

REGISTERED NUMBER: 09011953 (England and Wales)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
SMS INTERNATIONAL SHORE OPERATIONS
(EUROPE) LIMITED

**SMS INTERNATIONAL SHORE OPERATIONS
(EUROPE) LIMITED (REGISTERED NUMBER: 09011953)**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

**SMS INTERNATIONAL SHORE OPERATIONS
(EUROPE) LIMITED**

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

DIRECTORS:

Samuel Mifsud
Simon Mifsud
Christopher John Blanchard

REGISTERED OFFICE:

40/42 Kenway Road
Earls Court
London
SW5 0RA

REGISTERED NUMBER:

09011953 (England and Wales)

AUDITORS:

Arithma LLP Statutory Auditor
Chartered Certified Accountants
9 Mansfield Street
London
W1G 9NY

**SMS INTERNATIONAL SHORE OPERATIONS
(EUROPE) LIMITED (REGISTERED NUMBER: 09011953)**

**BALANCE SHEET
31 DECEMBER 2020**

	Notes	2020 €	€	2019 €	€
FIXED ASSETS					
Tangible assets	4		15,099		14,660
CURRENT ASSETS					
Debtors	5	705,570		2,514,130	
Cash at bank and in hand		<u>22,181</u>		<u>34,163</u>	
		727,751		2,548,293	
CREDITORS					
Amounts falling due within one year	6	<u>1,567,127</u>		<u>3,132,837</u>	
NET CURRENT LIABILITIES			<u>(839,376)</u>		<u>(584,544)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(824,277)</u>		<u>(569,884)</u>
CAPITAL AND RESERVES					
Called up share capital			1		1
Retained earnings			<u>(824,278)</u>		<u>(569,885)</u>
SHAREHOLDERS' FUNDS			<u>(824,277)</u>		<u>(569,884)</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 16 December 2021 and were signed on its behalf by:

Simon Mifsud - Director

The notes form part of these financial statements

**SMS INTERNATIONAL SHORE OPERATIONS
(EUROPE) LIMITED (REGISTERED NUMBER: 09011953)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. STATUTORY INFORMATION

SMS International Shore Operations (Europe) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

**BASIS OF PREPARING THE FINANCIAL STATEMENTS
GOING CONCERN**

During the year ended 31 December 2020, the company made a loss of €254,393 and had negative shareholders funds of £824,277 as at 31 December 2020. Included in creditors are balances totalling €1,567,127 due to fellow group companies.

The company's operations are reliant on the success of the cruise line industry for its operating activity. COVID-19 had a severe impact on this industry during 2020 and to manoeuvre itself out of the challenges, the company rationalised its costs, closed its operations in Denmark and Netherlands. The company had no calls from early March to July and commenced services in Italy in August which helped reduce the loss.

In the current period, the company has been servicing calls in Italy mainly and it has returned to profitability..

Whilst trading has improved, the company continues to rely on various group companies for confirmation of support. In this regard, it has received confirmation of financial support from its penultimate and ultimate parent companies to enable it to continue trading for the foreseeable future being a period not less than 12 months from the date of approval of these financial statements.

Based on the above, the directors believe that there is a reasonable expectation that the company will continue in operational existence for a period of at least twelve months from the date of the approval of these financial statements. Accordingly the accounts are prepared on a going concern basis.

TURNOVER

Turnover comprises of invoiced value of ground handling services to cruise companies in Italy, Netherlands and Denmark. Turnover is recognised upon delivery of the services. Turnover for services provided for UK customers is included net of value added tax.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.
Plant and machinery etc - 15% on cost

**SMS INTERNATIONAL SHORE OPERATIONS
(EUROPE) LIMITED (REGISTERED NUMBER: 09011953)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES - continued

FINANCIAL INSTRUMENTS

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 company after deducting all of its liabilities.

**SMS INTERNATIONAL SHORE OPERATIONS
(EUROPE) LIMITED (REGISTERED NUMBER: 09011953)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES - continued

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables 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 payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

TAXATION

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

FOREIGN CURRENCIES

The company's reporting currency is Euro (€)

Assets and liabilities in foreign currencies are translated into Euros at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Euros at average monthly HMRC rates based on the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**SMS INTERNATIONAL SHORE OPERATIONS
(EUROPE) LIMITED (REGISTERED NUMBER: 09011953)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2019 - NIL).

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc €
COST	
At 1 January 2020	16,943
Additions	3,444
At 31 December 2020	<u>20,387</u>
DEPRECIATION	
At 1 January 2020	2,283
Charge for year	3,005
At 31 December 2020	<u>5,288</u>
NET BOOK VALUE	
At 31 December 2020	<u>15,099</u>
At 31 December 2019	<u>14,660</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 €	2019 €
Trade debtors	320,483	854,075
Amounts owed by group undertakings	207,540	1,485,867
Other debtors	<u>177,547</u>	<u>174,188</u>
	<u>705,570</u>	<u>2,514,130</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 €	2019 €
Trade creditors	166,406	709,991
Amounts owed to group undertakings	1,316,691	1,693,078
Other creditors	<u>84,030</u>	<u>729,768</u>
	<u>1,567,127</u>	<u>3,132,837</u>

7. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Upen Shah (Senior Statutory Auditor)
for and on behalf of Arithma LLP Statutory Auditor

**SMS INTERNATIONAL SHORE OPERATIONS
(EUROPE) LIMITED (REGISTERED NUMBER: 09011953)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year, the company made sales of €Nil (2019: €42,655) to Orange Travel Group Ltd and its subsidiaries. At the balance sheet date, Orange Travel Group Limited and its subsidiaries owed €Nil (2019: €45,243) to the company. Samuel Mifsud is a director of Orange Travel Group Limited and 50% of the shares are owned by fellow group company, SMS Group Ltd.

During the period, the company made purchases of €3,545 (2019: €34,715) from SMS Mondial Limited, a subsidiary of Orange Travel Group Limited. At the balance sheet date the company owed €3,545 (2019 - €614,777) to that company.

During the period, the company paid consultancy fees of €82,782 (2019: €79,954) to International Destination Management Consultancy Limited ("IDMC"), a company of which Christopher Blanchard is a director and shareholder. At the balance sheet IDMC owed the company €Nil (2019: €3,903).

During the period, the company made purchases of €Nil (2019 - €118,994) of ground handling services from McCarthy & Mifsud Limited. That company is 50% owned by S. Mifsud & Sons (UK) Limited, the company's parent.

9. ULTIMATE CONTROLLING PARTY

The company's immediate parent company is S. Mifsud & Sons (UK) Limited. The address of the registered office and principle place of business is 40/42 Kenway Road, Earls Court, London SW5 0RA.

The company's ultimate parent company is Nevada Limited with its registered office at 64 Birkirkara Hill, St Julian's STJ 1143 Malta.

SMS Group Limited, an intermediate parent company, heads the smallest group which prepares consolidated financial statements. It's registered office is located at 64 Birkirkara Hill, St Julian's STJ 1143 Malta.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.