

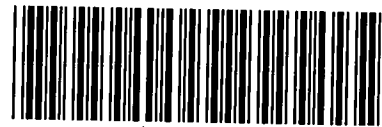
Registration number: 13261162

Summer Wind Shipping Limited

Financial Statements

for the Period from 11 March 2021 to 31 December 2021

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COMPANIES HOUSE

Summer Wind Shipping Limited

Company Information

Directors

G. N. Georgiou

A. Conrad

E. Kouligkas

J. Bradley

C. Kula

Registered office

13-14 Hobart Place
London
SW1W 0HH

Auditor

BDO LLP
London
UK

Summer Wind Shipping Limited

Strategic Report for the Period from 11 March 2021 to 31 December 2021

The directors present their strategic report for the period from 11 March 2021 to 31 December 2021.

Fair review of the business

The outbreak of the novel coronavirus ("COVID-19") in early 2020 resulted in an extreme pressure on the containerships market for the first half of 2020. There was a significant improvement of the market from the second half of 2020 onwards. In accordance with the current momentum on the international container shipping industry, the Company has not suffered an adverse impact on its financial position due to the pandemic, by securing higher rates and lower idle periods, as well as longer fixed charter periods in certain cases. However, taking into consideration the fact that the pandemic continues to affect the global economy in general, as well as industry specific factors globally, such as disruption to crew changes and quarantine of vessels, the directors continue to monitor the impact of the pandemic on the global container trade growth and any potential effect on the Company's financial position.

Following the completion of Brexit in December 2020, the rates in the containership market continue to remain strong. The Company's transactions are denominated in United States Dollars and the Company's vessel operates on a worldwide basis, not confined to the ports of the United Kingdom. Accordingly, the directors have not yet identified any material financial impact on the Company, due to Brexit. However, management remains alert for any possible implications of Brexit in the future that might have an impact the Company's financial position.

The Russian invasion in Ukraine in February 2022, the ongoing war, as well as the related sanctions imposed by the European Union, the United States and others, could have an adverse effect on the Company's business, either with regards to the crewing operations, as vessels are sometimes staffed by Ukrainian and Russian crew, or the trade patterns involving ports in the Black Sea. Management will continue to monitor the situation in order to quickly react to any direct and immediate implications on the Company's operations.

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

	Period from 11 March 2021 to 31 December 2021 US\$ 000
Revenue	4,030
Total operating days	196
EBITDA*	2,562

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


Summer Wind Shipping Limited

Strategic Report for the Period from 11 March 2021 to 31 December 2021 (continued)

Financial risk management

The Company'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 Board on ~~21/10/2022~~ and signed on its behalf by:


.....
G. N. Georgiou
Director

Summer Wind Shipping Limited

Directors' Report for the Period from 11 March 2021 to 31 December 2021

The directors present their report and the financial statements for the period from 11 March 2021 to 31 December 2021.

Incorporation

The Company was incorporated on 11 March 2021.

Directors of the Company

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

G. N. Georgiou (appointed 11 March 2021)

A. Conrad (appointed 17 March 2021)

E. Kouligkas (appointed 11 March 2021)

J. Bradley (appointed 17 March 2021)

C. Kula (appointed 17 March 2021)

Principal activity

The principal activity of the Company is the operation and ownership of a vessel.

Going concern

The financial statements have been prepared on a going concern basis. In applying this basis, the directors have reviewed the projections of cash flows and compliance with banking covenants over the 12 months from the approval of the financial statements and concluded that the Company will be able to meet its liabilities as they fall due. The Company's current liabilities exceeded its current assets by US\$405,000. An associated company, Lomar Corporation Limited, has undertaken to provide support to enable the Company to meet its obligations as they fall due. For the assessment performed by management with regards to the going concern status of the Company, refer to Note 2.

Results and dividends

The profit for the period ended 31 December 2021 for the Company was US\$1,746,000. The directors did not propose a payment of a dividend.

Important adjusting and non-adjusting events after the reporting period

There have been no significant events subsequent to the reporting date which are outside the Company's normal trading activities, other than those included in Note 21.

Summer Wind Shipping Limited

Directors' Report for the Period from 11 March 2021 to 31 December 2021 (continued)

Disclosure of information to the auditor

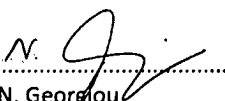
At the time when this report is approved the directors have confirmed that:

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

Appointment of auditor

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

Approved by the Board on ~~21/10/2022~~ and signed on its behalf by:


.....
G. N. Georgiou
Director

Summer Wind Shipping Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable laws 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 UK adopted international accounting standards. 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 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

Summer Wind Shipping Limited

Independent Auditor's Report to the Members of Summer Wind Shipping Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Summer Wind Shipping Limited ("The Company") for the period from 11 March 2021 to 31 December 2021, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Summer Wind Shipping Limited

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

Other information

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

Summer Wind Shipping Limited

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

Audit procedures performed by the Company engagement team included:

- inspecting correspondence with tax authorities and lawyers;
- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- inspecting legal and professional fees for indications of non-compliance with laws and regulations;
- evaluating management's controls designed to prevent and detect irregularities;

Summer Wind Shipping Limited

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

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

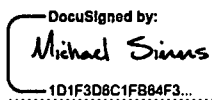
- identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- challenging assumptions and judgements made by management in their critical accounting estimates.

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

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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

London
UK

Date: 21 October 2022

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

Summer Wind Shipping Limited

Statement of Comprehensive Income for the Period from 11 March 2021 to 31 December 2021

	Note	Period from 11 March 2021 to 31 December 2021 US\$ 000
Revenue	2, 4	4,030
Direct costs	4	<u>(268)</u>
Gross profit	4	<u>3,762</u>
Operating expenses:		
Vessel running costs		(1,217)
Depreciation and amortisation	10	(499)
Administrative expenses		<u>17</u>
		<u>(1,699)</u>
Operating profit	5	2,063
Finance costs	8	<u>(317)</u>
Profit before taxation		1,746
Taxation	9	<u>-</u>
Profit after taxation		<u>1,746</u>
Total comprehensive income for the period		<u><u>1,746</u></u>

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

The notes on pages 16 to 39 form an integral part of these financial statements.

Summer Wind Shipping Limited

(Registration number: 13261162)

Statement of Financial Position as at 31 December 2021

	Note	2021 US\$ 000
Assets		
Non-current assets		
Vessel	10	19,317
Current assets		
Inventories	11	35
Trade and other receivables	12	364
Cash and cash equivalents	13	<u>2,419</u>
		<u>2,818</u>
Total assets		<u><u>22,135</u></u>
Equity and liabilities		
Current liabilities		
Trade and other payables	14	662
Bank loan	15	<u>2,561</u>
		3,223
Non-current liabilities		
Bank loan	15	<u>10,501</u>
Total liabilities		<u><u>13,724</u></u>
Equity		
Share capital*	18	-
Contributed surplus	19	6,665
Accumulated surplus		<u>1,746</u>
Total equity		<u><u>8,411</u></u>
Total equity and liabilities		<u><u>22,135</u></u>

*Total share capital is US\$143.

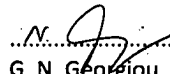
Approved by the Board on ~~21/10/2022~~ and signed on its behalf by:

The notes on pages 16 to 39 form an integral part of these financial statements.

Summer Wind Shipping Limited

(Registration number: 13261162)

Statement of Financial Position as at 31 December 2021 (continued)


.....
G. N. Georgiou
Director

The notes on pages 16 to 39 form an integral part of these financial statements.

Summer Wind Shipping Limited

Statement of Changes in Equity for the Period from 11 March 2021 to 31 December 2021

	Share capital* US\$ 000	Contributed surplus US\$ 000	Accumulated surplus US\$ 000	Total US\$ 000
At date of incorporation	-	-	-	-
Total comprehensive income	-	-	1,746	1,746
Issue of share capital*	-	-	-	-
Equity contributions	-	6,665	-	6,665
At 31 December 2021	-	6,665	1,746	8,411

*Total share capital is US\$143

The notes on pages 16 to 39 form an integral part of these financial statements.

Summer Wind Shipping Limited

Statement of Cash Flows for the Period from 11 March 2021 to 31 December 2021

	Note	Period from 11 March 2021 to 31 December 2021 US\$ 000
Cash flows from operating activities		
Profit before taxation		1,746
Depreciation and amortisation	10	499
Finance costs	8	317
		<u>2,562</u>
Changes to working capital:		
Increase in inventories	11	(35)
Increase in trade and other receivables	12	(364)
Increase in trade and other payables	14	620
Net cash inflows from operating activities		<u>2,783</u>
Cash flows used in investing activities		
Vessel additions	10	(19,170)
Dry-dock additions	10	(646)
Net cash outflows used in investing activities		<u>(19,816)</u>
Cash flows from financing activities		
Contributions from shareholders	19	6,665
Drawdown of bank loan	15	14,500
Repayment of bank loan	15	(1,301)
Loan arrangement fees	15	(165)
Interest paid		(247)
Net cash inflows from financing activities		<u>19,452</u>
Net increase in cash and cash equivalents		2,419
Cash and cash equivalents at date of incorporation		<u>-</u>
Cash and cash equivalents at 31 December	13	<u>2,419</u>

The notes on pages 16 to 39 form an integral part of these financial statements.

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021

1 General information

The Company is a private company limited by share capital, incorporated on 11 March 2021 and domiciled in the United Kingdom.

The address of its registered office is:

13-14 Hobart Place
London
SW1W 0HH
United Kingdom

The immediate parent company is Marlom Shipping 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 entity is the operation and ownership of a vessel.

2 Accounting policies

Statement of compliance

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards.

Basis of preparation

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

The preparation of 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 Company's accounting policies (refer to Note 3).

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

2 Accounting policies (continued)

Going concern

During the financial period ended 31 December 2021, the Company made a total comprehensive income of US\$1,746,000. As at that date, the Company's current liabilities exceeded its current assets by US\$405,000 and is in a net shareholder surplus of US\$8,411,000.

The negative sentiment and related turbulent and uncertain market conditions of the past several years have relented. Strong global trade volumes arising from the change in consumer spending habits, the non-availability of vessels and supply chain disruption have all led to unprecedented record levels in terms of charter rates and second-hand vessel values. The Company has managed to fix charters for longer periods of time compared to prior years and has generated positive cash flows from the higher charter rates.

The directors have stress tested the revenue and operating expenditure assumptions under various theoretical scenarios included in the Company's cash projections for a period of at least twelve months from the date of approval of these financial statements. In light of the forecasts prepared, the directors have, at the time of issuing the financial statements, concluded that the ability of the Company to continue as a going concern is dependent upon the support of an associated company. Lomar Corporation Limited has undertaken to provide financial support to enable the Company to meet its obligations as they fall due, for a period of at least 12 months from the date of approval of these financial statements. As a result, the financial statements have been prepared on a going concern basis.

At this stage, the Directors do not envisage any ongoing negative impact on the Company resulting from Covid-19, but will continue to monitor the situation.

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

2 Accounting policies (continued)

Recent accounting pronouncements

The Company has adopted the new interpretations and revised standards effective for the period ended 31 December 2021. The adoption of these interpretations and revised standards have not had a significant effect on the Company.

Changes resulting from the IBOR Reform - Phase 2 (LIBOR referenced contracts)

In March 2021, the UK Financial Conduct Authority (the "FCA") announced the future cessation or loss representativeness of the London Interbank Offered Rate ("LIBOR") benchmark settings currently published by ICE Benchmark Association (the "IBA"), an authorized administrator, regulated and supervised by FCA. In particular, the FCA confirmed that immediately after 30 June 2023, the 3-month (amongst others) US dollar LIBOR setting, on which most of the Company's facility agreements are based, will cease to be provided or will no longer be representative. As such, entities need to move to an alternative interbank rate, as far as their credit facilities are concerned, upon communication with their lenders.

As at 31 December 2021, the Company is exposed to interest rate risk, through its interest bearing financial liabilities, which bear either fixed or three-month LIBOR floating rate. In view of the anticipated discontinuation of LIBOR, management has entered into discussions with the lenders, in order to agree on the transition rate to be applied on the credit facilities that bear floating rate. The lenders have expressed their intention to switch to Secured Overnight Financing Rate ("SOFR"), compounded either in advance or in arrears.

Currently, the effect of the transition from LIBOR to SOFR on the Company's financial position and cash flows cannot be accurately determined. However, management is of the opinion that such effect will not be material, on the basis that both Interbank Rates are market driven and as such, would not be expected to result in material discrepancies in the long run.

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

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 Company has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

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 directors do not anticipate that the adoption of these revised standards and interpretations will have a significant impact on the figures included in the financial statements in the period of initial application.

Foreign currencies

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

Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Revenue and direct costs

The Company generates its revenues from time charter agreements, which contain a lease, as they meet the criteria of a lease under IFRS 16 - Leases. These charters refer to the leasing out of the Company's vessel to charterers for a specified period of time and may include options for the charterers to extend the lease term.

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

2 Accounting policies (continued)

The charterer pays a specified daily rate to the Company as the owner for the use of the vessel, as well as covers the direct costs linked to the operation of the vessel, such as port dues, canal tolls and fuel consumption, unless these are paid to the account of the immediate parent, in which case such are classified as direct costs in the statement of comprehensive income. Further, the Company 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 a management company, 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.

Under a time-charter, the daily hire rate includes a lease and a non-lease component. The lease component is linked to the right of use of the vessel by the charterer. The non-lease component, also known as the service element of the charter, relates to the operating expenses of the vessels incurred by the Company, such as crew expenses, commissions, repair, spares, insurance costs, etc. These are treated as one performance obligation, as they are rendered and recognised over the same time. Both components are implicit in the time charter agreements and are not negotiated separately. The allocation of the daily hire rate, as the transaction price, is primarily done by calculating the service element based on the average daily operating cost per type of vessel, while the lease component is considered to be the residual value of the total transaction price.

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 Company 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 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 statement of financial position date. Depreciation commences when the vessel is ready for its intended use.

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

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 the statement of comprehensive income on disposal of the vessel.

Impairment of assets

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 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 of an asset or a CGU 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.

Inventories

Inventories comprise of bunkers and lubricants on board vessels. Inventories are recognised at the lower of cost and net realisable value on a first-in, first-out basis.

Other receivables

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

Cash and cash equivalents

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

Share capital

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

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

2 Accounting policies (continued)

Financial instruments

Initial recognition

Financial assets and liabilities are initially recognised on the statement of financial position at fair value when the Company has become party to the contractual provisions of the instruments. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and measurement

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

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

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

2 Accounting policies (continued)

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost including lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

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

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

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

2 Accounting policies (continued)

Financial liabilities

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period to the amortised cost of a financial liability.

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

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

3 Critical accounting judgements and key sources of estimation uncertainty

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

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

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

Revenue recognition

The Company 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 Company's shipping operations contain both lease revenue and revenue from contracts with customers. The Company 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.

Asset impairment testing

The Company 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 the higher of fair value less costs to sell and estimated value in use (refer to Impairment of assets accounting policy). The fair value 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 vessels is depreciated over their expected useful life of 25 years from the date of build to an estimated residual value. Changes in the remaining useful life of the vessels and the residual value, determined based on year end scrap rates, would result in an adjustment to the current and future rate of depreciation through the statement of comprehensive income.

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

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

Loss allowances

Loss allowances for financial assets are based on assumptions about risk of default and expected loss rate. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation. In particular, at each reporting date, management performs an assessment of the collectability of open trade receivables on an individual basis. Such assessment is performed by taking into consideration the Company's history of write-offs, the balance and nature of uncollected trade receivables that are deemed past due as per the terms and conditions of the contracts with its customers, as well as the credit risk characteristics of and its relationships with its customers. In addition, actual recoverability is factored in by assessing the payment patterns evidenced subsequent to the reporting date. Accordingly, management determines the appropriate provision for doubtful receivables using a provision matrix and a pre-determined set of ageing categories (refer to the Financial 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.

Following the outbreak of COVID-19 in 2020, for the year ended 31 December 2021, the Company continued to apply a more prudent approach in the assessment of expected credit losses, by assuming a higher risk of default in relation to balances that remain outstanding for a period longer than 30 days.

4 Gross profit

	Period from 11 March 2021 to 31 December 2021 US\$ 000
Contract revenue	623
Lease revenue	3,407
Total revenue	4,030
Direct costs	(268)
Gross profit	3,762

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

4 Gross profit (continued)

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

	Period from 11 March 2021 to 31 December 2021 US\$ 000
Brokerage commissions	190
Voyage costs	<u>78</u>
	<u>268</u>

Voyage costs consist of bunkers consumed during offhire.

5 Operating profit

Arrived at after charging:

	Period from 11 March 2021 to 31 December 2021 US\$ 000
Depreciation and amortisation	499
Consumption of inventories	136
Crew costs	545
Insurance premiums	109
Repairs and maintenance	29
Management fees	<u>187</u>

During 2021, the audit fees of US\$11,000 and non-audit fees relating to tax compliance of US\$2,000 allocated to the Company, were borne by an associated company.

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

6 Staff number and costs

During 2021, no one was employed under contract by the Company. 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 Company and are also paid by an associated company.

7 Operating leases

The Company leases out its vessel to independent, third party charterers. The Company has classified this lease as an operating lease, because it does not transfer substantially all the risks and rewards of ownership of the vessel to the lessee. Rental income of US\$4,030,000 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 Company retains in the underlying asset are not considered to be substantial. The Company minimises the risks it retains in the underlying asset 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 term.

The following table sets out the maturity analysis of the future undiscounted lease rentals to be received as of 31 December 2021:

	Less than one year US\$ 000	One to two years US\$ 000	Total US\$ 000
31 December 2021			
Contract revenue	1,529	902	2,431
Lease revenue	<u>8,356</u>	<u>4,930</u>	<u>13,286</u>
	<u><u>9,885</u></u>	<u><u>5,832</u></u>	<u><u>15,717</u></u>

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

8 Finance costs

	Period from 11 March 2021 to 31 December 2021 US\$ 000
Interest payable on bank loan	291
Amortisation of deferred finance fees	28
Finance income	(2)
Net finance costs	<u>317</u>

9 Income tax

The Company is engaged in shipping activities and has entered the U.K. tonnage tax regime, under which its ship owning and operating activities are 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%.

Current tax

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

	Period from 11 March 2021 to 31 December 2021 US\$ 000
Profit before taxation	<u>1,746</u>
Tax charge at applicable rates	332
Effect of U.K. tonnage tax regime	<u>(332)</u>
Total current tax charge	<u>-</u>

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

9 Income tax (continued)

The vessel was a tonnage tax asset which had always been operated within the tonnage tax regime. In addition, the vessel is a tangible moveable chattel which has never qualified for capital allowances. Any capital gain or loss arising on the disposal of this vessel is therefore exempt.

10 Vessel

	Vessel US\$ 000	Dry-docking US\$ 000	Total US\$ 000
Cost			
At date of incorporation	-	-	-
Additions	19,170	646	19,816
Disposals	-	(20)	(20)
At 31 December 2021	19,170	626	19,796
Accumulated depreciation and amortisation			
At date of incorporation	-	-	-
Charge for the period	(427)	(72)	(499)
Eliminated on disposal	-	20	20
At 31 December 2021	(427)	(52)	(479)
Net book value			
At 31 December 2021	18,743	574	19,317

The vessel with a net book value of US\$19,317,000 is mortgaged as security for the bank loan (Note 15).

Impairment

The Company has performed an impairment test for its vessel by comparing the carrying amount of the vessel to its recoverable amount, being the greater of its value in use and its fair value less cost to sell. In assessing the value in use, a discount rate of 7.51% was used for the vessel. The Company defines a cash generating unit as a single vessel.

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

10 Vessel (continued)

Value in use calculations involve estimating the discounted future cash flows, which require judgements concerning long-term forecasts of future revenues and costs related to the vessels as well as judgements about the discount rate used in the calculations.

These forecasts are uncertain as they require assumptions to be made regarding global supply and demand growth and trends, geopolitical factors, market conditions and technological developments. Value in use calculations are mainly sensitive to the hire rates and discount rates applied in the calculations. Significant and unanticipated changes in these assumptions could result in a material impairment provision in a future period.

The main assumptions used in performing the value in use calculation at the reporting date are as follows:

- contracted hire rates until the expiry of the current agreement;
- hire rate estimates up until the end of useful life based on forecasts, published industrial outlook from leading shipbrokers;
- operating expenses - crew and technical costs, based on the approved operating budget for 2022 and increasing at a flat rate of 5.1% annually;
- annual utilisation for each vessel of 355 days; and
- use of the vessel until the end of their useful economic life, unless the vessels are sold or planned to be sold.

Sensitivity analysis was performed on the value in use of the vessel at the reporting date. A decrease in projected hire rates of 10% over the remaining life of the vessel and an increase in the discount rate of 1% across the annual assessment would result in no impairment provision.

No impairment was noted for the period ended 31 December 2021.

11 Inventories

	2021 US\$ 000
Lubricants	28
Other	7
	<hr/>
	35

The cost of inventories recognised as an expense in the period amounted to US\$136,000, of which US\$78,000 consists of bunkers and US\$58,000 consists of lubricants consumed.

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

12 Other receivables

	2021 US\$ 000
Prepayments	14
Amounts due from immediate parent company	137
Other receivables	<u>213</u>
	<u>364</u>

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

At 31 December 2021, the balance of other receivables of US\$213,000 refers to open receivables in relation to insurance claims, settled within the period.

13 Cash and cash equivalents

	2021 US\$ 000
Cash and cash equivalents	<u>2,419</u>

Cash and cash equivalents include US\$957,000 of cash at bank and US\$9,000 of cash on board vessel and US\$1,453,000 of restricted cash in compliance with the bank loan covenants.

Cash and cash equivalents are secured against bank loan (Note 15).

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

14 Trade and other payables

	2021
	US\$ 000
Trade payables	436
Accrued expenses	60
Deferred revenue	70
Contract liabilities	13
Amounts due to associated companies	81
Other payables	2
	<u>662</u>

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

The following table summarises the movements in the contract liabilities for the period ended 31 December 2021:

	2021
	Contract liabilities
	US\$ 000
At 11 March	-
Invoices raised in advance	13
At 31 December	<u>13</u>

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

15 Bank loan

The bank loan outstanding at 31 December 2021 is as follows:

	Bank loan US\$ 000	Arrangement fees US\$ 000	Total US\$ 000
At date of incorporation	-	-	-
<i>Movements arising from financing cash flows</i>			
Drawdown of facility	14,500	-	14,500
Repayment of facility	(1,301)	-	(1,301)
Loan arrangement fees	-	(165)	(165)
<i>Non-cash and other movements</i>			
Amortisation of loan arrangement fees	-	28	28
At 31 December 2021	<u>13,199</u>	<u>(137)</u>	<u>13,062</u>
Current portion	2,601	(40)	2,561
Non-current portion	<u>10,598</u>	<u>(97)</u>	<u>10,501</u>
	<u>13,199</u>	<u>(137)</u>	<u>13,062</u>

The bank loan is secured by charges over the vessel (Note 10), the minimum future rental receivables (Note 7) and cash and cash equivalents (Note 13).

16 Financial instruments

Financial assets

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

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

16 Financial Instruments (continued)

At amortised cost:

	Carrying value	Fair value
	2021	2021
	US\$ 000	US\$ 000
Cash and cash equivalents	2,419	2,419
Other receivables	<u>350</u>	<u>350</u>
	<u>2,769</u>	<u>2,769</u>

The carrying values of 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
	2021	2021
	US\$ 000	US\$ 000
Trade and other payables	579	579
Bank loan	<u>13,199</u>	<u>12,180</u>
	<u>13,778</u>	<u>12,759</u>

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

The estimated fair value of the Company's bank loan has been determined by management, based upon the present value of the expected cash flows derived from the liability, discounted at an appropriate discount rate.

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

17 Financial risk review

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

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

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

Credit risk

The Company services the shipping industry as it leases its vessel to third party charterers. The shipping industry is cyclical, economically sensitive and highly competitive. A key determinant of the Company'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 2021, concentration of credit risk exists to the extent that 38% of other receivables are due from the immediate parent company.

Credit risk exists to the extent that US\$137,000 receivable 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 2021.

Liquidity risk

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

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

17 Financial risk review (continued)

Maturity analysis for financial liabilities

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

	Carrying amount US\$ 000	Contractual cash flow US\$ 000	Less than one year US\$ 000	One to five years US\$ 000	More than 5 years US\$ 000
31 December 2021					
Trade and other payables	579	579	579	-	-
Bank loan	13,199	14,816	3,091	11,725	-
	<u>13,778</u>	<u>15,395</u>	<u>3,670</u>	<u>11,725</u>	<u>-</u>

Market risk

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

Currency risk

As at 31 December 2021, the Company had no significant financial assets and liabilities denominated in currencies other than United States dollars and was therefore not exposed to significant currency risk at the reporting date.

Interest rate risk

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

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

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

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 carrying value US\$ 000
Financial assets				
Cash and cash equivalents	-	2,410	9	2,419
Total	-	2,410	9	2,419
Financial liabilities				
Bank loan	-	13,199	-	13,199
Total	-	13,199	-	13,199

Cash flow sensitivity analysis for variable interest rate instrument

The Company's bank loan is subject to movements in the floating interest rates based on LIBOR. As at 31 December 2021 should yields have increased/decreased by 50bps with all other variables remaining constant, the increase/decrease in the result for the period would have been US\$66,000.

An associated company's finance department monitors the sensitivity to interest rates on a regular basis as part of their role.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern whilst maximising the return to shareholders through optimisation of the debt and equity balance. The Company reviews and monitors its capital structure on a regular basis to ensure its objectives are met.

The capital structure of the Company consists of a bank loan of US\$13,199,000, and all components of equity, aggregating to a surplus of US\$8,411,000.

18 Share capital

Authorised, issued and fully paid:	2021
101 ordinary shares of £1	US\$
	143

Summer Wind Shipping Limited

Notes to the Financial Statements for the Period from 11 March 2021 to 31 December 2021 (continued)

19 Contributed surplus

Contributed surplus represents funds received from shareholders in addition to their subscription to the issued share capital of the Company. During the period, the shareholders of the immediate parent company injected a total amount of US\$6,665,000.

20 Related party transactions

In addition to the matters referred to in Notes 1, 6, 12, 14, 18 and 19, there were the following items:

The Company was charged management fees of US\$105,000, consultancy fees of US\$70,000 and commission fees of US\$49,000 by Lomar Shipping Limited, an associated company controlled by one of the Company's shareholders.

The directors and key management of the Company did not receive any remuneration during the financial period ended 31 December 2021.

21 Events after the reporting period

The directors have considered the impact of the Russia-Ukraine war and do not anticipate any material ongoing impact on the Company, but will continue to monitor the situation.

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