Registration number: 11013849

Magenta Shipping Limited

Consolidated Financial Statements

for the Year Ended 31 December 2022

Magenta Shipping Limited

Company Information

Directors	G.N. Georgiou
Registered office	13-14 Hobart Place London United Kingdom SW1W 0HH
Auditor	BDO LLP London UK

Magenta Shipping Limited

Strategic Report for the Year Ended 31 December 2022

The director presents his strategic report for the year ended 31 December 2022.

Fair review of the business

The Group's principal activity was the ownership and operation of a vessel. The vessel was disposed of during 2021 at its carrying value of US$24,883,000 for a gain of US$5,144,000.

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

	2022 US$ 000	2021 US$ 000
Revenue	-	4,772
Total operating days	-	306
EBITDA*	99	2,201

** 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 Group's ability to generate positive cash flows from its vessel operating activities.*

Financial risk management

The Group's operations expose it to varying levels of financial risk. Liquidity risk is mitigated by a policy of fixing long term time charters where markets permit. The policies set out by the board are implemented by the accounting department of an associated company. See further details in Note 17.

Approved by the director on 30/11/2023 and signed on its behalf by:

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G.N. Georgiou
Director

Magenta Shipping Limited

Director's Report for the Year Ended 31 December 2022

The director presents his report and the consolidated financial statements for the year ended 31 December 2022.

Directors of the Group

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

G.N. Georgiou

E. Kouligkas (resigned 17 January 2023)

Principal activity

The principal activity of the Group was formerly the operation and ownership of a vessel. During 2021, the lease was terminated, the vessel was acquired and then sold. The Group is now dormant. The directors intend to liquidate the Group.

Basis other than going concern

The Group's vessel was disposed of in 2021 and the directors intend to liquidate the Group. The directors do not consider the Group to be a going concern and accordingly these financial statements have been prepared on a basis other than going concern.

No adjustments were required to the consolidated 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 Group for the year ended 31 December 2022 was US$99,000 (2021: US$5,157,000). The directors declared and paid a dividend of US$9,400,000 (2021: US$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 Group's normal trading activities, other than those included in Note 21.

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 Group's auditor are unaware; and
(b) he have taken all the steps that ought to have been taken as directors, including making appropriate enquiries of the Group's auditor for that purpose, in order to be aware of any information needed by the Group's auditor in connection with preparing their report and to establish that the Group'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 director on 30/11/2023 and signed on its behalf by:

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G.N. Georgiou
Director

Magenta Shipping Limited

Statement of Director's Responsibilities

The director acknowledges his responsibilities for preparing the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare consolidated financial statements for each financial year. Under that law the director has elected to prepare the consolidated 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 consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year. In preparing these consolidated 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 UK adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business. As disclosed in Note 2 to the financial statements, the directors do not believe the Company to be a going concern and in consequence these financial statements have not been prepared on that basis.

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

Magenta Shipping Limited

Independent Auditor's Report to the Members of Magenta Shipping Limited

Opinion on the Consolidated financial statements

In our opinion:

- the consolidated financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the consolidated financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the consolidated financial statements of Magenta Shipping Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, and as regards the parent company financial statements, as applied in accordance with the provisions 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 consolidated 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 Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 - consolidated financial statements prepared on a basis other than going concern

We draw attention to Note 2 to the consolidated financial statements which explains that the director intends to liquidate the Group and Parent Company andtherefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements. Accordingly, the consolidated 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic Report, other than the consolidated 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 consolidated 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 consolidated 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 Director's Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the Strategic Report and Director's Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Director's 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- our understanding of the Group and the industry in which it operates;
- discussion with management and those charged with governance also consider legal counsel, etc;
- obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- we considered the significant laws and regulations to be to be as the Companies Act 2006, income tax, payroll tax and sales tax.
- the Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the consolidated financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety, anti-bribery, maritime law, employment law and certain aspects of relevant applicable legislation in the countries where the Group operates.

Independent Auditor's Report to the Members of Magenta Shipping Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Non-compliance with laws and regulations (continued)

Our procedures in respect of the above included:

- review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- review of consolidated financial statement disclosures and agreeing to supporting documentation;
- involvement of tax specialists in the audit; and
- review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the consolidated financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- obtaining an understanding of the Group's policies and procedures relating to:
  o detecting and responding to the risks of fraud; and
  o internal controls established to mitigate risks related to fraud.
- review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- discussion amongst the engagement team as to how and where fraud might occur in the consolidated financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls.

Our procedures in respect of the above included:

- testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- assessing significant estimates made by management for bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the consolidated 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 consolidated 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 Parent 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 Parent 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 Parent Company and the Parent 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, UK

Date: 01 December 2023

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

Magenta Shipping Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2022

	Note	2022 US$ 000	2021 US$ 000
Revenue	2, 4	-	4,772
Direct costs	4	2	(442)
Gross profit	4	2	4,330
Operating expenses:			
Vessel running costs		(176)	(2,050)
Depreciation and amortisation	10	-	(1,160)
Administrative expenses		(36)	(79)
		(212)	(3,289)
Gain on disposal of non-current assets	10	-	5,144
Operating (loss)/profit	5	(210)	6,185
Other non-operating income		309	-
Finance costs	8	(5)	(988)
Exchange gain/(loss)		5	(40)
Profit before taxation		99	5,157
Taxation	9	-	-
Profit after taxation		99	5,157
Total comprehensive income for the year		99	5,157

There are no items of other comprehensive income for the year.

The notes on pages 18 to 41 form an integral part of these consolidated financial statements.

Magenta Shipping Limited

(Registration number: 11013849)
Consolidated Statement of Financial Position as at 31 December 2022

	Note	2022 US$ 000	2021 US$ 000
Assets			
Current assets			
Trade and other receivables	11	223	14,276
Cash and cash equivalents	13	-	393
		223	14,669
Equity and liabilities			
Current liabilities			
Trade and other payables	14	223	278
Total liabilities		223	278
Equity			
Share capital*	18	-	-
Contributed surplus	19	-	9,790
Accumulated surplus		-	4,601
Total equity		-	14,391
Total equity and liabilities		223	14,669

*Total share capital is US$1

Approved by the director on 30/11/2023

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G.N. Georgiou
Director

The notes on pages 18 to 41 form an integral part of these consolidated financial statements.

Magenta Shipping Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital* US$ 000	Contributed surplus US$ 000	Accumulated surplus US$ 000	Total US$ 000
At 1 January 2021	-	9,790	(556)	9,234
Total comprehensive income	-	-	5,157	5,157
At 31 December 2021	-	9,790	4,601	14,391

	Share capital* US$ 000	Contributed surplus US$ 000	Accumulated surplus US$ 000	Total US$ 000
At 1 January 2022	-	9,790	4,601	14,391
Dividends (Note 20)	-	-	(4,700)	(4,700)
Repayment of capital (Note 19)	-	(9,790)	-	(9,790)
Total comprehensive income	-	-	99	99
At 31 December 2022	-	-	-	-

*Total share capital is US$1

The notes on pages 18 to 41 form an integral part of these consolidated financial statements.

Magenta Shipping Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2022

	Note	2022 US$ 000	2021 US$ 000
Cash flows (used in)/from operating activities			
Profit before taxation		99	5,157
Depreciation and amortisation	10	-	1,160
Finance costs	8	5	988
Other non-cash income		(309)	-
Net gain on disposal of non-current assets	10	-	(5,144)
		(205)	2,161
Changes to working capital			
Decrease in inventories		-	82
Decrease/(increase) in trade and other receivables	11	14,053	(14,034)
Increase/(decrease) in trade and other payables	14	249	(16,141)
Net cash inflows/(outflows) from/(used in) operating activities		14,097	(27,932)
Cash flows from investing activities			
Proceeds from disposal of vessel	10	-	30,027
Cash flows used in financing activities			
Dividends paid	20	(4,700)	-
Lease principal repayments	15	-	(867)
Interest paid		-	(988)
Repayment of capital	19	(9,790)	-
Net cash outflows used in financing activities		(14,490)	(1,855)
Net (decrease)/increase in cash and cash equivalents		(393)	240
Cash and cash equivalents at 1 January		393	153
Cash and cash equivalents at 31 December	13	-	393

The notes on pages 18 to 41 form an integral part of these consolidated financial statements.

Magenta Shipping Limited

(Registration number: 11013849)
Statement of Financial Position as at 31 December 2022

	Note	2022 US$ 000	2021 US$ 000
Assets			
Non-current assets			
Investments in subsidiaries	12	-	9,790
Total assets		-	9,790
Equity and liabilities			
Current liabilities			
Trade and other payables	14	-	1
Total liabilities		-	1
Equity			
Share capital*	18	-	-
Contributed surplus	19	-	9,790
Accumulated deficit		-	(1)
Total equity		-	9,789
Total equity and liabilities		-	9,790

*Total share capital is US$1

The Parent Company has elected not to include its own individual statement of comprehensive income in the annual accounts in accordance with Section 408 of the Companies Act 2006. The profit for the year ended 31 December 2022 was US$4,701,000 (2021: US$nil).

Approved by the director on ..30/11/2023

N. ....

G.N. Georgiou
Director

The notes on pages 18 to 41 form an integral part of these consolidated financial statements.

Magenta Shipping Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital* US$ 000	Contributed surplus US$ 000	Accumulated deficit US$ 000	Total US$ 000
At 1 January 2021	-	9,790	(1)	9,789
At 31 December 2021	-	9,790	(1)	9,789

	Share capital* US$ 000	Contributed surplus US$ 000	Accumulated deficit US$ 000	Total US$ 000
At 1 January 2022	-	9,790	(1)	9,789
Total comprehensive income	-	-	4,701	4,701
Dividends (Note 20)	-	-	(4,700)	(4,700)
Repayment of capital (Note 19)	-	(9,790)	-	(9,790)
At 31 December 2022	-	-	-	-

*Total share capital is US$1

The notes on pages 18 to 41 form an integral part of these consolidated financial statements.

Magenta Shipping Limited

Statement of Cash Flows for the Year Ended 31 December 2022

	Note	2022 US$ 000	2021 US$ 000
Cash flows from operating activities			
Profit before taxation		4,701	-
Adjustments to cash flows from non-cash items			
Finance income	8	(4,700)	-
		1	-
Changes to working capital			
Decrease in trade and other receivables	11	-	-
Decrease in trade and other payables	14	(1)	-
Net cash inflows from operating activities		-	-
Cash flows from investing activities			
Dividend income	8	4,700	-
Cash flows used in financing activities			
Dividends paid	20	(4,700)	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December		-	-

The notes on pages 18 to 41 form an integral part of these consolidated financial statements.

1 General

Magenta Shipping Limited (the "Company") is a private company limited by share capital, incorporated on 16 October 2017 and domiciled in United Kingdom.

The address of its registered office is:
13-14 Hobart Place
London
United Kingdom
SW1W 0HH

The immediate parent company is Orchard Marine Limited, a company incorporated in the British Virgin Islands. The Company's intermediate parent company is Orchard Marine Holdings Limited, which is controlled equally, under a joint venture agreement, by two shareholders and therefore there is no ultimate controlling party.

The principal activity of the Group was formerly the operation and ownership of a vessel. During 2021, the lease was terminated, the vessel was acquired and then sold. The Group is now dormant. The directors intend to liquidate the Group.

2 Accounting policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with UK adopted international accounting standards.

Basis of preparation

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

The preparation of consolidated financial statements in conformity with UK adopted 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 Group's accounting policies (refer to Note 3).

2 Accounting policies (continued)

Basis of consolidation

The consolidated financial statements include the audited financial statements of the Company for the year 31 December 2022 and its subsidiary company (the "Group").

All intercompany balances and transactions are eliminated on consolidation.

Details of the Group's subsidiary at 31 December 2022 are as follows:

Company name	Principal activities	Country of incorporation	Percentage ownership (ordinary shares)
Kalamoti Trader Shipping Limited	Vessel owner and operator	United Kingdom	100%

Departures from Companies Act requirements

The Parent Company has elected not to include its own individual statement of comprehensive income in the annual accounts in accordance with Section 408 of the Companies Act 2006.

The parent company's profit for the year ended 31 December 2022 was US$4,701,000 (2021: US$nil).

Basis other than going concern

The Group's vessel was disposed of in 2021 and the directors intend to liquidate the Group and Parent Company. The directors do not consider the Group and Parent Company to be a going concern and accordingly these consolidated financial statements have been prepared on a basis other than going concern.

Accordingly, all assets of the Group and Parent 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 2021.

2 Accounting policies (continued)

Recent accounting pronouncements

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

IAS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Group has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to IAS 37.68A clarify, that the costs relating directly to the contract consist of both:

• the incremental costs of fulfilling that contract- e.g. direct labour and material; and
• an allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

The Group does not have any onerous contracts.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced during the testing phase of a manufacturing facility after it is being constructed but before start of commercial production). The proceeds from selling such samples, together with the costs of producing them, are now recognised in profit or loss.

These amendments had no impact on the year-end consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 & IAS 41)

• IFRS 1: Subsidiary as a First-time Adopter (FTA);
• IFRS 9: Fees in the '10 per cent' Test for Derecognition of Financial liabilities; and
• IAS 41: Taxation in Fair Value Measurements.

References to Conceptual Framework (Amendments to IFRS 3)

In May 2020, the IASB issued amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

2 Accounting policies (continued)

New standards not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2023:

• Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
• Definition of Accounting Estimates (Amendments to IAS 8); and
• Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments are effective for the period beginning 1 January 2024:

• IFRS 16 Leases (Amendment - Liability in a Sale and Leaseback);
• IAS 1 Presentation of Financial Statements (Amendment - Classification of Liabilities as Current or Non-current); and
• IAS 1 Presentation of Financial Statements (Amendment - Non-current Liabilities with Covenants).

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 consolidated 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.

2 Accounting policies (continued)

Leases and Right-of-use assets

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. All leases are accounted for by recognising a right-of-use asset and a lease liability unless the leased asset is of low value (low value leases) or the lease duration is on 12 months or less (short-term leases).

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term including the exercise price of any options if exercise is considered reasonably certain. The discount rate is determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

Right-of-use assets are measured at the amount of the lease liability, reduced for any lease incentives received and increased for any lease payments made prior to commencement of the lease; any initial direct costs incurred and any provisions recognised for the dismantlement, removal or restoration of the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the outstanding balance and are reduced for lease payments made. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses (refer to the impairment accounting policy) and amortised on a straight-line basis over the remaining term of the lease or, if shorter, over the asset's remaining useful economic life. Depreciation commences at contract inception date.

Rentals payable under low value or short-term leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

2 Accounting policies (continued)

Revenue

Revenue derived from vessel leases is recognised on a straight-line basis over the period of the lease.

The charterers pay a specified daily rate to the Group as owners for the use of the vessel, as well as cover the direct costs linked to the operation of the vessels, such as port dues, canal tolls and fuel consumption, unless these are paid to the account of the Group, in which case such are classified as direct costs in the statement of comprehensive income. Further, the Group pays commissions over the daily hire rate to the charterers and the brokers, as applicable and in accordance with the relevant agreements, as well as to the management company of the Group, which are also recognised as direct costs. Contract revenue is recognised on a straight-line basis over the non-cancellable period of the charters, on the basis that this accurately reflects the manner in which the service is rendered. Charter revenue is receivable in accordance with the terms of each charter, but it is generally payable by the charterer on receipt of the invoices issued every 15 days, in advance.

Although a number of contracts in force for the Group's shipping operations cover a period in excess of one year, the nature of the contracts is such that the consideration receivable arises in direct correlation to the value provided to the customers. As such, the aggregate transaction prices allocated to partially or wholly unsatisfied contractual obligations have not been disclosed.

Contract assets and accrued income are recognised when income has been earned but not yet received. Contract liabilities and deferred lease revenue are recognised either upon collection of the hire or when the invoice is due, whichever is earlier.

Income tax

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

The Group operates within the U.K. Tonnage Tax regime, under which ship owning and operating activities are taxed based on the net tonnage of vessels operated.

Vessels

Vessels are stated at cost less accumulated depreciation and impairment losses (refer to impairment of assets accounting policy).Charges for depreciation of vessels are calculated on a straight-line basis to write-down the carrying value of the vessels over their expected useful life, being 25 years from build date, to an estimated residual value based on prevailing scrap rates at each reporting date. Depreciation commences when the vessel is ready for its intended use. Charges for depreciation of right-of-use assets are calculated on a straight-line basis to write-down the carrying value of the right-of-use asset over the lease term. Depreciation commences at contract inception date.

2 Accounting policies (continued)

Dry-docking and special survey costs

Dry-docking and special survey costs are capitalised and written off over the estimated period to the next dry-docking or special survey. Unamortised costs are written off to profit or loss on disposal of the vessel.

Impairment of assets

Assets and right-of-use assets subject to depreciation or amortisation and vessels under construction are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the statement of comprehensive income whenever the carrying value of an asset or a cash-generating unit (CGU) exceeds its recoverable amount. The recoverable amount of the Group's right-of-use assets is the value in use. The recoverable amount of all other assets is the higher of an asset's fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

Fair value is assessed by the directors and reflects the underlying economic value of the assets in normal market conditions, with a willing buyer and seller and assumes adequate time for sale.

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 allowances for any credit losses expected over the lifetime of the financial asset. The Group reviews the ageing and credit risk 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.

Financial instruments

Initial recognition

Financial assets and liabilities are initially recognised on the statement of financial position at fair value when the Group 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 the statement of comprehensive income.

2 Accounting policies (continued)

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 Group'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 Group has no financial assets classified as FVTOCI.

Impairment of financial assets

The Group 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 Group 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 Group'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 Group 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 Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

2 Accounting policies (continued)

Impairment of financial assets (continued)

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 Group 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 Group 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 Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Group'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 and points 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 Group's financial liabilities include trade and other payables.

2 Accounting policies (continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group'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 Group 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 Group 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 Group'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 consolidated financial statements:

Revenue recognition

The Group has made provisions for partially completed contracts at the reporting date. Management believe that provisions made are adequate but as these estimates are based upon information available at the reporting date they are subject to change as further information becomes available.

The time charter revenues of the Group's shipping operations contain both lease revenue and revenue from contracts with customers. The Group uses judgement in determining the amount of revenue classified as lease revenue and the amount classified as revenue from contracts with customers based on observable bareboat charter rates, the level of operating costs incurred by the vessel and the level of operating costs that would be expected based on industry benchmarks.

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

Asset impairment testing

The Group reviews its non-current assets for impairment at each reporting date. If events or circumstances indicate that the carrying value may not be recoverable, the value is adjusted to the recoverable amount, which is either the estimated value in use or the higher of fair value less costs to sell and estimated value in use (refer to impairment of assets accounting policy). The fair values of vessels at each balance sheet date are determined by the directors based upon independent broker valuations. The methodologies used by the independent brokers included discounted cash flows, direct capitalisation and a sales comparison approach. Any impairment is recognised in the statement of comprehensive income.

Residual values and estimated remaining lives

The carrying value of right-of-use assets is depreciated over the lease term. Changes in the lease term, following any amendment in the contract, would result in an adjustment to the current and future rate of depreciation through the statement of comprehensive income.

Loss allowances

Loss allowances for financial assets are based on assumptions about risk of default and expected loss rate. The Group 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 Group'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 risk review Note 17 - 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.

Management believe that the impact of COVID-19, for the year ended 31 December 2022, has materially decreased compared to the year ended 31 December 2021. As such, the Group has assumed a lower risk of default in relation to balances that remain outstanding for a period longer than 30 days.

4 Gross profit

	2022 US$ 000	2021 US$ 000
Contract revenue	-	2,043
Lease revenue	-	2,729
Total revenue	-	4,772
Direct costs	2	(442)
Gross profit	2	4,330

The balance of direct costs during the year is summarized at the below table:

	2022 US$ 000	2021 US$ 000
Brokerage commissions	(2)	289
Voyage costs	-	153
	(2)	442

Voyage costs consist of bunkers consumed during offhire.

5 Operating (loss)/profit

Arrived at after charging:

	2022 US$ 000	2021 US$ 000
Depreciation and amortisation	-	1,160
Consumption of inventories	54	288
Crew costs	36	975
Insurance premiums	-	178
Repairs and maintenance	78	339
Management fees	8	198

5 Operating (loss)/profit (continued)

During 2021, the audit fees of US$15,000 (2021: US$15,000) and non-audit fees relating to tax compliance of US$3,000 (2021: US$3,000) allocated to the Group, were borne by the immediate parent company.

6 Staff numbers and costs

During 2022 and 2021, no one was employed under contract by the Group. Administrative staff are employed and paid by an associated company for a management fee. The directors did not receive any emoluments in respect of their services to the Group and are also paid by an associated company (2021: US$nil).

7 Operating leases

The Group leases out its vessels to independent, third party charterers. The Group has classified these leases as operating leases, because it does not transfer substantially all the risks and rewards of ownership of the vessels to the lessees. Rental income of US$nil (2021: US$4,772,000) generated from the operating lease is shown in the statement of comprehensive income and does not include variable lease payments dependent on an index or rate.

The risks associated with rights that the Group retains in the underlying assets are not considered to be substantial. The Group minimises the risks it retains in the underlying assets by ensuring its leasing contracts include standard clauses that protect against excess wear and tear and other damages that may be incurred over the lease terms.

Following the sale of its vessel in 2021, the Company has no future undiscounted lease rentals to be received as of 31 December 2022 and 2021.

8 Finance costs

	2022 US$ 000	2021 US$ 000
Interest payable on lease liabilities	-	988
Other finance costs	5	-
Total finance costs	5	988

9 Income tax

The Group and its U.K. subsidiary engaged in shipping activities were governed by the U.K. tonnage tax regime, until its vessel was sold, under which their ship owning and operating activities were taxed based on the net tonnage of vessels operated. Any income and profits outside the tonnage tax regime are taxed under the normal U.K. Corporation Tax rules at 19% (2021: 19%).

Current tax

A reconciliation of the expected tax charge to the actual tax charge is as follows:

	2022 US$ 000	2021 US$ 000
Profit before taxation	99	5,157
Tax charge at applicable rates	19	980
Effect of U.K. tonnage tax regime	(19)	(980)
Total current tax charge	-	-

10 Vessels

	Vessels US$ 000	Dry-docking US$ 000	Right-of-use assets US$ 000	Total US$ 000
Cost				
At 1 January 2021	-	500	29,224	29,724
Disposals	(29,224)	(500)	-	(29,724)
Transfers	29,224	-	(29,224)	-
At 31 December 2021	-	-	-	-
At 1 January 2022	-	-	-	-
At 31 December 2022	-	-	-	-
Accumulated depreciation and amortisation				
At 1 January 2021	-	(305)	(3,376)	(3,681)
Charge for year	-	(82)	(1,078)	(1,160)
Eliminated on disposal	4,454	387	-	4,841
Transfers	(4,454)	-	4,454	-
At 31 December 2021	-	-	-	-
At 31 December 2022	-	-	-	-
Net book value				
At 31 December 2022	-	-	-	-
At 31 December 2021	-	-	-	-

In December 2021, the Group exercised its option to terminate the leasing arrangement and acquired the vessel at its net book value of US$24,883,000. The vessel was then immediately disposed of to an associated company for net proceeds of US$30,027,000, resulting in a gain on disposal of US$5,144,000 (Note 15 and 20).

11 Trade and other receivables

	Group		Company	
	2022 US$ 000	2021 US$ 000	2022 US$ 000	2021 US$ 000
Trade receivables from contracts with customers	-	4	-	-
Lease receivables and other trade receivables	-	4	-	-
Amounts due from immediate parent company	223	14,266	-	-
Other receivables	-	2	-	-
	223	14,276	-	-

The amounts due from the immediate parent company are unsecured, interest-free and repayable on demand.

The following table summarises the movements in trade receivables from contracts with customers for the years ended 31 December 2022 and 2021:

	Contract receivables 2022 US$ 000	Contract receivables 2021 US$ 000
At 1 January	4	116
Excess of revenue recognised over cash received	(4)	(126)
Impairment of contract balances	-	14
At 31 December	-	4

12 Investment in subsidiaries

Company	2022 US$ 000
At 1 January 2021	9,790
At 31 December 2021	9,790
Reduction in investment of subsidiary	(9,790)
At 31 December 2022	-

The investment in subsidiaries represents consideration paid for the issued share capital of the subsidiaries and additional equity contributions.

13 Cash and cash equivalents

	2022 US$ 000	2021 US$ 000
Cash and cash equivalents	-	393

Cash and cash equivalents include US$nil (2021: US$193,000) of cash in bank and US$nil (2021: US$200,000) of cash held by managers.

14 Trade and other payables

	Group		Company	
	2022 US$ 000	2021 US$ 000	2022 US$ 000	2021 US$ 000
Trade payables	-	6	-	-
Accruals	-	46	-	-
Amounts due to associated companies	218	211	-	-
Amounts due to immediate parent company	-	-	-	1
Other payables	5	15	-	-
	223	278	-	1

14 Trade and other payables (continued)

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

The following table summarises the movements in the contract liabilities for the years ended 31 December 2022 and 2021:

	Contract liabilities 2022 US$ 000	Contract liabilities 2021 US$ 000
At 1 January	-	9
Invoices raised in advance	-	(9)
At 31 December	-	-

15 Lease liabilities

Lease arrangements

The Group leases a vessel from an independent, third party owner. The Group's lease has both a fixed and a variable element that periodically adjusts the rentals due based on movements in LIBOR.

The movement in the lease liabilities arising from the Group's activities as a lessee are summarised as follows:

	2022 US$ 000	2021 US$ 000
At 1 January	-	15,260
Lease principal payments	-	(867)
Termination of lease	-	(14,393)
As at 31 December	-	-
	-	-

In December 2021, the Group exercised its option to terminate the leasing arrangement and acquired the vessel at its net book value of US$24,883,000. The vessel was then immediately disposed of to an associated company for net proceeds of US$30,027,000, resulting in a gain on disposal of US$5,144,000 (Note 10 and 20).

The liquidity and other financial risks associated with the Group's lease liabilities are disclosed in Note 17. The amounts receivable under operating leases are disclosed in Note 7.

16 Financial instruments

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.

Financial assets

At amortised cost:

	Carrying value		Fair value	
	2022	**2021**	**2022**	**2021**
	US$ 000	**US$ 000**	**US$ 000**	**US$ 000**
Cash and cash equivalents	-	393	-	393
Trade and other receivables	223	14,276	223	14,276
	223	14,669	223	14,669

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

The carrying value of cash and cash equivalents, which are highly liquid, is a reasonable estimate of fair value.

Financial liabilities

At amortised cost:

	Carrying value		Fair value	
	2022	**2021**	**2022**	**2021**
	US$ 000	**US$ 000**	**US$ 000**	**US$ 000**
Trade and other payables	223	278	223	278

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

17 Financial risk review

The Group'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 Group have overall responsibility for the establishment and oversight of the risk management framework.

Credit risk

The Group services the shipping industry as it leases its vessels to third party charterers. The shipping industry is cyclical, economically sensitive and highly competitive. A key determinant of the Group's success is the financial strength of its counterparties and their ability to react to and cope with the environment in which they operate.

If a lessee experiences financial difficulties this may result in default or the early termination of the lease. The directors mitigate this risk by only leasing to reputable companies and conducting comprehensive credit reviews of counterparties both prior to and during the course of a lease.

The credit risk on liquid funds is limited because the significant counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

At 31 December 2022 and 2021, the balance of trade receivables from contracts with customers and of lease and other receivables was US$nil and US$8,000, respectively.

At 31 December 2022, concentration of credit risk for the Group exists to the extent that 100% (2021: 100nil%) trade and other receivables are due from the immediate parent company.

Credit risk exists to the extent that US$nil (2021: US$14,266,000) of receivable balances from the immediate parent company is unable to be recovered in full. However, this risk is not considered to be substantial as at 31 December 2022.

The Group's 12-month expected credit loss provisions for current trade and other receivables, excluding prepayments, are as follows:

17 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
At 31 December 2022					
Gross carrying amount	-	-	-	-	-
Loss provision	-	-	-	-	-
Total	-	-	-	-	-
At 31 December 2021					
Gross carrying amount	-	8	-	-	8
Loss provision	-	-	-	-	-
Total	-	8	-	-	8

Given the heterogeneity and nature of the Group'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 2022, trade receivables of US$8,000 (2021: US$224,000) were past due but not impaired.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group aims to mitigate liquidity risk 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 table sets out the remaining contractual maturities of the Group's financial liabilities by type:

17 Financial risk review (continued)

31 December 2022	Carrying amount US$ 000	Contractual cash flows US$ 000	Less than one year US$ 000	One to five years US$ 000	More than five years US$ 000
Trade and other payables	223	223	223	-	-
	223	223	223	-	-

31 December 2021	Carrying amount US$ 000	Contractual cash flow US$ 000	Less than one year US$ 000	One to five years US$ 000	More than five years US$ 000
Trade and other payables	278	278	278	-	-
	278	278	278	-	-

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk
As at 31 December 2022 and 2021, the Group had no significant assets or liabilities denominated in currencies other than the United States dollar and were therefore not materially exposed to currency risk at the reporting date.

Interest rate risk
The Group'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 interest rate profile of the Group's financial assets and liabilities (excluding short-term receivables and payables) as at 31 December 2022 and 2021 was:

17 Financial risk review (continued)

31 December 2021	Fixed rate items US$ 000	Floating rate items US$ 000	Items on which no interest is paid US$ 000	Total US$ 000
Financial assets				
Cash and cash equivalents	-	393	-	393
Total	-	393	-	393

Capital risk management

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

The capital structure of the Group consists of lease liabilities of US$nil (2021: US$nil), and all components of equity aggregating to a of US$nil (2021: US$14,391,000).

18 Share capital

	2022 US$	2021 US$
Issued and fully paid		
1 ordinary share of US$1	1	1

19 Contributed surplus

Contributed surplus represents funds received from shareholders in addition to their subscription to the issued share capital of the Group. During the year, the directors agreed to reduce the contributed surplus by US$19,580,000, as part settlement of the amounts due from an associated company.

20 Related party transactions

In addition to the matter referred to in Notes 1, 5, 6, 10, 11, 14, 15, 16 and 19, there were the following items:

During 2022, the Group was charged management fees of US$8,000 (2021: US$82,000) and commission fees of US$nil (2021: US$60,000) by Lomar Shipping Limited, an associated company controlled by one of the shareholders.

The directors and key management of the Group did not receive any remuneration during the financial years ended 31 December 2022 and 2021.

Management declared a total amount of US$4,700,000 of cash dividends in 2022 (2021: US$nil) .

21 Events after reporting period

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