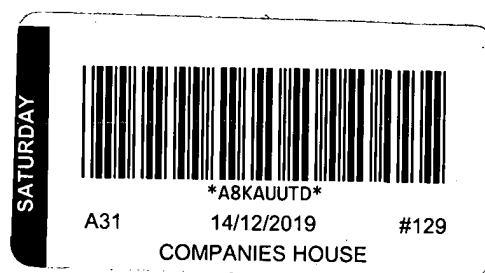


HOHEBANK SHIPPING LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019
PAGES FOR FILING WITH REGISTRAR



HOHEBANK SHIPPING LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 9

HOHEBANK SHIPPING LIMITED

BALANCE SHEET

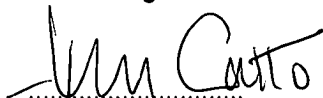
AS AT 31 MARCH 2019

		2019		2018 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		1,587,663		1,687,399
Current assets					
Debtors	4	1,783,140		1,797,740	
Cash at bank and in hand		78		78	
		1,783,218		1,797,818	
Creditors: amounts falling due within one year	5	(1,759,195)		(1,819,407)	
Net current assets/(liabilities)			24,023		(21,589)
Total assets less current liabilities			1,611,686		1,665,810
Provisions for liabilities	6		(214,007)		(234,465)
Net assets			1,397,679		1,431,345
Capital and reserves					
Called up share capital	8	300,000		300,000	
Profit and loss reserves		1,097,679		1,131,345	
Total equity			1,397,679		1,431,345

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 11 December 2019 and are signed on its behalf by:



A G M Catto
Director

Company Registration No. 02279248

HOHEBANK SHIPPING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Hohebank Shipping Limited is a private company limited by shares incorporated in England and Wales. The registered office is 75 Main Road, Gidea Park, Romford, Essex, ROM2 5EL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover from the supply of services represents the value of services provided under contracts and is recognised as services are provided.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Ship	5% straight line
Vessel docking costs	capitalised and amortised over periods of up to 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit and loss account.

1.4 Impairment of fixed assets

At each reporting period end 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).

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

HOHEBANK SHIPPING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

HOHEBANK SHIPPING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

2 Change in accounting policy

During the year, the company changed its accounting policy with respect to the accounting for vessel docking costs. Previously the company provided for these costs in advance of the survey and released the provision against the costs incurred.

The survey costs are now capitalised when incurred and amortised over the period to the next survey. The company believes the new policy reflects the underlying trading result and financial position of the company.

The impact of this change in accounting policy on the prior year results has been detailed at note 12.

3 Tangible fixed assets

	Ship £
Cost	
At 1 April 2018 as restated	3,738,855
Additions	113,941
	<hr/>
At 31 March 2019	3,852,796
	<hr/>
Depreciation and impairment	
At 1 April 2018 as restated	2,051,456
Depreciation charged in the year	213,677
	<hr/>
At 31 March 2019	2,265,133
	<hr/>
Carrying amount	
At 31 March 2019	1,587,663
	<hr/>
At 31 March 2018 as restated	1,687,399
	<hr/>

HOHEBANK SHIPPING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

4 Debtors

	2019	2018 as restated
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings and related parties	1,723,037	1,744,413
Other debtors	60,103	53,327
	<u>1,783,140</u>	<u>1,797,740</u>

5 Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	425,648	325,937
Trade creditors	49,524	51,234
Amounts owed to group undertakings	1,216,538	1,362,174
Corporation tax	9,352	75,424
Other creditors	58,133	4,638
	<u>1,759,195</u>	<u>1,819,407</u>

6 Provisions for liabilities

	2019	2018 as restated
	£	£
Deferred tax liabilities	214,007	234,465

7 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019	Liabilities 2018
	£	£
Balances:		
Accelerated capital allowances	<u>214,007</u>	<u>234,465</u>

HOHEBANK SHIPPING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

7	Deferred taxation	(Continued)	
			2019
	Movements in the year:		£
	Liability at 1 April 2018		234,465
	Credit to profit or loss		(20,458)
			<hr/>
	Liability at 31 March 2019		214,007
			<hr/>
8	Called up share capital	2019	2018
		£	£
	Ordinary share capital		
	Issued and fully paid		
	300,000 Ordinary shares of £1 each	300,000	300,000
		<hr/>	<hr/>
9	Audit report information		

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was qualified and the auditor reported as follows:

Basis for qualified opinion on financial statements - disagreement

Included in amounts due from group undertakings and related parties shown in note 3 are amounts totalling £283,215 (2018: £283,215) in respect of historic consortium tax relief charged by the company to related parties with control over the company. This has been accounted for as being due from the recipient of the consortium tax relief, however no corresponding amount payable has been accounted for by these related parties. The company has no security for this debt. Consequently, in our opinion the company is unlikely to receive any payment and full provision of £283,215 should have been made. Accordingly, debtors and retained earnings should be reduced by £283,215, and profit for the year reduced by £283,215.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 qualified opinion.

Qualified opinion on the financial statements

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss 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.

The senior statutory auditor was Jamie Waugh.

HOHEBANK SHIPPING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

9 Audit report information

(Continued)

The auditor was Johnston Carmichael LLP.

10 Financial commitments, guarantees and contingent liabilities

The company's bank facilities are secured by a cross guarantee with all other group companies, being; Scot Carrier Shipping Limited, Scot Explorer Shipping Limited, Scot Leader Shipping Limited, Scot Mariner Shipping Limited, Scot Navigator Shipping Limited, Scot Pioneer Shipping Limited, Scot Ranger Shipping Limited, Scot Trader Shipping Limited, Scot Venture Shipping Limited and Scotline Marine Holdings Limited as well as a fixed and floating charge over the assets and undertakings of Hohebank Shipping Limited.

11 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales		Purchases	
	2019	2018	2019	2018
	£	£	£	£
Entities with control, joint control or significant influence over the company	959,731	1,046,920	458,591	304,894

The following amounts were outstanding at the reporting end date:

	2019	2018
	£	£
Amounts due to related parties		
Entities with control, joint control or significant influence over the company	310,720	121,750

The following amounts were outstanding at the reporting end date:

	2019	2018
	£	£
Amounts due from related parties		
Entities with control, joint control or significant influence over the company	542,067	542,067

Included in amounts owed by related parties is £283,215 (2018: £283,215) in respect of consortium relief charged for by the company, for which no corresponding amount has been accounted for by these related parties.

HOHEBANK SHIPPING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

12 Parent company

The company's immediate parent undertaking is Scotline Marine Holdings Limited, a company registered in Scotland which is controlled by its consortium members who are Intrada Chartering Limited, Scotline Limited and Scotlog Sales Limited. Copies of the group accounts can be obtained from the Registrar of Companies, Companies House 4th Floor Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

13 Prior period adjustment

Changes to the balance sheet

	As previously reported £	Adjustment £	As restated at 31 Mar 2018 £
Fixed assets			
Tangible assets	1,644,156	43,243	1,687,399
Current assets			
Debtors due within one year	1,955,657	(157,917)	1,797,740
Provisions for liabilities			
Other provisions	(258,869)	258,869	-
Net assets	1,287,150	144,195	1,431,345
	<u> </u>	<u> </u>	<u> </u>
Capital and reserves			
Profit and loss	987,150	144,195	1,131,345
	<u> </u>	<u> </u>	<u> </u>

Changes to the profit and loss account

	As previously reported £	Adjustment £	As restated £
Period ended 31 March 2018			
Cost of sales	(859,944)	23,854	(836,090)
Interest payable and similar expenses	(11,334)	6,314	(5,020)
Profit for the financial period	84,872	30,168	115,040
	<u> </u>	<u> </u>	<u> </u>

Reconciliation of changes in equity

	1 April 2017 £	31 March 2018 £
Adjustments to prior year		
Change in accounting policy to reverse provision for survey costs	45,138	100,952
Change in accounting policy to capitalise survey costs	68,889	43,243
	<u> </u>	<u> </u>
Total adjustments	114,027	144,195
Equity as previously reported	1,202,278	1,287,150
	<u> </u>	<u> </u>
Equity as adjusted	1,316,305	1,431,345
	<u> </u>	<u> </u>

HOHEBANK SHIPPING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

13 Prior period adjustment

(Continued)

Reconciliation of changes in profit for the previous financial period

	2018 £
Adjustments to prior year	
Change in accounting policy to reverse provision for survey costs	55,814
Change in accounting policy to capitalise survey costs	(25,646)
	<hr/>
Total adjustments	30,168
Profit as previously reported	84,872
	<hr/>
Profit as adjusted	115,040
	<hr/>