangible assets | 5 | 13,069,923 | 13,618,788 |
| **Current assets** | | | |
| Debtors | 6 | 2,250,155 | 3,072,726 |
| Cash at bank and in hand | | 912,490 | 219,432 |
| | | 3,162,645 | 3,292,158 |
| **Creditors**: Amounts falling due within one year | 7 | (3,464,310) | (3,929,307) |
| **Net current liabilities** | | (301,665) | (637,149) |
| **Total assets less current liabilities** | | 12,768,258 | 12,981,639 |
| **Creditors**: Amounts falling due after more than one year | 7 | (10,203,082) | (11,267,310) |
| **Provisions for liabilities** | | (250,360) | (138,061) |
| **Net assets** | | 2,314,816 | 1,576,268 |
| **Capital and reserves** | | | |
| Called up share capital | | 16,000 | 16,000 |
| Profit and loss account | | 2,298,816 | 1,560,268 |
| Total equity | | 2,314,816 | 1,576,268 |

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

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

Approved and authorised by the Board on 18 March 2019 and signed on its behalf by:

DK Moon

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Mr D K Moon
Director

## 1 General information

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

The address of its registered office is:
The Old Farm Office
Peper Harow Park
Godalming
Surrey
GU8 6BQ

The principal place of business is:
The Old Farm Office
Peper Harow Park
Godalming
Surrey
GU8 6BQ

These financial statements were authorised for issue by the Board on 18 March 2019.

## 2 Accounting policies

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

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

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

The financial statements are presented in US Dollars ($)

**Audit report**
The Independent Auditors' Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 18 March 2019 was Roger White, who signed for and on behalf of Saul Fairholm Limited.

**Revenue recognition - third party fleet management**
Turnover comprises the fair value of the consideration received or receivable for managing, letting and promoting marine shipping containers. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

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

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

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

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

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

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

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

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

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

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

# Tankspan Leasing Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 3 Staff numbers

The average number of persons employed by the company (including directors with contracts of employment) during the year was 4 (2017 - 5).

### 4 Intangible assets

| | Goodwill US$ | Total US$ |
|---|---|---|
| **Cost or valuation** | | |
| At 1 January 2018 | 100,000 | 100,000 |
| At 31 December 2018 | 100,000 | 100,000 |
| **Amortisation** | | |
| At 1 January 2018 | 100,000 | 100,000 |
| At 31 December 2018 | 100,000 | 100,000 |
| **Carrying amount** | | |
| At 31 December 2018 | - | - |

### 5 Tangible assets

| | Equipment US$ | Equipment hired to customers US$ | Total US$ |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 1 January 2018 | 109,949 | 16,595,418 | 16,705,367 |
| Additions | 1,138 | - | 1,138 |
| Disposals | - | (1,992,859) | (1,992,859) |
| At 31 December 2018 | 111,087 | 14,602,559 | 14,713,646 |
| **Depreciation** | | | |
| At 1 January 2018 | 109,949 | 2,976,630 | 3,086,579 |
| Charge for the year | 158 | 384,345 | 384,503 |
| Eliminated on disposal | - | (1,827,359) | (1,827,359) |
| At 31 December 2018 | 110,107 | 1,533,616 | 1,643,723 |
| **Carrying amount** | | | |
| At 31 December 2018 | 980 | 13,068,943 | 13,069,923 |
| At 31 December 2017 | - | 13,618,788 | 13,618,788 |

## 6 Debtors

| | 2018<br>US$ | 2017<br>US$ |
|---|---|---|
| Trade debtors | 1,760,346 | 2,860,685 |
| Prepayments | 163,406 | 150,858 |
| Other debtors | 326,403 | 61,183 |
| | 2,250,155 | 3,072,726 |

# Tankspan Leasing Limited

## Notes to the Financial Statements for the Year Ended 31 December 2018

### 7 Creditors

**Creditors: amounts falling due within one year**

| | Note | 2018<br>US$ | 2017<br>US$ |
|---|---|---|---|
| **Due within one year** | | | |
| Loans and borrowings | 8 | 1,064,228 | 1,066,524 |
| Trade creditors | | 2,219,710 | 2,842,958 |
| Taxation and social security | | 151,845 | 18,034 |
| Other creditors | | 28,527 | 1,791 |
| | | 3,464,310 | 3,929,307 |
| **Due after one year** | | | |
| Loans and borrowings | 8 | 10,203,082 | 11,267,310 |

**Creditors: amounts falling due after more than one year**

| | 2018<br>US$ | 2017<br>US$ |
|---|---|---|
| After more than five years by instalments | 4,979,622 | 5,761,227 |
| | 4,979,622 | 5,761,227 |

### 8 Loans and borrowings

| | 2018<br>US$ | 2017<br>US$ |
|---|---|---|
| **Non-current loans and borrowings** | | |
| Bank borrowings | 1,821,256 | 1,980,461 |
| Finance lease liabilities | 8,381,826 | 9,286,849 |
| | 10,203,082 | 11,267,310 |

| | 2018<br>US$ | 2017<br>US$ |
|---|---|---|
| **Current loans and borrowings** | | |
| Bank borrowings | 159,205 | 152,904 |
| Finance lease liabilities | 905,023 | 913,620 |
| | 1,064,228 | 1,066,524 |

**Bank borrowings**
Bank borrowings is denominated in US$ with a nominal interest rate of 3.99%, and the final instalment is due on 30 June 2021. The carrying amount at year end is US$1,980,461 (2017 - US$2,133,365).

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

**Finance lease liabilities**
Finance lease liabilities of US$9,286,849 (2017 - US$10,200,469) are secured on the related assets.

## 9 Financial commitments, guarantees and contingencies

**Amounts not provided for in the balance sheet**

The total amount of financial commitments not included in the balance sheet is US$9,388,843 (2017 - US$3,749,729). The financial commitments relate to the lease of the office premises for $120,381 and operating leases on tanks for $9,268,462. Each operating lease is subsequently leased to a customer at a higher price.

**Capital commitments**
The capital commitment relates to the acquisition of 100 tanks as part of a 9 year rental period.
The total amount contracted for but not provided in the financial statements was US$1,639,224 (2017 - US$Nil).

## 10 Parent and ultimate parent undertaking

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