

Company Registered No: 10502986

AI Mistral Limited
Annual Report and Financial Statements

For the year ended 31 December 2019

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AI Mistral Limited
Annual Report and Financial Statements
For the year ended 31 December 2019

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Officers and Advisors

Directors

A Henriksen (Appointed 11 March 2019; resigned 31 October 2019)
D Grimason (Appointed 16 August 2019)
I Vallance (Resigned 16 August 2019)
E Gow

Registered Office

1st Floor
63 Queen Victoria Street
London
United Kingdom
EC4N 4UA

Independent Auditor

Deloitte LLP
Statutory auditor
110 Queen Street
Glasgow
United Kingdom
G1 3BX

Strategic Report for the Year ended 31 December 2019

Background

AI Mistral Limited (the “Company”) is a private company limited by shares and was incorporated in England and Wales on 29 November 2016, with a registered number of 10502986. Its registered office is 1st Floor 63 Queen Victoria Street, London, EC4N 4UA. It operates as a non-trading holding company.

On 9 March 2017, AI Mistral Limited acquired 100% of the equity share capital of Vouvray Holdings Limited, which is the holding Company of V.Group, which is one of the largest third party ship managers in the world.

Business review

The Company does not trade other than to act as an intermediate holding company, and therefore the Directors do not monitor performance KPI's. The loss for the year was USD 176,848,000 (Year ended 31 December 2018 restated: loss of USD 345,147,000) primarily due to impairment of the investment in subsidiary.

Current and future developments

The Company will continue to act as an intermediate holding company only.

During 2019 the Company issued 3,916,667 ordinary shares to its immediate parent, AI Mistral HoldCo Limited in consideration for the assignment by AI Mistral HoldCo Limited of all the rights, title and interest to the amounts due under an interest bearing loan note issued by V.Ships Germany Holding GmbH (an indirect subsidiary).

Immediately following this transaction the Company acquired an additional 3,916,667 ordinary shares in its subsidiary Vouvray Holdings Limited in consideration for the assignment to Vouvray Holdings Limited of the above loan note.

Additionally, the Company issued 1 ordinary share to its immediate parent, AI Mistral HoldCo Limited for cash consideration and immediately acquired 1 share in its subsidiary Vouvray Holdings Limited for cash consideration of USD 15 million.

Going Concern

The Group is an intermediate holding company, which incurs interest expense and earns interest income on intercompany loans, and has net assets of USD 116.2 million. The Company is also listed as a Restricted subsidiary and a guarantor under the Group's two external facilities (see note 14).

The Directors have considered the ability of the Company and underlying subsidiaries to operate for a period of at least 12 months from the date of this report. The Directors have also separately assessed the potential impact of the Covid-19 pandemic and noted under certain downside scenarios where the disruption is prolonged and/or more severe, there is a risk of breaching the Group's financial gearing covenant. Whilst considered unlikely, the existence of the forecast breach in these downside scenarios indicates that there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In response to such scenarios, to mitigate disruption and adverse development, the Group have either identified, undertaken or initiated a number of actions. Based on the actions by Group, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Principal risks and uncertainties

The Directors have identified the operational performance of the Company's investment in subsidiaries as the principal risk and uncertainty. These risks are monitored by the Directors on a continuous basis.

The Directors have assessed the risk to the Company and the Group arising from Brexit and Covid-19. The Directors do not consider there to be any direct risk or uncertainty to the Company arising from Brexit. In respect of Covid-19, the principal risk and uncertainty arises from the potential impact to the value of the investment in subsidiaries. An assessment of the risk and uncertainties to the Group as a whole can be found in the consolidated financial statements of AI Mistral TopCo Limited.

Approved by the Board of Directors and signed on behalf of the Board on 7 September 2020.



Elliot Gow
Director

Directors' report for the year ended 31 December 2019

The Directors present their annual report and the audited financial statements for the year ended 31 December 2019 for AI Mistral Limited.

Directors

The Directors who held office throughout the period and until the date of this report are given on page 1.

Results and dividends

The loss for the year was USD 176,848,000 (Year ended 31 December 2018 restated: loss of USD 345,147,000). The Directors do not propose a dividend for the year (2018: nil).

Financial risk management

The Directors have identified variation in the rate of LIBOR as a significant financial risk impacting the results of the Company, the Company receives and pays interest with an underlying variable rate of interest. The directors are satisfied with risk and do not take any specific steps to mitigate it.

Directors' indemnities

The Company has granted an indemnity to its directors (which extend to the performance of any duties as a director of any associated company) against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such a qualifying third party indemnity provision remains in force as at the date of approving the directors' report:

Directors' Responsibilities Statement

The directors are responsible 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Directors' report for the year ended 31 December 2019 (*continued*)

Auditor

In accordance with section 386 of the Companies Act 2006 a resolution to dispense with the obligation to appoint an auditor annually has been passed. Accordingly, Deloitte LLP will continue in office as auditor, having expressed their willingness to do so.

Each of the persons who is a Director at the date of the approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Directors have taken steps as directors to make themselves aware of any relevant audit information and establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Company information

The Company is registered as a private company, limited by shares, incorporated in the United Kingdom and registered in England and Wales (No. 10502986) and its Registered Office is located at 1st Floor, 63 Queen Victoria Street, London, United Kingdom, EC4N 4UA.

Future developments

Indications of likely future developments are included in the strategic report. An assessment of Company's ability to continue as a going concern can be found in the Strategic Report.

Events after the balance sheet date

Information about events after the balance sheet date including impact of the Covid-19 pandemic on the Company is given in note 14.

Brexit

The Company does not expect Brexit to have any impact to its operations. The Directors of its parent Group have considered the impact of Brexit to the Group as a whole and consideration of this can be found in the consolidated financial statements of AI Mistral TopCo Limited.

This directors report was approved by the Board of Directors and signed on behalf of the Board on 7 September 2020 by:



Elliot Gow
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AI MISTRAL LIMITED

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of AI Mistral Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" ; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 15; and
- appendix 1 – Subsidiaries of AI Mistral Limited at 31 December 2019.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. 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 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 Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Material uncertainty relating to going concern

We draw attention to note 1(a) in the financial statements which indicates that Covid-19 will have a negative impact on the business and there is a risk of the Group, headed by AI Mistral TopCo Limited, breaching the financial gearing covenant in a downside scenario in the 12-month period following approval of the financial statements.

In response to this, we:

- Obtained an understanding of the relevant controls over the going concern assessment process;
- Made assessments of the historical accuracy of forecasts prepared by management;
- Reviewed the cash flow forecasts produced by management and challenged the underlying data and key assumptions by assessing their consistency with valuation models and budgets where applicable;
- Assessed financing facilities including nature of facilities, repayment terms and covenants; and

- Reviewed the appropriateness of management's disclosures in the financial statements.

As stated in note 1(a), these events or conditions, along with the other matters as set forth in note 1(a) to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

4. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: <ul style="list-style-type: none"> • Going concern (see material uncertainty relating to going concern section); and • Valuation of unlisted investments.
Materiality	The materiality that we used in the current year was \$1.2m which was determined on the basis of total assets, capped at component materiality for Al Mistral TopCo Limited.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	In the current year we have considered going concern to be a key audit matter due to the risk that the Group will breach debt covenants within 12 months of the balance sheet date. There are no other significant changes in our approach except for the addition of a new key audit matter in the current year.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the material uncertainty relating to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

5.1. Valuation of unlisted investments

Key audit matter description	The company has unlisted investments of \$196.69m (2018: \$596.06m) as at 31 December 2019, valued at cost less provision for impairment. These investments comprise investments in Vouvray Holdings Limited, and indirectly in those entities listed in Appendix 1 and are highly material to the company as they account for 14% of total assets. Judgement is required by the directors as to whether any of the investments should be impaired based on the financial position and future prospects of the investments. This takes into consideration a range of factors such as the trading performance, the expected revenue growth and discount rates. Further details are included within critical judgements and key sources of estimation uncertainty set out in note 2 to the financial statements.
How the scope of our audit responded to the key audit matter	We obtained the most recent audited financial information of the related investments to determine whether they supported the carrying value. We reviewed key assumptions used when determining the carrying value. We also reviewed the historical accuracy of management's forecasts by comparing the actual results to forecasts.

Key observations	Based on the work performed, we concluded that the valuation of unlisted investments is appropriate.
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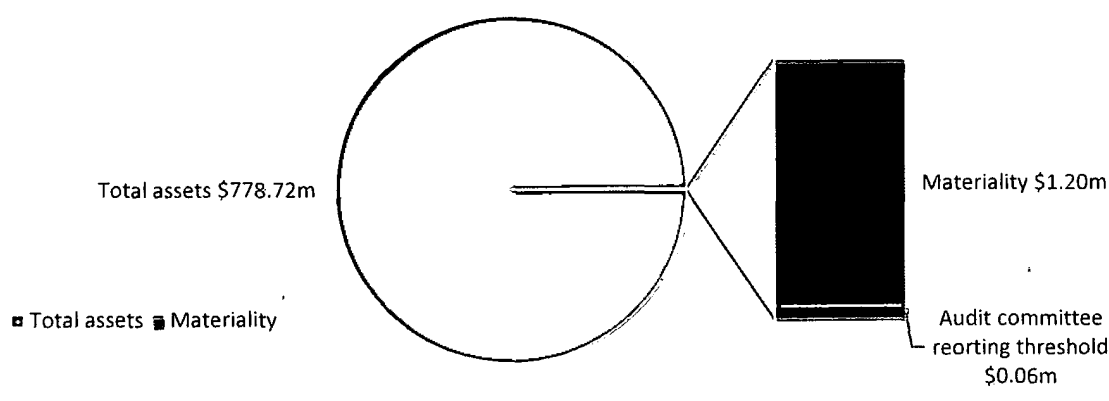
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	\$1.20m (2018: \$1.80m)
Basis for determining materiality	Materiality represents 0.15% of total assets (2018: 0.19% of total assets). This was capped at 40% (2018: 40%) of AI Mistral TopCo Limited's materiality.
Rationale for the benchmark applied	We determined materiality based on total assets as this is the key metric used by management, investors and lenders, with shareholder value being driven by total assets value movements.



6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2019 audit. In determining performance materiality, we considered the following factors:

- Our risk assessment, including our assessment of the company's overall control environment; and
- Our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements in prior periods.

6.3 Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of \$0.06 (2018: \$0.09m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7 An overview of the scope of our audit

7.1 Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

8 Other information

The directors are responsible for the other information. The other information comprises the information included in the annual 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

9 Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

10 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities This description forms part of our auditor's report.

Report on other legal and regulatory requirements

11 Opinions on other matters prescribed by the Companies Act 2006

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

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

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 any material misstatements in the strategic report or the directors' report.

12 Matters on which we are required to report by exception

12.1 Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

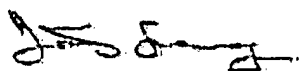
12.2 Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

13 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.



David Sweeney (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
9th September 2020

Income Statement

For the year ended 31 December 2019

	Note	2019 USD 000	Restated ¹ 2018 USD 000
Administrative expenses		(13)	(23)
Operating loss		(13)	(23)
Finance expense	5	(48,023)	(47,072)
Finance income	6	39,864	37,805
Impairment loss	8	(168,676)	(335,857)
Loss before tax		(176,848)	(345,147)
Tax	7	-	-
Loss and total comprehensive loss for the year		(176,848)	(345,147)

1. The impairment loss as at 31 December 2018 has been restated as set out in note 1(c) – Investments in subsidiaries

All results derive from continuing operations.

There are no additional items which should be included in a Statement of Comprehensive income in the current or prior year. Accordingly no such statement is presented.

The accompanying notes on pages 14 to 21 form an integral part of these financial statements.

Statement of Financial Position

As at 31 December 2019

	Note	31 December 2019 USD 000	Restated ¹ 31 December 2018 USD 000
Assets			
Non-current assets			
Investment in subsidiaries	8	110,448	260,207
Amounts due from subsidiary companies	9	668,269	679,053
Total long term assets		778,717	939,260
Current assets			
Prepayments		-	2
		-	2
Total assets		778,717	939,262
Equity and liabilities			
Equity			
Share capital	10	137,750	133,833
Share premium account		507,692	492,692
Retained earnings		(529,199)	(352,351)
Total equity		116,243	274,174
Non-current liabilities			
Amounts owed to associated companies	12	657,317	659,568
		657,317	659,568
Current liabilities			
Amounts owed to associated companies	12	5,150	5,213
Other liabilities	11	-	300
Accruals		7	7
		5,157	5,520
Total liabilities		662,474	665,088
Total equity and liabilities		778,717	939,262

1. The investment in subsidiaries and retained earnings balances as at 31 December 2018 have been restated as set out in note 1(c) – Investments in subsidiaries

The accompanying notes on pages 14 to 21 form an integral part of these financial statements.

The financial statements of AI Mistral Limited, registered number 10502986, were approved and authorised for issue by the Board of Directors and signed on behalf of the Board on 7 September 2020.



Elliot Gow
Director

Statement of Changes in Equity

For the year ended 31 December 2019

	Note	Share capital USD 000	Share premium USD 000	Retained earnings USD 000	Total equity USD 000
Balance at 1 January 2018		126,000	492,692	(7,204)	611,488
Share capital issued		7,833	-	-	7,833
Loss for the year (restated) ¹		-	-	(345,147)	(345,147)
Balance at 31 December 2018 (restated)		133,833	492,692	(352,351)	274,174
Loss for the year		-	-	(176,848)	(176,848)
Share premium issued		-	15,000	-	15,000
Share capital issued		3,917	-	-	3,917
Balance at 31 December 2019	10	137,750	507,692	(176,848)	116,243

1. The retained earnings as at 31 December 2018 has been restated as set out in note 1(c) – Investments in subsidiaries

The accompanying notes on pages 14 to 21 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2019

1. Accounting policies

The principal accounting policies of the Company are set out below:

a) Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework and are prepared on a historical cost basis.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash flow statement, standards not yet effective, lease requirements, impairment of assets, and related party transactions.

Going concern:

The Company is also listed as a Restricted subsidiary and a guarantor under the Group's two external facilities (see note 13). The Directors have considered the ability of the Company and underlying subsidiaries to operate for a period of a least 12 months from the date of this report. The Directors have also separately assessed the negative potential impact of the Covid-19 pandemic on the Group's operations and noted under certain downside scenarios where the disruption is prolonged and/or more severe, there is a risk of breaching the Group's financial gearing covenant. Whilst considered unlikely, the existence of a breach in certain of these downside scenarios indicates that there is a material uncertainty that may cast significant doubt on the Group's and therefore the Company's ability to continue as a going concern such that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In response to such scenarios, to mitigate disruption and adverse development, the Group have either identified, undertaken or initiated the following actions (amongst others):

- Short term actions to reduce variable and fixed costs
- Utilising support on operating costs and cash deferrals available through Government stimulus packages
- Structural permanent changes in organisation to reduce cost
- Disposal of certain non-core parts of the Group's business

Based on the actions by Group, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements.

b) Consolidated financial statements exemption

Under section 400 of the Companies Act 2006 the Company is entitled to an exemption from preparing consolidated financial statements thus consolidated financial statements have not been prepared, and thus these financial statements represent the separate financial statements of the Company.

c) Investments in subsidiaries

Investments in subsidiaries are recognised at cost and tested for impairment annually.

Prior year restatement

During the year, the Company identified that the investment in subsidiary balance should have been impaired under IAS 36, as the recoverable amount of the investment was lower than the carrying value and had therefore been incorrectly calculated at the end of the reporting period. Accordingly, the 31 December 2018 comparatives have been restated, reducing the carrying value of the investment subsidiary balance by USD 335.9 million. Note 8 – Investment in subsidiaries has been restated accordingly.

d) Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

Notes to the Financial Statements (*continued*)

1. Accounting policies (*continued*)

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use.

e) Operating loss

Operating loss is stated after charging administrative costs but before finance income and costs.

f) Finance income and expense

Interest is recognised by applying the effective interest rate to the outstanding loan receivable. The counterparty will apply the effective interest rate to the outstanding loan payable.

g) Financial instruments

Financial assets and liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value, plus transaction costs. Financial liabilities are initially measured at fair value, net of transaction costs.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or expire.

Financial assets and liabilities are classified as loans and receivables and financial liabilities at amortised cost. The classification depends on the nature of the financial instrument and is determined at the time of initial recognition.

h) Taxation

The tax currently payable/receivable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of income because of items of income or expense that are never taxable or deductible.

The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

i) Adoption of new and revised International Financial Reporting Standards

The following revised IFRSs have been adopted in this consolidated financial information. The application of these revised IFRSs has not had any impact on the amounts reported for the current and prior periods.

- IFRS 16 Leases (issued on 13 January 2016, effective 1 January 2019)

Notes to the Financial Statements (*continued*)

2. Critical judgements and key sources of estimation uncertainty

Critical accounting judgements concerning the future or key sources of estimation uncertainty at the Statement of Financial Position date that may have a significant risk of causing a material adjustment to the financial statements are as follows:

Key sources of estimation uncertainty

The Directors do not consider there to have been any sources of estimation uncertainty in the year or prior period.

Critical judgments

Carrying value of non-financial assets

Management assesses each year whether there is any indication of impairment in relation to non-financial assets. If an indicator is found to exist at the balance sheet date, management will assess the asset for impairment, by calculating its recoverable amount and comparing to its carrying value. The recoverable amount is based on the Group's value-in-use calculation adjusted for net debt in the Company's indirect subsidiaries to derive an equity value attributable to the investment in Vouvray Holdings Limited. The value-in-use calculations were based on projected cash flows, derived from a significantly risk adjusted version of the latest budget approved by the Board of the Group, discounted at CGU specific, risk adjusted, discount rates to calculate their net present value.

Significant judgements include whether an indicator of impairment exists. Significant estimates include the discount rate used and the future cash flows of the entity and future growth of that business.

At 31 December 2019, the carrying amount of the investment in Vouvray Holdings Limited exceeds the value-in-use of that investment. As a result, an impairment charge arising under IAS 36 of USD 168,676,000 has been recognised (see note 8). The sensitivity analysis against the cash flow projections under normal and stressed conditions, are consistent with the Group consolidated financial statements.

3. Auditor remuneration

An analysis of the auditor's remuneration as follows:

	Year ended 31 December 2019 USD 000	Year ended 31 December 2018 USD 000
The audit of the Company's annual financial statements	7	9
Total audit fees	7	9

The audit fee for the company has been borne by another group entity.

4. Directors remuneration

The company did not employ any staff nor did any of the directors hold a service contract with the Company in the current or preceding financial years. The directors are employed by associated companies within the Group and no portion of their remuneration can be specifically attributed to their services to the Company.

Notes to the Financial Statements (*continued*)

5. Finance expense

	Year ended 31 December 2019 USD 000	Year ended 31 December 2018 USD 000
Interest payable on loans from associated company	45,124	43,932
Amortised finance costs	2,899	3,140
Total	48,023	47,072

On 9 March 2017, as part of the group refinancing, the Company issued unsecured loan note instruments to a fellow subsidiary undertaking of AI Mistral Holdings Limited, AI Mistral Luxembourg (Subco) S.à.r.L (see note 12).

6. Finance income

	Year ended 31 December 2019 USD 000	Year ended 31 December 2018 USD 000
Interest receivable on loans to subsidiaries	39,564	37,805
Other income	300	-
Total	39,864	37,805

On 9 March 2017, as part of the group refinancing, the Company made the loans to associated companies to facilitate the repayment of existing group borrowings (see note 9).

7. Taxation

	Year ended 31 December 2019 USD 000	Restated Year ended 31 December 2018 USD 000
Analysis of credit in the year		
Current tax		
Total current period corporation tax	-	-
Total tax credit	-	-

The charge for the year can be reconciled to the loss per the consolidated income statement as follows:

	Year ended 31 December 2019 USD 000	Restated Year ended 31 December 2018 USD 000
Loss before tax	(176,848)	(345,147)
Expected tax at standard rate of corporation tax	(33,601)	(65,578)
Effect of items not disclosed in deferred tax	9,124	8,944
Expenses not deductible for tax purposes	24,477	56,634
Total tax credit	-	-

An unrecognised deferred tax asset of USD 9,124,000 arising on disallowed interest expenses has not been recognised in these financial statements (2018: 8,944,000).

The main rate of UK corporation tax of 19% was enacted by Finance (No.2) Act 2015. The main rate was further reduced by Finance Bill 2016 to 17% effective from 1 April 2020. However, the UK government introduced the Finance Bill 2020 on 19 March 2020, which intends to reverse the planned rate reduction and maintain the current rate of 19%. As the Bill has not been substantively enacted, deferred tax balances have been calculated at the main rate of 17%.

The corporation tax rate used for tax on profit on ordinary activities is the main rate of UK corporation tax for the year ended 31 December 2019 of 19% (2018: 19%).

Notes to the Financial Statements (*continued*)

8. Investment in subsidiaries

	USD 000
Cost	
At 1 January 2019	596,064
Investment in Vouvray Holdings Limited (see note 10)	18,917
At 31 December 2019	614,981
Provision for impairment	
At 1 January 2019 (restated)	(335,857)
Charge for year	(168,676)
At 31 December 2019	(504,533)
Net book value at 31 December 2019	110,448
Net book value at 31 December 2018 (restated) ¹	260,207

1. The investments in subsidiary balance as at 31 December 2018 has been restated as set out in note 1(c) – Investments in subsidiaries

During 2019 the Company acquired an additional 3,916,667 ordinary shares in its subsidiary Vouvray Holdings Limited in consideration for the assignment to Vouvray Holdco Limited of a loan note (see note 10). In addition, during 2019 the Company acquired 1 additional ordinary share in its subsidiary Vouvray Holdings Limited for cash consideration of USD 15 million (see note 10).

Due to the decline in the trading performance of the Company's indirect subsidiaries during 2019, an indicator of impairment was deemed to exist at 31 December 2019. As a result, the Company has assessed its investment in subsidiary in Vouvray Holdings Limited for impairment, using a calculation of value-in-use based on discounted cash flow to derive an 'equity value' attributable to that investment. Based on its assessment, the Company has recognised an impairment charge of USD 168,676,000 at 31 December 2019. In calculating the 'value in use' the Company has applied the same key estimates and judgements for the discount rate and future cash flows as was used in the Group consolidated financial statements to assess impairment on its cash-generating units (CGUs).

The full list of subsidiaries is included in Appendix 1 to these financial statements.

Notes to the Financial Statements (*continued*)

9. Amounts due from subsidiary companies

	2019 USD 000	2018 USD 000
Amounts owed by AI Mistral Luxembourg (Subco) S.à.r.L.	511	-
Amounts owed by Vouvray Holdings Limited	2,265	2,137
Amounts owed by Vouvray Finance Limited	382,808	361,050
Amounts owed by Vouvray Acquisition Limited	282,685	315,866
	668,269	679,053

Following the acquisition of V.Group, the Group completed a refinancing of its external credit facilities and shareholder loans on 9 March 2017. As part of this process, the Company made loans to subsidiary undertakings as follows to facilitate the repayment of the existing facilities:

- Loan to Vouvray Holdings Limited of USD 1,943,568, repayable in full on 8 March 2027 bearing interest at a rate of LIBOR +3.5473%. Interest is payable quarterly and unpaid interest is added to the outstanding principal of the loan. At 31 December 2019 the total amount outstanding was USD 2,265,000 (2018: USD 2,137,000);
- Loan to Vouvray Finance Limited of USD 328,420,912, repayable in full on 8 March 2027 bearing interest at a rate of LIBOR +3.5473%. Interest is payable quarterly and unpaid interest is added to the outstanding principal of the loan. At 31 December 2019 the total amount outstanding was USD 382,808,000 (2018: USD 361,050,000);
- Loan to Vouvray Acquisition Limited of USD 367,683,865, repayable in full on 8 March 2027 bearing interest at a rate of LIBOR +3.5473%. Interest is payable quarterly and unpaid interest is added to the outstanding principal of the loan. The loan can be voluntarily prepaid. At 31 December 2019 the total amount outstanding was USD 282,685,000 (2018: USD 315,866,000);

10. Share capital

	Number	Nominal value	Share capital USD 000	Share premium USD 000	Total USD 000
Authorised and issued Ordinary shares (fully paid)					
31 December 2019	137,750,004	USD 1	137,750	507,692	645,442
31 December 2018	133,833,336	USD 1	133,833	492,692	626,525

The company has one class of share capital which carries no right to fixed income.

During 2019 the Company issued 3,916,667 ordinary shares to its immediate parent, AI Mistral HoldCo Limited in consideration for the assignment by AI Mistral HoldCo Limited of all the rights, title and interest to the amounts due under an interest bearing loan note issued by V.Ships Germany Holding GmbH (an indirect subsidiary).

Immediately following this transaction the Company acquired an additional 3,916,667 ordinary shares in its subsidiary Vouvray Holdings Limited in consideration for the assignment to Vouvray Holdings Limited of the above loan note.

Additionally, the Company issued 1 ordinary share to its immediate parent, AI Mistral HoldCo Limited for cash consideration of USD 15 million for interest in its immediate subsidiary, Vouvray Holdings Limited.

The Directors consider share capital to represent the capital of the business.

Notes to the Financial Statements (*continued*)

11. Other liabilities

	2019 USD 000	2018 USD 000
Other liabilities due in less than one year	-	300
	-	300

In 2018, other liabilities related to unpaid deferred finance costs payable.

12. Amounts owed to associated companies

	2019			2018		
	Due in less than one year USD 000	Due after more than one year USD 000	Total USD 000	Due in less than one year USD 000	Due after more than one year USD 000	Total USD 000
Loan Note A	5,150	495,688	500,838	5,150	500,838	505,988
Loan Note B	-	172,500	172,500	-	172,500	172,500
Loan note C	-	1,903	1,903	-	1,902	1,902
Other amounts owed to associated companies	-	-	-	63	-	63
Unamortised deferred finance costs	-	(12,772)	(12,772)	-	(15,672)	(15,672)
At 31 December	5,150	657,317	662,467	5,213	659,568	664,781

On 9 March 2017, as part of the group refinancing, the Company issued unsecured loan note instruments to a fellow subsidiary undertaking of AI Mistral Holdings Limited, AI Mistral Luxembourg (Subco) S.à.r.l as follows:

- Loan note A of USD 515,000,000, maturing on 8 March 2024 bearing interest at a rate of LIBOR +3.0372% (2018: LIBOR +3.0372%). Interest is payable quarterly. Repayments of 1% of the principal amount are made annually, with payments made quarterly. The remaining balance is repayable on 8 March 2024. USD 5,150,000 (2018: USD 5,150,000) was repaid in the period. Finance costs of USD 14,516,730 were incurred when issuing this instrument, which are recognised over the life of the instrument;
- Loan Note B of USD 172,500,000, repayable on 8 March 2025 bearing interest at a rate of LIBOR + 8.0372% (2018: LIBOR +8.0372%). Interest is payable quarterly. Finance costs of USD 6,737,500 were incurred when issuing this instrument which are recognised over the life of the instrument;
- Loan Note C of USD 1,896,154, repayable on 8 March 2025 bearing interest at a rate of 0.0372% (2018: 0.0372%). Interest is accrued and added to the value of the outstanding loan on a quarterly basis, during the year interest of USD 718 (period ended 31 December 2018 USD 1,558) was added to the loan.

During the year no additional finance costs (Period ended 31 December 2018: USD 81,000) were capitalised and costs of USD 2,899,000 (Period ended 31 December 2018: USD 3,140,000) (note 5) have been amortised in the year.

The above loan notes were listed on 'The International Stock Exchange' on 29 June 2017.

13. Contingent liabilities

According to the conditions of the Group's external credit facilities AI Mistral Limited is identified as a Restricted Subsidiary.

The Group has into two external facilities, the First Lien Credit Agreement and the Second Lien Credit Agreement (the "Term Loans"). AI Mistral Limited is as a Restricted subsidiary and a Subsidiary Guarantor. Its assets have been pledged as security against the First and Second Lien Credit Agreements. Total outstanding on the First Lien Credit agreement was USD 500.8 million and the Second Lien Credit agreement was USD 172.5 million.

Notes to the Financial Statements (*continued*)

14. Events after the balance sheet date

On 11 March 2020, the World Health Organization declared Covid-19 a pandemic. The Covid-19 pandemic may have a material impact on the Company's results. The extent of the impact will depend on the length of the disruption caused by Covid-19 and the trajectory of the recovery. The impact of these matters on the Company's ability to continue as a going concern is set out in note 1(a) of these financial statements.

The Covid-19 pandemic has been treated as a non-adjusting event after the reporting period.

15. Company information

The Company's registered no is 10502986 and its registered office is situated at 1st Floor, 63 Queen Victoria Street, London, EC4N 4UA.

The immediate holding company is AI Mistral HoldCo Limited, incorporated in England and Wales.

The ultimate holding company is AI Mistral & CY SCA, incorporated in Luxembourg. AI Mistral TopCo Limited, a 100% owned subsidiary of AI Mistral & CY SCA, is the largest and smallest group into which the results of the company are consolidated. Copies of the publicly available consolidated financial statements of AI Mistral TopCo Limited can be obtained from 1st Floor, 63 Queen Victoria Street, London, EC4N 4UA.

The Directors are of the opinion that the Company ultimately is majority owned by the GPE VIII private equity funds managed by Advent International Corporation ("Advent").

Appendix 1 – Subsidiaries of AI Mistral Limited at 31 December 2019

All subsidiaries have Ordinary shares with the exception of V.Ships plc which also has Preference Shares.

Subsidiary	Immediate Parent Company	Country of Registration and Operation	Registered office address	Actual Holding
Vouvray Holdings Limited	AI Mistral Limited	Jersey	44, Esplanade, St Helier, Jersey, JE4 9WG	100%
Vouvray Finance Limited	Vouvray Holdings Limited	England & Wales	1st Floor, 63 Queen Victoria Street, London, United Kingdom, EC4N 4UA	100%
Vouvray Midco Limited	Vouvray Finance Limited	England & Wales	1st Floor, 63 Queen Victoria Street, London, United Kingdom, EC4N 4UA	100%
Vouvray Acquisition Limited	Vouvray Midco Limited	England and Wales	1st Floor, 63 Queen Victoria Street, London, United Kingdom, EC4N 4UA	100%
Seatec Services Pte Ltd.	Vouvray Acquisition Limited	Singapore	10, Hoe Chiang Road, #24-01/05, Keppel Towers, Singapore	100%
Seatec Services SDN.BHD.	Seatec Services Pte Ltd.	Malaysia	Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No.2 Leboh Ampang, Kuala Lumpur, Malaysia, 50100	100%
Vouvray US Finance LLC	Vouvray Acquisition Limited	United States	2711, Centreville Road, Wilmington, Delaware, United States of America, 19808	100%
V.Ships Asia Group Pte. Ltd.	Vouvray Acquisition Limited	Singapore	#21-03/06, 300 Beach Road, The Concourse, Singapore, 199555	100%
V.Holdings Limited	Vouvray Acquisition Limited	Isle of Man	Baltic House, Station Road, Ballasalla, Isle of Man, IM9 2AE	100%
V.Ships Leisure Limited	Vouvray Acquisition Limited	Isle of Man	Baltic House, Station Road, Ballasalla, Isle of Man, IM9 2AE	100%
V.Ships Leisure S.A.M	V. Ships Leisure Limited	Monaco	Les Industries, 2 rue du Gabian, Monaco, MC98013	100%
V.Ships UK Limited	Vouvray Acquisition Limited	England and Wales	1st Floor, 63 Queen Victoria Street, London, United Kingdom, EC4N 4UA	100%
V.Ships Germany Holding GmbH	Vouvray Acquisition Limited	Germany	Rolandsbrücke 4, Hamburg, Germany, 20095	100%
V.Ships (Germany) GmbH	V.Ships Germany Holding GmbH	Germany	Rolandsbrücke 4, Hamburg, Germany, 20095	100%
International Tanker Management	V.Ships Germany Holding GmbH	Germany	Stresemannstrasse 342, Hamburg, Germany	100%
V.Ships Norway AS	V Ships UK Group Limited	Norway	Karenslyst Alle 8B, Oslo, Norway, 0278	100%
Alvada Insurance Inc.	Vouvray Acquisition Limited	Liberia	80, Broad Street, Monrovia, Liberia	100%
V.Group Limited	Vouvray Acquisition Limited	Isle of Man	Baltic House, Station Road, Ballasalla, Isle of Man, IM9 2AE	100%
SEATEC UK Limited	Vouvray Acquisition Limited	Scotland	Skypark, 8 Elliot Place, Glasgow, Scotland, G3 8EP	100%
UMC International PLC	SEATEC UK Limited	England and Wales	1st Floor, 63 Queen Victoria Street, London, United Kingdom, EC4N 4UA	100%
V Ships UK Group Limited	Vouvray Acquisition Limited	England and Wales	1st Floor, 63 Queen Victoria Street, London, United Kingdom, EC4N 4UA	100%
V.Ships (Isle of Man) Limited	V Ships UK Group Limited	Isle of Man	Baltic House, Station Road, Ballasalla, Isle of Man, IM9 2AE	100%
Seatec China Limited	V.Ships Asia Group Pte. Ltd.	China	Room 114, Building 3, 170 Huoshan Road, Hongkou District, Shanghai, China	100%
V.Ships (Papua New Guinea) Ltd	V.Ships Asia Group Pte. Ltd.	Papua New Guinea	Section 5, Allotment 16, Level 12, Deloitte Tower, Douglas Street, National Capital District, Port Moresby, Papua New Guinea	100%
V.Ships Group Limited	V.Holdings Limited	Isle of Man	Baltic House, Station Road, Ballasalla, Isle of Man, IM9 2AE	100%
V.Ships Management Limited	V.Ships Group Limited	Isle of Man	Baltic House, Station Road, Ballasalla, Isle of Man, IM9 2AE	100%
Marcas International Limited	Vouvray Acquisition Limited	Isle of Man	Baltic House, Station Road, Ballasalla, Isle of Man, IM9 2AE	100%
International Tanker Management Ltd	V Ships UK Group Limited	Bermuda	Victoria Place, 31 Victoria Street, Hamilton, Bermuda, HM11	100%
V.Ships Property Limited	V.Group Manpower Services	Isle of Man	Baltic House, Station Road, Ballasalla, Isle of Man, IM9 2AE	100%

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Subsidiary	Immediate Parent Company	Country of Registration and Operation	Registered office address	Actual Holding
V.Holdings Manpower PVT Ltd	V.Ships India Pvt Ltd	India	Windsor Corporate Park, 3rd & 4th Floor, Best Colony Road, Mahada Colony, Goregaon, West Oshiwara, Mumbai, India, 400102	100%
V.Hub Limited	V.Ships Management Limited	Isle of Man	Baltic House, Station Road, Ballasalla, Isle of Man, IM9 2AE	100%
E-Hub Corporate Services PVT Ltd	V.Hub Limited	India	503/504 VIP Plaza, B-7 Veera Industrial Estate, Andheri (West), Mumbai, India	100%
V.Group Manpower Services Limited	V.Ships Management Limited	Isle of Man	Baltic House, Station Road, Ballasalla, Isle of Man, IM9 2AE	100%
V.Ships India PVT Ltd	V.Group Manpower Services Limited	India	Windsor Corporate Park, 3rd & 4th Floor, Best Colony Road, Mahada Colony, Goregaon, West Oshiwara, Mumbai, India, 400102	100%
V.Ships Ship Management (India) PVT Ltd	V.Ships Management Limited	India	Unit No S005, Delta Wing, Ground Floor, Raheja Towers, #177 Anna salai Chennai, Chennai, India, 600002	100%
V.Ships Monaco S.A.M	V.Ships Management Limited	Monaco	Les Industries, 2 rue du Gabian, Monaco, MC98013	100%
Consarm	V.Ships Monaco S.A.M	Italy	Via Ceccardi 4/18, Genoa, Italy, 16121	100%
V.Ships Canada Inc.	V Ships UK Group Limited	Canada	900-1000, De La Gauchetiere Street West, Montreal, Quebec, Canada, H3B 5H4	100%
Monaco Holdings Inc.	V Ships UK Group Limited	United States	Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, United States of America	100%
V.Ships USA LLC	Monaco Holdings Inc.	United States	1792, Bell Tower Lane, Weston, Florida, United States of America, 33326	100%
V.Ships Leisure (USA) LLC	Monaco Holdings Inc.	United States	1792, Bell Tower Lane, Weston, Florida, United States of America, 33326	100%
International Tanker Management	Monaco Holdings Inc.	United States	2909, Hillcroft Street, Suite 650, Houston, Texas, United States of America, TX 77057	100%
V.Ships Limited	V Ships UK Group Limited	Cyprus	Zenas Gunther, 16-18, Agia Triada, 3035, Limassol, Cyprus	100%
V.Ships Cyprus Ltd	V.Ships Ltd	Cyprus	13 Omonia House, P.O. Box 57115, Limassol, Cyprus, 3312	100%
OCL Oceanic Catering Ltd	V.Ships Ltd	Cyprus	Zenas Gunther, 16-18, Agia Triada, 3035, Limassol, Cyprus	100%
Angel Bay Marine Services Inc.	V Ships UK Group Limited	Liberia	80, Broad Street, Monrovia, Liberia	100%
V.Ships Brasil S.A.	Angel Bay Marine Services Inc.	Brazil	Av. Rio Branco, 53 - 7º andar - Centro, Rio de Janeiro , Brazil, 20090-003	100%
V.Ships Brasil Offshore S.A.	V.Ships Brasil S.A.	Brazil	Av. Rio Branco, 53 - 7º andar - Centro, Rio de Janeiro , Brazil, 20090-003	100%
V.Ships (PL) Sp. z o.o.	V Ships UK Group Limited	Poland	ul. Luzyczna 6b, Gdynia, Poland, 81-537	100%
V.Ships Croatia Ltd	V Ships UK Group Limited	Croatia	Riva 4, Rijeka, Croatia	100%
LAT BGI Ltd	V Ships UK Group Limited	Latvia	Dundes Iela 17A, Riga, Latvia, 1005	100%
AS Baltic Group International	V Ships UK Group Limited	Estonia	7, Masti Str, Tallinn, Estonia	100%
Baltic Group International St.	V Ships UK Group Limited	Russia	23A, Vladimirovsky pr, St Petersburg, Russia	100%
V.Ships Bulgaria Ltd	V Ships UK Group Limited	Bulgaria	6, Khan Krum Str, 4th Floor, Burgas, Bulgaria	100%
V.Ships Manpower SRL	V Ships UK Group Limited	Romania	1st Floor, 4-B Mamaia Avenue, Constanta, Romania, 900697	100%
V.Ships (Italy) Srl	V Ships UK Group Limited	Italy	Via Ceccardi 4/18, Genoa, Italy, 16121	100%
Baltic Group International Georgia	V Ships UK Group Limited	Georgia	16, Vazha Pshavela Str App 8/9, Batumi, Georgia, 6000	100%
Baltic Group International Far East	V Ships UK Group Limited	Russia	12, Nakhodkinskiy Prospect, Primorskiy Kray, Nakhodka, Russia	100%
Baltic Group International	V Ships UK Group Limited	Russia	11B, Khvorostyanskogo Str., Novorossiysk, Russia, 353925	100%
V.Companies Limited	V Ships UK Group Limited	Isle of Man	Baltic House, Station Road, Ballasalla, Isle of Man, IM9 2AE	100%
Baltic Crew International Limited	V Ships UK Group Limited	Isle of Man	Baltic House, Station Road, Ballasalla, Isle of Man, IM9 2AE	100%
Worldwide Property Ltd	V Ships UK Group Limited	Isle of Man	Baltic House, Station Road, Ballasalla, Isle of Man, IM9 2AE	100%

Subsidiary	Immediate Parent Company	Country of Registration and Operation	Registered office address	Actual Holding
V.Ships PLC	V Ships UK Group Limited	England and Wales	1st Floor, 63 Queen Victoria Street, London, United Kingdom, EC4N 4UA	100%
Marine Legal Services Ltd	V Ships UK Group Limited	England and Wales	1st Floor, 63 Queen Victoria Street, London, United Kingdom, EC4N 4UA	100%
V.Scope Risk Management Ltd	V Ships UK Group Limited	England and Wales	1st Floor, 63 Queen Victoria Street, London, United Kingdom, EC4N 4UA	80%
V.Ships France SAS	V Ships UK Group Limited	France	34, Place Viarme, Nantes, France, 44000	100%
Inter Marine Services Management	V Ships UK Group Limited	Liberia	80, Broad Street, Monrovia, Liberia	100%
Celtic Pacific Ship Management	Celtic Marine (Hong Kong) Ltd	Hong Kong	Unit B, 12th Floor Hennessy Plaza, 164-166 Hennessy Road, Wanchai, Hong Kong	100%
Celtic Marine (Hong Kong) Limited	Celtic Pacific Ship Management (Hong Kong) Ltd	Hong Kong	Unit B, 12th Floor Hennessy Plaza, 164-166 Hennessy Road, Wanchai, Hong Kong	100%
V.Hong Kong Limited	V Ships UK Group Limited	Hong Kong	Unit B, 12th Floor Hennessy Plaza, 164-166 Hennessy Road, Wanchai, Hong Kong	100%
V.Ships Bangladesh PVT Ltd	V Ships UK Group Limited	Bangladesh	Plot-C/466, Khilgaon, Dhaka, Bangladesh, 1219	60%
V.Ships Greece Limited	V Ships UK Group Limited	Bermuda	3rd Floor, Par la Ville Place, 14 Par la Ville Road, Hamilton, Bermuda	100%
V.Ships Istanbul Denizcilik Hizmetleri Limited Sirketi	V Ships UK Group Limited	Turkey	Tugay Yolu Cad. - Ofisim, Istanbul Is Merkezi, No:18 B-Blok No:32 Kat:6 PC, Maltepe, Istanbul, Turkey, 34846	100%
V.Ships Services Oceana Inc.	V Ships UK Group Limited	Philippines	Aseana Two Building, Bradco Ave, Paranaque, Metro Manila, Philippines, 1720	100%
V.Ships Ukraine Ltd	V Ships Limited	Ukraine	37/2, Marshala Zhukove Str, Odessa, Ukraine	100%
Alships Services & Trading Ltd	V Ships UK Group Limited	Cyprus	Ariel Secretaries Limited, 3A Panteli Modestou Street, Limassol, Cyprus	100%
V.Ships Marine Private Ltd.	V Ships UK Group Limited	India	Unit No S005, Delta Wing, Ground Floor, Raheja Towers, #177 Anna salai Chennai, Chennai, India, 600002	100%
V.Ships Offshore Limited	V Ships UK Group Limited	England and Wales	1st Floor, 63 Queen Victoria Street, London, United Kingdom, EC4N 4UA	100%
V.Ships (Shanghai) Ltd.	V Ships UK Group Limited	China	Room 1903, 19 Floor, Tower C, Luneng International Center, No.211 Guoyao Road, Pudong, Shanghai, China, 200126	100%
V.Group Global (Singapore) Pte. Ltd.	V Ships UK Group Limited	Singapore	#21-03/06, 300 Beach Road, The Concourse, Singapore, 199555	100%
Bellatrix Ship Management Group	Vouvray Acquisition Limited	England & Wales	1st Floor, 63 Queen Victoria Street, London, United Kingdom, EC4N 4UA	100%
VGG (India) Pte Ltd	Bellatrix Ship Management Group Limited	India	Windsor Corporate Park, 3rd & 4th Floor, Best Colony Road, Mahada Colony, Goregaon, West Oshiwara, Mumbai, India, 400102	99%
Murray Fenton (India) Surveyors	VGG (India) Pte Ltd	India	4th Floor Solitaire, Indira Gandhi Marg, Jamnagar, Gujarat, India, 361008	100%
V.Ships Offshore (Asia) Pte Ltd	Bellatrix Ship Management Group	Singapore	#21-03/06, 300 Beach Road, The Concourse, Singapore, 199555	100%
Marlins Maritime Training Foundation	VGG (India) Pte Ltd	India	St. Xavier's Technical Institute, Mahim Causeway, Mahim, Mumbai, Maharashtra, India, 400016	100%
V.Offshore (Ukraine) LLC	Bellatrix Ship Management	Ukraine	Office 19, 39/1 Uspenskaya Str., Odessa, Ukraine, 65014	100%
VGG Services (Guernsey) Ltd	Bellatrix Ship Management Group	Guernsey	4th Floor, West Wing Trafalgar Court Admiral Park St Peter Port, Guernsey	100%
Seaways Marine & Offshore	Bellatrix Ship Management Group	India	#21-03/06, 300 Beach Road, The Concourse, Singapore, 199555	100%
Selandia Holdings Pte. Ltd.	Vouvray Acquisition Limited	Singapore	#21-03/06, 300 Beach Road, The Concourse, Singapore, 199555	100%
Selandia Crew Management Pte. Ltd	Selandia Holdings Pte. Ltd.	Singapore	#21-03/06, 300 Beach Road, The Concourse, Singapore, 199555	100%
Selandia Ship Management	Selandia Holdings Pte. Ltd.	Singapore	#21-03/06, 300 Beach Road, The Concourse, Singapore, 199555	100%
Selandia Ship Management Pte. Ltd.	Selandia Holdings Pte. Ltd.	Singapore	#21-03/06, 300 Beach Road, The Concourse, Singapore, 199555	100%

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Subsidiary	Immediate Parent Company	Country of Registration and Operation	Registered office address	Actual Holding
Selandia Crew Management (India) Pvt. Ltd.	Selandia Holdings Pte. Ltd. Nominees	India	Windsor Corporate Park, 3rd & 4th Floor, Best Colony Road, Mahada Colony, Goregaon, West Oshiwara, Mumbai, India, 400102	100%
Selandia Ship Management (Latvia)	Selandia Holdings Pte. Ltd.	Latvia	Duntes Iela 17A, Riga, Latvia, 1005	100%
Selandia Ship Management (India) Pvt. Ltd.	Selandia Holdings Pte. Ltd. Nominees	India	301 Supreme Chambers, Off Veera Desai Road, Andheri (West), Mumbai, Maharashtra, India, 400053	100%
Dania Ship Management Holding AS	Vouvray Acquisition Limited	Denmark	Tuborg Havnevej 15, Hellerup, Denmark, 2900	100%
Dania Ship Management A/S	Dania Ship Management Holding	Denmark	Tuborg Havnevej 15, Hellerup, Denmark, 2900	100%
Dania Bulk Ship Management AS	Dania Ship Management Holding	Denmark	Tuborg Havnevej 15, Hellerup, Denmark, 2900	100%
Graig Ship Management Limited	Vouvray Acquisition Limited	England and Wales	1st Floor, 63 Queen Victoria Street, London, United Kingdom, EC4N 4UA	100%
Graig Ship Management (Shanghai) V.Ships (Hamburg) GmbH & Co. KG	V.Ships (Shanghai) Ltd	China	Room 114, Building 3, 170 Huoshan Road, Hongkou District, Shanghai, China	100%
	V.Ships Germany Holding GmbH	Germany	Rolandsbrucke 4, Hamburg, Germany, 20095	100%
Northern Crewing Services GmbH & Co. KG	Norddeutsche Reederei H. Schuldt GmbH & Co. KG	Germany	Rolandsbrucke 4, Hamburg, Germany, 20095	100%
Herm. Schuldt GmbH & Co. KG	Norddeutsche Reederei H. Schuldt GmbH & Co. KG	Germany	Rolandsbrucke 4, Hamburg, Germany, 20095	100%
H.Schuldt Shipbrokers GmbH & Co. KG	Norddeutsche Reederei H. Schuldt GmbH & Co. KG	Germany	Rolandsbrucke 4, Hamburg, Germany, 20095	100%
H.Schuldt Shipbrokers (Asia) Pte Ltd	H.Schuldt Shipbrokers GmbH & Co. KG	Singapore	Eu Tong Se St, Singapore 059818	100%
Pacific Marine International Group	V Ships UK Group Limited	Philippines	Aseana Two Building, Bradco Ave, Paranaque, Metro Manila, Philippines, 1720	25%
Pacific Ocean Manning Inc	Pacific Marine International	Philippines	Aseana Two Building, Bradco Ave, Paranaque, Metro Manila, Philippines, 1720	100%
Kestrel Shipping Inc	Pacific Marine International	Philippines	Aseana Two Building, Bradco Ave, Paranaque, Metro Manila, Philippines, 1720	100%
North Sea Marine Services	Pacific Marine International	Philippines	Aseana Two Building, Bradco Ave, Paranaque, Metro Manila, Philippines, 1720	100%
V Manpower Philippines Inc	Pacific Marine International	Philippines	Aseana Two Building, Bradco Ave, Paranaque, Metro Manila, Philippines, 1720	48%
ISS GMT B.V.	Vouvray Acquisition Limited	Netherlands	Blaak 40, p/a kvk, 3011 TA, Rotterdam, Netherlands	100%
GMT Holdings Corp	ISS GMT BV	USA	1800 SE, 10th Av Suite 320, Fort Lauderdale, Florida, United States of America, 33316	100%
Inter Argo PH Inc	ISS GMT BV	Philippines	4/F Dohle Haus Manila, #30-38 Sen. Gil Puyat Avenue, Barangay San Isidro, Makati City, Manila, Philippines	100%
Global Marine Travel LLC	GMT Holdings Corp	USA	1800 SE, 10th Av Suite 320, Fort Lauderdale, Florida, United States of America, 33316	100%