

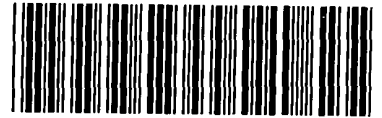
Registration number: 09332945

# Ocean Prefect Shipping Limited

Financial Statements

for the Year Ended 31 December 2020

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## **Ocean Prefect Shipping Limited**

### **Company Information**

<b>Directors</b>	G.N. Georgiou
	E. Kouligkas
<b>Registered office</b>	13-14 Hobart Place London United Kingdom SW1W 0HH
<b>Auditor</b>	BDO LLP London United Kingdom

## Ocean Prefect Shipping Limited

### Strategic Report for the Year Ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

#### Fair review of the business

The Company's principal activity was the ownership and operation of a vessel. In 2018, the Company disposed of its vessel with a net book value of US\$10,723,000 and received net proceeds of US\$8,759,000 which resulted in a loss on disposal of US\$1,964,000.

The Company is now dormant and directors intend to liquidate the Company within the foreseeable future.

The Company's key performance indicators during the year were as follows:

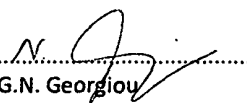
	2020 US\$ 000	2019 US\$ 000
Revenue	-	-
Total operating days	-	-
EBITDA*	630	68

*\*EBITDA is defined as earnings before interest, tax, depreciation, impairment and amortisation and any other non-operating costs or income and is broadly reflective of the Company's ability to generate positive cash flows from its operations.*

#### Financial risk management

The Company is now dormant therefore is not exposed to significant financial risk. The policies set out by the Board are implemented by the accounting department of a fellow subsidiary company. See further details in Note 11.

Approved by the Board on 17/12/2021 and signed on its behalf by:

  
G.N. Georgiou  
Director

## **Ocean Prefect Shipping Limited**

### **Directors' Report for the Year Ended 31 December 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

#### **Directors of the Company**

The directors during the financial year and up to the signing of this report were as follows:

G.N. Georgiou

E. Kouligkas

A. Boehme (resigned 25 July 2020)

#### **Principal activity**

The principal activity of the Company was formerly the operation and ownership of a vessel. During 2018, the vessel was sold and the Company is now dormant. The directors intend to liquidate the Company within the foreseeable future.

#### **Basis other than going concern**

The Company's vessel was disposed of in 2018 and the directors intend to liquidate the Company in the foreseeable future. The directors do not consider the Company to be a going concern and accordingly these financial statements have been prepared on a basis other than going concern. Lomar Corporation Limited has undertaken to provide financial support to enable the Company to meet its obligations as they fall due until the Company is liquidated.

Accordingly, all assets of the Company are measured at the lower of their carrying amounts and estimated realisable value and all liabilities are measured at their estimated settlement amounts as at 31 December 2020. No adjustments were required to the financial statements as a result of preparing them on a basis other than that of a going concern.

#### **Results and dividends**

The profit for the year ended 31 December 2020 for the Company was US\$632,000 (2019: US\$68,000). The directors did not propose a payment of a dividend (2019: US\$nil).

#### **Important adjusting and non-adjusting events after the reporting period**

There have been no significant events subsequent to the reporting date which are outside the Company's normal trading activities, other than those included in Note 14.

## **Ocean Prefect Shipping Limited**

### **Directors' Report for the Year Ended 31 December 2020 (continued)**

#### **Disclosure of information to the auditor**


At the time when this report is approved the directors have confirmed that:

- (a) so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) they have taken all steps that ought to have done as directors, including making appropriate enquiries of the Company's auditor for that purpose, in order to be aware of information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

#### **Reappointment of auditor**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of BDO LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 17/12/2021. and signed on its behalf by:

  
.....  
G.N. Georgiou  
Director

## **Ocean Prefect Shipping Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual 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 International Accounting Standards in conformity with the requirements of the Companies Act 2006. 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Accounting Standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. As expanded in Note 2 to the financial statements, the directors do not believe the going concern basis is appropriate and in consequence these financial statements have not been prepared on a going concern basis.

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.

## **Ocean Prefect Shipping Limited**

### **Independent Auditor's Report to the Members of Ocean Prefect Shipping Limited**

#### **Opinion on the 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Ocean Prefect Shipping Limited ("The Company") for the year ended 31 December 2020, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Emphasis of matter – financial statements prepared on a basis other than going concern**

We draw attention to Note 2 to the financial statements which explains that the Directors intend to liquidate the Company and therefore do not consider the Company to be a going concern. Accordingly the financial statements have been prepared on a basis other than that of going concern as described in Note 2. Our opinion is not modified in respect of this matter.

## **Ocean Prefect Shipping Limited**

### **Independent Auditor's Report to the Members of Ocean Prefect Shipping Limited (continued)**

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Other Companies Act 2006 reporting**

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

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.



## **Ocean Prefect Shipping Limited**

### **Independent Auditor's Report to the Members of Ocean Prefect Shipping Limited (continued)**

#### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### **Extent to which the audit was capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and industry, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax. The Company is also subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, maritime law, employment law and certain aspects of relevant applicable legislation in the countries where the Company operates.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue, management bias in accounting estimates and the adoption of inappropriate accounting policies.

Audit procedures performed by the engagement team included:

- inspecting correspondence with regulators, tax authorities and lawyers;
- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

## Ocean Prefect Shipping Limited

### Independent Auditor's Report to the Members of Ocean Prefect Shipping Limited (continued)

#### Extent to which the audit was capable of detecting irregularities, including fraud (continued)

- inspecting legal and professional fees for indications of non-compliance with laws and regulations;
- evaluating management's controls designed to prevent and detect irregularities;
- identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- challenging assumptions and judgements made by management in their critical accounting estimates.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

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 auditor's 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.

DocuSigned by:

Michael Simms

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Michael Simms (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor

London  
United Kingdom

Date: 17 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Ocean Prefect Shipping Limited

## Statement of Comprehensive Income for the Year Ended 31 December 2020

	Note	2020 US\$ 000	2019 US\$ 000
Revenue	2	-	-
Direct costs		-	-
Gross profit		-	-
<b>Operating expenses:</b>			
Administrative expenses		-	(18)
Operating loss	5	-	(18)
Other income	4	630	86
Exchange gains		2	-
Profit before taxation		632	68
Taxation	7	-	-
Profit after taxation		632	68
Total comprehensive income for the year		632	68

The Company has no items of other comprehensive income for the year.

The notes on pages 14 to 26 form an integral part of these financial statements.

**Ocean Prefect Shipping Limited**

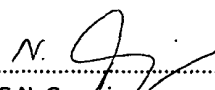
**(Registration number: 09332945)**

**Statement of Financial Position as at 31 December 2020**

	Note	2020 US\$ 000	2019 US\$ 000
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	8	<u>247</u>	<u>166</u>
Total assets		<u>247</u>	<u>166</u>
<b>Equity and liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	<u>10,329</u>	<u>10,880</u>
Total liabilities		<u>10,329</u>	<u>10,880</u>
<b>Equity</b>			
Share capital*	12	-	-
Accumulated deficit		<u>(10,082)</u>	<u>(10,714)</u>
Total equity		<u>(10,082)</u>	<u>(10,714)</u>
Total equity and liabilities		<u>247</u>	<u>166</u>

\*Total share capital is US\$2.

Approved by the Board on ~~17/12/2021~~ and signed on its behalf by:

  
.....  
G.N. Georgiou  
Director

The notes on pages 14 to 26 form an integral part of these financial statements.

# **Ocean Prefect Shipping Limited**

## **Statement of Changes in Equity for the Year Ended 31 December 2020**

	<b>Share capital*</b> <b>US\$ 000</b>	<b>Accumulated deficit</b> <b>US\$ 000</b>	<b>Total</b> <b>US\$ 000</b>
At 1 January 2019	-	(10,782)	(10,782)
Total comprehensive income	-	68	68
At 31 December 2019	-	(10,714)	(10,714)

	<b>Share capital*</b> <b>US\$ 000</b>	<b>Accumulated deficit</b> <b>US\$ 000</b>	<b>Total</b> <b>US\$ 000</b>
At 1 January 2020	-	(10,714)	(10,714)
Total comprehensive income	-	632	632
At 31 December 2020	-	(10,082)	(10,082)

\*Total share capital is US\$2

The notes on pages 14 to 26 form an integral part of these financial statements.

## Ocean Prefect Shipping Limited

### Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 US\$ 000	2019 US\$ 000
<b>Cash flows from/(used in) operating activities</b>			
Profit before taxation		632	68
Other non-cash income		<u>(630)</u>	<u>(86)</u>
		2	(18)
Changes to working capital:			
(Increase)/decrease in trade and other receivables	8	(81)	13
Increase in trade and other payables	9	<u>79</u>	<u>-</u>
Net cash outflows used in operating activities		<u>-</u>	<u>(5)</u>
Net decrease in cash and cash equivalents		-	(5)
Cash and cash equivalents at 1 January		<u>-</u>	<u>5</u>
Cash and cash equivalents at 31 December		<u><u>-</u></u>	<u><u>-</u></u>

The notes on pages 14 to 26 form an integral part of these financial statements.

## **Ocean Prefect Shipping Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **1 General information**

The Company is a private company limited by share capital, incorporated on 28 November 2014 and domiciled in the United Kingdom.

The address of its registered office is:

13-14 Hobart Place  
London  
United Kingdom  
SW1W 0HH

The immediate parent company is OP Shipping Limited, a company incorporated in the United Kingdom. The intermediate parent company is Lomar Corporation Limited, a company incorporated in Bermuda. The Company's ultimate controlling undertaking is Libra Holdings Limited, of Bermuda, wholly owned under an overseas family discretionary settlement, the beneficiaries of which include the family of M.G. Logothetis.

The principal activity of the entity was formerly the operation and ownership of a vessel. During 2018, the vessel was sold and the Company is now dormant. The directors intend to liquidate the Company within the foreseeable future.

#### **2 Accounting policies**

##### **Statement of compliance**

The Company's financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of Companies Act 2006.

##### **Basis of preparation**

The financial statements have been prepared in accordance with adopted International Accounting Standards and under historical cost accounting rules.

The preparation of financial statements in conformity with International Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies (refer to Note 3).

## **Ocean Prefect Shipping Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Basis other than going concern**

The Company's vessel was disposed of in 2018 and the directors intend to liquidate the Company in the foreseeable future. The directors do not consider the Company to be a going concern and accordingly these financial statements have been prepared on a basis other than going concern. Lomar Corporation Limited has undertaken to provide financial support to enable the Company to meet its obligations as they fall due until the Company is liquidated.

Accordingly, all assets of the Company are measured at the lower of their carrying amounts and estimated realisable value and all liabilities are measured at their estimated settlement amounts as at 31 December 2020. No adjustments were required to the financial statements as a result of preparing them on a basis other than that of a going concern.

##### **Recent accounting pronouncements**

The Company has adopted the new interpretations and revised standards effective for the year ended 31 December 2020. The adoption of these interpretations and revised standards have not had a significant effect on the Company.

These new interpretations and revised standards are:

- Revised Definition of a Business (Amendments to IFRS 3);
- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Disclosure Initiative - Definition of Material);
- COVID-19-Related Rent Concessions (Amendments to IFRS 16);
- Revisions to the Conceptual Framework for Financial Reporting; and
- Interest benchmark reform (amendment to IFRS 9, IAS 39 and IFRS 7).



## **Ocean Prefect Shipping Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **New standards not yet effective**

The IASB published an exposure draft Classification of Liabilities as Current or Non-current - Deferral Effective Date (proposed amendment to IAS 1), proposing to defer the effective date of January 2020 amendments to IAS 1 by one year to annual reporting periods beginning on or after 1 January, 2023. The amendments on Classification of Liabilities as Current or Non-current (amendments to IAS 1) affect only the presentation of liabilities on the statement of financial position.

Additionally, a number of new standards and amendments to existing standards have been published which are mandatory, but are not effective for the year ended 31 December 2020. The directors do not anticipate that the adoption of these revised standards and interpretations will have a significant impact on the figures included in the financial statements in the period of initial application.

##### **Foreign currencies**

The functional and presentational currency is the United States dollar. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the reporting date. Revenue, costs and non-monetary assets and liabilities are translated at the exchange rates ruling at the dates of transactions. Foreign exchange gains and losses are included in the statement of comprehensive income.

##### **Income tax**

Current tax is provided for at amounts to be paid using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

The Company was engaged in shipping activities which were governed by the U.K. Tonnage Tax regime until its vessel was sold in 2018.

##### **Trade and other receivables**

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less appropriate allowances for credit losses over the lifetime of the financial asset. The Company reviews the ageing of receivables regularly.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash at bank and in hand and deposits maturing within three months of the date of deposit.

## **Ocean Prefect Shipping Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **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.

##### **Financial instruments**

###### ***Initial recognition***

Financial assets and liabilities are initially recognised on the statement of financial position at fair value when the Company has become party to the contractual provisions of the instruments. 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.

###### ***Classification and measurement***

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- 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 other than marketable securities and derivative financial instruments are categorised as financial assets held at amortised cost. Such assets are subsequently carried at amortised cost using the effective interest method, if the time value of money may have a significant impact on their value, less allowances for any expected lifetime credit losses. Marketable securities are measured at fair value through profit or loss. The Company has no financial assets classified as FVTOCI.

## **Ocean Prefect Shipping Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### ***Impairment of financial assets***

The Company recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost including lease receivables, trade receivables and contract assets. 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 Company always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Company assesses at the reporting date whether there is objective evidence that there has been an increase in the credit risk of its financial assets. The Company uses criteria such as significant financial difficulty of the counterparty, the disappearance of an active market for that financial asset because of financial difficulties and breaches of contract as objective evidence.

##### ***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.

## **Ocean Prefect Shipping Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Financial liabilities**

The Company's financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

The effective interest method 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 (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period to the amortised cost of a financial liability.

The Company's financial liabilities include trade and other payables.

##### ***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 should be recognised in profit or loss as the modification gain or loss within other gains and losses.

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

In the process of applying the Company's accounting policies, the directors have made the following accounting judgements and key assumptions concerning the future and other sources of estimation uncertainty, which have the most significant effect on the amounts recognised in the financial statements:

## Ocean Prefect Shipping Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 3 Critical accounting judgements and key sources of estimation uncertainty (continued)

##### Loss allowances

Loss allowances for financial assets are based on assumptions about risk of default and expected loss rate. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation. In particular, at each reporting date, management performs an assessment of the collectability of open trade receivables on an individual basis. Such assessment is performed by taking into consideration the Company's history of write-offs, the balance and nature of uncollected trade receivables that are deemed past due as per the terms and conditions of the contracts with its customers, as well as the credit risk characteristics of and its relationships with its customers. In addition, actual recoverability is factored in by assessing the payment patterns evidenced subsequent to the reporting date. Accordingly, management determines the appropriate provision for doubtful receivables using a provision matrix and a pre-determined set of ageing categories (refer to the Financial Instruments Note - Credit risk) at the end of each reporting period. Where the balance is not deemed recoverable in its entirety, it is written off to statement of comprehensive income in the period of review.

Following the outbreak of COVID-19, for the year ended 31 December 2020, the Company has applied a more prudent approach in the assessment of expected credit losses, by assuming a higher risk of default in relation to balances that remain outstanding for a period longer than 30 days.

#### 4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2020 US\$ 000	2019 US\$ 000
Other operating income	630	86

Other operating income relates to the reversal of trade payables, other payables and accruals, which no longer meet the definition of a liability.

#### 5 Operating loss

During 2020, the audit fees of US\$2,000 (2019: US\$6,000) and non-audit fees relating to tax compliance of US\$nil (2019: US\$2,000) allocated to the Company, were borne by the immediate parent company.

## Ocean Prefect Shipping Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 6 Staff number and costs

During 2020 and 2019, no one was employed under contract by the Company. Administrative staff are employed and paid by a fellow subsidiary company for a management fee. The directors did not receive any emoluments in respect of their services to the Company and are also paid by a fellow subsidiary.

#### 7 Income tax

The Company was engaged in shipping activities which were governed by the U.K. Tonnage Tax regime until its vessel was sold in 2018. Under this regime, the Company's ship owning and operating activities were taxed based on the net tonnage of the vessel operated. Any income and profits outside the Tonnage Tax regime are taxed under the normal U.K. Corporation Tax rules at 19% (2019: 19%).

The Company has not generated any income or profit during the years ended 31 December 2020 and 2019, which is assessable for income tax.

#### 8 Trade and other receivables

	2020 US\$ 000	2019 US\$ 000
Trade receivables from contracts with customers	-	3
Lease receivables and other trade receivables	54	51
Prepayments	54	50
Other receivables	139	62
	<u>247</u>	<u>166</u>

The following table summarises the movements in trade receivables from contracts with customers for the years ended 31 December 2020 and 2019:

## Ocean Prefect Shipping Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 8 Trade and other receivables (continued)

	2020 Contract receivables US\$ 000	2019 Contract receivables US\$ 000
At 1 January	3	52
Impairment of contract balances	-	(14)
Excess of revenue recognised over cash received	(3)	(35)
At 31 December	<u>-</u>	<u>3</u>

#### 9 Trade and other payables

	2020 US\$ 000	2019 US\$ 000
Trade payables	306	931
Amounts due to immediate parent company	9,815	9,742
Amounts due to fellow subsidiary companies	201	201
Other payables	7	6
	<u>10,329</u>	<u>10,880</u>

The amounts due to the immediate parent company and fellow subsidiary companies are unsecured, interest-free and repayable on demand.

#### 10 Financial instruments

##### Financial assets

The following tables provide an analysis of financial instruments that are measured at amortised cost and there are no financial instruments subsequently recognised at fair value.

##### At amortised cost:

	Carrying value		Fair value	
	2020 US\$ 000	2019 US\$ 000	2020 US\$ 000	2019 US\$ 000
Trade and other receivables	<u>193</u>	<u>116</u>	<u>193</u>	<u>116</u>
	<u>193</u>	<u>116</u>	<u>193</u>	<u>116</u>

## Ocean Prefect Shipping Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 10 Financial instruments (continued)

The carrying values of trade and other receivables approximate their fair values because of the short term maturity of these instruments.

##### Financial liabilities

##### At amortised cost:

	Carrying value		Fair value	
	2020	2019	2020	2019
	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Trade and other payables	10,329	10,880	10,329	10,880
	<u>10,329</u>	<u>10,880</u>	<u>10,329</u>	<u>10,880</u>

The carrying values of trade and other payables approximate their fair values because of the short term maturity of these instruments.

#### 11 Financial risk review

The Company's key financial risks arising from its operating activities and its financial instruments are:

- Credit risk;
- Liquidity risk; and
- Market risk (including interest rate risk and currency risk).

The key management of the Company have overall responsibility for the establishment and oversight of the risk management framework.

##### Credit risk

At 31 December 2020 and 2019, the balance of trade receivables from contracts with customers and of lease and other trade receivables was US\$54,000 and US\$54,000, respectively.

At 31 December 2020, no concentration of credit risk exists to the extent that none (2019: US\$nil) of the trade and other receivables are due from related parties.



## Ocean Prefect Shipping Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 11 Financial risk review (continued)

	Current US\$ 000	More than 30 days past due US\$ 000	More than 60 days past due US\$ 000	More than 90 days past due US\$ 000	Total US\$ 000
<b>31 December 2020</b>					
Gross carrying amount	-	-	-	86	86
Loss provision	-	-	-	(32)	(32)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>54</u>	<u>54</u>
<b>31 December 2019</b>					
Gross carrying amount	-	-	-	86	86
Loss provision	-	-	-	(32)	(32)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>54</u>	<u>54</u>

Given the heterogeneity and nature of the Company's trading partners, determination of the expected credit losses has been assessed on a case-by-case basis. The assessment has been made based on past trading history, usual payment periods and publically available information about the counterparties.

At 31 December 2020, trade receivables of US\$54,000 (2019: US\$54,000) were past due but not impaired.

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages this by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

#### Maturity analysis for financial liabilities

The following tables set out the remaining contractual maturities of the Company's financial liabilities by type:

## Ocean Prefect Shipping Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 11 Financial risk review (continued)

	Carrying amount US\$ 000	Contractual cash flow US\$ 000	Less than one year US\$ 000	One to five years US\$ 000	More than 5 years US\$ 000
<b>31 December 2020</b>					
Trade and other payables	10,329	10,329	10,329	-	-
	<u>10,329</u>	<u>10,329</u>	<u>10,329</u>	<u>-</u>	<u>-</u>

	Carrying amount US\$ 000	Contractual cash flow US\$ 000	Less than one year US\$ 000	One to five years US\$ 000	More than 5 years US\$ 000
<b>31 December 2019</b>					
Trade and other payables	10,880	10,880	10,880	-	-
	<u>10,880</u>	<u>10,880</u>	<u>10,880</u>	<u>-</u>	<u>-</u>

#### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instrument. The Company manages this by controlling market risk exposures within acceptable parameters, while optimising the return.

#### Currency risk

As at 31 December 2020 and 2019, the Company had no significant financial assets and liabilities denominated in currencies other than United States dollars and was therefore not exposed to significant currency risk at the reporting date.

#### Interest rate risk

The Company's interest bearing financial assets and liabilities expose it to risks associated with the effect of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The Company had no financial assets and liabilities which exposed it to interest rate risk at 31 December 2020 and 2019.

## **Ocean Prefect Shipping Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **11 Financial risk review (continued)**

##### **Capital risk management**

As disclosed in Note 2, the financial statements of the Company have been prepared on a basis other than going concern.

The capital structure of the Company consists of all components of equity, aggregating to a deficit of US\$10,082,000 (2019: US\$10,714,000).

#### **12 Share capital**

	2020	2019
Authorised, issued and fully paid:	US\$	US\$
2 ordinary shares of US\$1	<u>2</u>	<u>2</u>

#### **13 Related party transactions**

Other than the matters referred to in Notes 1, 5, 6 and 9, there were no related party transactions.

The directors and key management of the Company did not receive any remuneration during the financial years ended 31 December 2020 and 2019 respectively.

#### **14 Events after the reporting period**

The novel coronavirus ("COVID-19") continues to spread throughout the world, with many countries globally experiencing the third wave of the pandemic. COVID-19 has had an adverse impact on the global commercial activity, as well as contributed to the significant decline and volatility in financial markets.

The Company is now non-trading and the financial statements have been prepared on a basis other than going concern as the directors intend to liquidate the Company. Refer to Note 2.

There have been no other significant events subsequent to the reporting date which are outside the Company's normal trading activities.