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Company number: FC032083

IONA SHIPPING LIMITED
REPORT AND FINANCIAL STATEMENTS
31st DECEMBER 2022

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Iona Shipping Limited**Directors and Advisers****Board of Directors**

J.W.F. Warwick
A.C.T. Vane

Company Secretary

A.C.T. Vane

Registered Office

80 Broad Street, Monrovia
Republic of Liberia

Auditors

MHA
2 London Wall Place, London. EC2Y 5AU

Bankers

The Royal Bank of Scotland
250 Bishopsgate, London. EC2M 4AA

Sumitomo Mitsui Trust Bank Limited
155 Bishopsgate, London. EC2M 3XU

Iona Shipping Limited**Report of the Directors**

The directors present their report and their audited financial statements for the year ended 31st December 2022.

Principal Activities

The principal activities of the Company during the period were ship-owning and operating. The directors do not anticipate any changes in the activities in the foreseeable future.

Review of the Business

2022 saw continued profitability from 2021 with charter rates remaining steady. The Company had fixed a time charter throughout 2022 which guaranteed that it remained profitable during this year.

The directors carried out a risk assessment in 2020 in response to COVID-19 and put in place appropriate measures to allow the Company to remain operational. These measures have been kept in place in 2022 and contingency plans will be applied should another outbreak occur.

The results for the year ended 31st December 2022 are disclosed on page 8.

Going Concern

The financial statements have been prepared on a going concern basis however, in May 2023. The sole asset of the Company m.v. Cerinthus was sold and management will arrange to dissolve the Company in a future period.

Results and Dividends

The Company made a profit after taxation for the year of US\$3,616,075 (2021: US\$2,236,326). The Company paid dividends during the year ended 31st December 2022 of US\$3,600,000 (2021: US\$2,475,000).

Events after the Reporting Date

Events after the reporting date are detailed in note 15.

Details of Directors

The directors who served during the year are summarised on page 2.

Company Number

FC032083

Auditor

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

Directors' Declaration

Each of the persons who are directors at the time when this report is approved has confirmed that:

- (a) so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware: and
- (b) each director has taken all the steps that ought to have been taken as a director, in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Iona Shipping Limited**Report of the Directors (Continued)****Statement of Director's Responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

The report of the directors was approved by the board on 28th June 2023
and signed on its behalf by:

A handwritten signature in black ink, consisting of a stylized 'A' followed by a horizontal line and a loop.

A.C.T. Vane
Company Secretary

Independent Auditors' Report to the Members of Iona Shipping Limited

Opinion

We have audited the financial statements of Iona Shipping Limited (the 'Company') for the year ended 31 December 2022, which comprise the Company Profit and Loss account, the Company Balance Sheet, the Company Statement of Changes in Equity and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of the Company's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included considerations over the Company's business model and related risks, including where relevant the impact of Brexit and the ongoing spread of the coronavirus (COVID-19), the requirements of the applicable financial reporting framework and the system of internal control. We evaluated the Directors' assessment of the Company's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment and evaluated the Directors' plans for future actions in relation to their going concern assessment.

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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors' Report to the Members of Iona Shipping Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 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 Directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 Auditors' 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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of company staff in finance and compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Independent Auditors' Report to the Members of Iona Shipping Limited (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.



Atul Kariya FCCA (Senior statutory auditor)

for and on behalf of
MHA, statutory auditor
London
United Kingdom

Date: 29 June 2023

MHA is the trading name of MacIntyre Hudson, a limited liability partnership registered in England and Wales (with registered number OC312313).

Iona Shipping Limited
Profit and Loss account
For the Year Ended 31st December 2022
(Expressed in US Dollars)

	Note	2022 US\$	2021 US\$
Turnover	2(c)	6,478,750	5,282,150
Cost of Sales		(2,949,360)	(2,977,935)
Gross Profit		3,529,390	2,304,215
Administrative expenses		(20,888)	(22,408)
Operating Profit	5	3,508,502	2,281,807
Gain on interest rate swaps	12	261,020	129,316
Interest receivable and similar income	6	758	87
Interest payable and similar charges	7	(154,205)	(174,884)
Profit on Ordinary Activities before Taxation		3,616,075	2,236,326
Taxation on profits/losses on ordinary activities		-	-
Profit on Ordinary Activities after Taxation		3,616,075	2,236,326

The Company had no other comprehensive income during the year.

The notes on pages 11 to 16 form part of these financial statements.

Iona Shipping Limited
Balance Sheet – 31st December 2022
(Expressed in US Dollars)

	<u>Note</u>	<u>2022</u> US\$	<u>2021</u> US\$
Fixed Assets			
Tangible assets	8	9,058,338	9,597,856
Other financial assets	12	109,280	15,521
		<u>9,167,618</u>	<u>9,613,377</u>
Current Assets			
Stocks		122,963	113,145
Debtors	9	289,939	158,716
Cash at bank and in hand		1,075,949	1,290,638
		<u>1,488,851</u>	<u>1,562,499</u>
Creditors: amounts falling due within one year	10	<u>(960,579)</u>	<u>(962,641)</u>
Net Current Assets		<u>528,272</u>	<u>599,858</u>
Total Assets Less Current Liabilities		<u>9,695,890</u>	<u>10,213,235</u>
Creditors: amounts falling due after more than one year	11	<u>(3,429,494)</u>	<u>(3,962,914)</u>
Net Assets		<u>6,266,396</u>	<u>6,250,321</u>
Capital and Reserves			
Share capital	13	5,400,000	5,400,000
Accumulated profits		866,396	850,321
Shareholder's Funds		<u>6,266,396</u>	<u>6,250,321</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A for small entities.

The financial statements were approved by the Board on 28th June 2023
and signed on its behalf by:



A.C.T. Vane - Director

The notes on pages 11 to 16 form part of these financial statements.

Iona Shipping Limited
Statement of Changes in Equity
For the Year Ended 31st December 2022
 (Expressed in US Dollars)

	<u>Share Capital</u> US\$	<u>Accumulated Profits</u> US\$	<u>Total Equity</u> US\$
Balance at 1st January 2021	5,400,000	1,088,995	6,488,995
Total comprehensive income for the year	-	2,236,326	2,236,326
Dividend paid	-	(2,475,000)	(2,475,000)
Balance at 31st December 2021	5,400,000	850,321	6,250,321
Total comprehensive income for the year	-	3,616,075	3,616,075
Dividend paid	-	(3,600,000)	(3,600,000)
Balance at 31st December 2022	5,400,000	866,396	6,266,396

The notes on pages 11 to 16 form part of these financial statements.

Iona Shipping Limited
For the year ended 31st December 2022
Notes to the financial statements

1. General Information

The Company is a private company limited by shares incorporated in the Republic of the Liberia and is registered with Companies House in England and Wales as an overseas company.

These financial statements were prepared in accordance with the provisions of FRS 102 Section 1A for small entities.

The Company's financial statements are presented in United States Dollars. The results of the Company are included in the consolidated financial statements of Hadley Shipping Group Limited, which are available from Fourth Floor, 117-119 Houndsditch, London, EC3A 7BT.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting Policies

(a) Basis of preparation

These financial statements for the year ended 31 December 2022 comply with FRS102 Section 1A.

The financial statements are prepared on a historic cost basis.

There is a prior year reclassification of Other Financial Assets to provide consistency with the current year presentation.

The Company has taken the exemption under FRS102 Section 1A from producing a cash flow statement.

(b) Going Concern

The Company has incurred a net profit for the year of US\$3,616,075 (2021: US\$2,236,326). At 31st December 2022 it had net current assets of US\$528,272 (2021: US\$599,858) and net assets of US\$6,266,396 (2021: US\$6,250,321).

The financial statements are prepared on the going concern basis, assuming that the Company will continue to operate for a foreseeable future. The immediate parent company has also agreed to provide financial support if required, as guarantor of the loan.

The directors accordingly consider it is appropriate to present the financial statements of the Company on a going concern basis.

(c) Turnover

Turnover represents gross earnings receivable from ships trading during the period. Income from the vessel when on time charter is recognised up to the balance sheet date. Income relating to the vessel when on voyage charter in progress at the balance sheet date is accounted for on a pro-rata basis. Full provision is made for any losses on voyages in progress at the balance sheet date.

(d) Foreign Currencies

The functional and presentational currency of the Company is U.S. Dollars.

Monetary assets and liabilities in foreign currencies are translated into U.S. Dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into U.S. Dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

(e) Taxation

The Company, through its parent company, has entered the U.K. tonnage tax regime, under which its ship operating activities are taxed based on the net tonnage of vessels operated. Amounts are recorded within administrative costs.

Any income and profits outside the tonnage tax regime are taxed under the normal U.K. corporation tax rules.

Iona Shipping Limited

For the year ended 31st December 2022

Notes to the financial statements (Continued)

2. Accounting Policies (continued)

(f) Fixed asset and depreciation

The Company's vessel is stated at cost less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition.

Depreciation is charged on cost less estimated residual values of fixed assets on the straight line method over their effective lives as follows:

Container Vessels	- over their remaining useful life estimated to be 25 years from the date of building.
Dry dock	- over the period between dry docks.

(g) Impairment

At each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of 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 risks specific to the asset.

(h) Stocks

Stocks are stated at the lower of cost and net realisable value on a first in first out basis. Stock comprises bunkers onboard the vessel and luboils.

(i) Financial assets and liabilities

General:

Financial assets are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognised at the transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are measured as set out below. A financing transaction is measured at the present value of the future payments discounted at the market rate for a similar debt instrument.

Classification:

Financial instruments are classified as 'Basic' or 'Other' in accordance with Chapter 11 of FRS102.

Subsequent measurement:

At the end of each reporting period, debt instruments classified as basic are measured at amortised cost using the effective interest rate method.

Derecognition:

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Group has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

(j) Cash

Cash comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand.

Iona Shipping Limited

For the year ended 31st December 2022

Notes to the financial statements (Continued)

3. Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements:

Impairment consideration of vessel values:

The Company reviews its tangible assets, which primarily comprise vessels, for impairment at each reporting date. If there is any indication that the carrying amount may not be recoverable, the value is adjusted to the recoverable amount, determined by value in use calculations, which require estimates to be made of future cash flows. Any impairment is recognised in profit or loss.

Residual values and estimated useful lives:

The acquisition cost of vessels is depreciated over 25 years for the Company's container vessel. Changes in the residual value and estimated lives of the vessel would result in adjustments to the current and future rate of depreciation through profit or loss.

4. Staff Costs

The Company employed no staff during the period other than the directors and no remuneration was paid to the directors (2021: US\$Nil).

The vessel's crew are employed by the technical manager. The costs are included within the cost of sales.

5. Operating Profit

Operating profit is stated after charging:

	<u>2022</u> US\$	<u>2021</u> US\$
Auditors remuneration - audit services	10,000	9,413
Depreciation (see note 8)	595,508	595,508
Tonnage tax	4,250	4,732
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6. Interest Receivable and Similar Income

	<u>2022</u> US\$	<u>2021</u> US\$
Bank interest	758	87
	<hr/>	<hr/>

7. Interest payable and similar charges

	<u>2022</u> US\$	<u>2021</u> US\$
Bank interest payable	133,413	150,869
Amortisation of financing charges	20,792	24,015
	<hr/>	<hr/>
	154,205	174,884

Iona Shipping Limited
For the year ended 31st December 2022
Notes to the financial statements (Continued)

8. Tangible Fixed Assets

	<u>Vessel</u> US\$	<u>Dry-dock asset</u> US\$	<u>Total</u> US\$
Cost			
At 1st January 2022	26,801,000	542,678	27,343,678
Additions	-	55,990	55,990
At 31st December 2022	26,801,000	598,668	27,399,668
Depreciation			
At 1st January 2022	17,365,947	379,875	17,745,822
Charge for the year	486,972	108,536	595,508
At 31st December 2022	17,852,919	488,411	18,341,330
Book Value:			
At 31st December 2022	8,948,081	110,257	9,058,338
At 31st December 2021	9,435,053	162,803	9,597,856

At 31st December 2022 as a result of the continued volatility in vessel values the directors carried out a review for impairment of the carrying value of the Company's vessel. Management concluded that the recoverable amount of the vessel was the higher of its market value as assessed by management at the period end and its value in use.

Value in use calculations involve estimating the discounted future cash flows, which require judgements about long term forecasts of future revenues and costs related to the vessel to be made by management, as well as judgements about the discount rate used in the calculations. These forecasts are uncertain as they require assumptions about demand for services, future market conditions and future technological developments and therefore value in use calculations are mainly sensitive to the charter rates and discount rates applied in the calculations. Significant and unanticipated changes in these assumptions could result in a material impairment provision or reversal of a previously recognised impairment provision in a future period.

The major assumptions in the value in use calculations were:

- Cost of capital at 8.5%;
- Hire receivable for unfixed periods: Based on estimates for future rates;
- Running Costs & Drydock costs: Based on Budgets wherever possible followed by estimates indexed upwards annually with estimates for future drydocking costs and periods; and
- Annual utilisation for the vessel of 365 days less off-hire and any scheduled drydocking, estimated at between 10 and 20 days over a five year cycle until the vessel is fifteen years old, after which drydocking is every 2.5 years.

Following this value in use calculation no impairment was necessary in the year ended 31st December 2022 (2021: US\$ Nil).

A 1% decrease/increase in the discount rate would result in an increase/decrease in the vessel value of US\$745k. An increase/decrease of 1% of Charter Rates and Running Costs would result in an increase/decrease in the vessel value of US\$356k and US\$215k respectively.

Iona Shipping Limited
For the year ended 31st December 2022
Notes to the financial statements (Continued)

9. Debtors

	<u>2022</u> US\$	<u>2021</u> US\$
Trade debtors	1,119	-
Other financial assets (note 12)	141,470	-
Other debtors	21,799	7,145
Cash held by ship manager	18,448	98,330
Prepayments and accrued income	107,103	53,241
	<u>289,939</u>	<u>158,716</u>

10. Creditors, amounts falling due within one year

	<u>2022</u> US\$	<u>2021</u> US\$
Bank loan	533,418	530,456
Other financial liabilities (note 12)	-	25,791
Trade creditors	47,315	52,828
Amounts owed to parent company	6,415	-
Other creditors	-	4,674
Accruals and deferred income	373,431	348,892
	<u>960,579</u>	<u>962,641</u>

Financing charges of US\$17,832 were offset against the bank loan.

Amounts owed to the parent company were unsecured, interest free and repayable on demand.

11. Creditors, amounts falling due after one year

	<u>2022</u> US\$	<u>2021</u> US\$
Bank loan	3,429,494	3,962,914

In February 2020 the Company entered into a loan facility with Sumitomo Mitsui Trust Bank Limited for US\$1.7 million secured over the Company's vessel, m.v. Cerafina. The loan bears interest at Libor plus 1.95% and is repayable in 20 quarterly instalments of US\$137,813 from May 2020 and one bullet instalment in December 2024. The immediate parent company acts as guarantor.

Financing charges of US\$15,819 were offset against the bank loan.

In March 2020 the Company entered into an interest rate swap to fix the future cash outflows of interest payable on its secured borrowings so avoiding fluctuations from LIBOR Rate movements.

IBOR reform

The interest rate swap held by the Company effectively converts the variable LIBOR related interest on the bank loan to a fixed interest rate. The replacement of US Interbank Offered Rates (IBORs) will be completed by June 2023. The Company is currently assessing the impact of the adoption of these amendments with its lender and is preparing to move to new benchmark rates before this date. The Company will apply appropriate replacement benchmark rates and account for the instrument in accordance with the relevant accounting standards.

Iona Shipping Limited
For the year ended 31st December 2022
Notes to the financial statements (Continued)

12. Other Financial Assets/(Liabilities)

	<u>2022</u> US\$	<u>2021</u> US\$
Derivative financial instruments		
At 1st January	(10,270)	(139,586)
Movement during the year	261,020	129,316
At 31st December	<u>250,750</u>	<u>(10,270)</u>
 Due within one year	 141,470	 (25,791)
Due after more than one year	109,280	15,521
	<u>250,750</u>	<u>(10,270)</u>

The derivative financial instrument is an interest rate swap linked to the secured bank loan (note 11) and is due in 2024.

During 2020 the Company entered into an interest rate swap to fix the future cash outflows of interest payable on its secured borrowings so avoiding fluctuations from LIBOR rate movements. The swap is calculated in accordance with the relevant interest rate swap agreement based on loan balances between 3rd March 2020 and 31st December 2024. The interest rate has been fixed at 3.077% and is compared to US Dollar 3 months LIBOR.

13. Share Capital

	<u>2022</u> US\$	<u>2021</u> US\$
As at 1st January and 31st December : Authorised, issued, called up and fully paid 13,500,000 shares at US\$0.40 each (2021: US\$0.40)	<u>5,400,000</u>	<u>5,400,000</u>

14. Related Party Transactions

During the year, the Company entered into transactions, in the ordinary course of business, with other related parties. The Company has taken advantage of the exemption under FRS102 section 1A for small entities not to disclose transactions with fellow wholly-owned subsidiaries.

15. Events after the Reporting Date

In April 2023 the Company agreed to sell its sole vessel mv Cerinthus for consideration of US\$17.375million. The ship was delivered to its new owners on 31 May 2023. Additionally, the loan facility with Sumitomo Mitsui Trust Bank Limited was fully repaid in May 2023.

16. Ultimate Controlling Party

At 31st December 2022 the immediate parent company was The Hadley Shipping Group Limited and the ultimate holding company and controlling party was Warwick and Esplen Limited. Both companies are incorporated in England and Wales. There is no ultimate individual controlling party.

The smallest group in which the results of the Company are consolidated is that headed by Hadley Shipping Group Limited.

The largest group in which the results of the Company are consolidated is that headed by Warwick and Esplen Limited.