

IFP INTERNATIONAL FENDER PROVIDERS LIMITED
Reg. Number: 348221

FINANCIAL STATEMENTS
Year ended 31 December 2020

**IFP INTERNATIONAL FENDER
PROVIDERS LIMITED**

FINANCIAL STATEMENTS
Year ended 31 December 2020

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

FINANCIAL STATEMENTS

Year ended 31 December 2020

CONTENTS

PAGE

Board of Directors and other officers	1
Independent auditor's report	2 - 4
Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Cash flow statement	8
Notes to the financial statements	9 - 22
Additional information to the statement of profit or loss and other comprehensive income	23 - 29

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Christopher Frendo
Nicholas Frendo
Georgia Philippou
Constantina Panayidou

Company Secretary:

Constantina Panayidou

Independent Auditors:

MGI Gregoriou & Co Ltd
Certified Public Accountants and Registered Auditors
Florinis, 7
GREG TOWER, 6th floor
P.C. 1065, Nicosia
Cyprus

Registered office:

Florinis, 7
GREG TOWER, 2nd floor
P.C. 1065, Nicosia
Cyprus

Bankers:

Hellenic Bank Public Company Ltd

Registration number:

348221

Independent Auditor's Report

To the Members of IFP International Fender Providers Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IFP International Fender Providers Limited (the "Company"), which are presented in pages 5 to 22 and comprise the statement of financial position as at 31 December 2020, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the additional information to the statement of profit or loss and other comprehensive income in pages 23 to 29, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines 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 Board of Directors is 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report (continued)

To the Members of IFP International Fender Providers Limited

Responsibilities of the Board of Directors for the Financial Statements (continued)

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Independent Auditor's Report (continued)

To the Members of IFP International Fender Providers Limited



Loria Gregoriou
Certified Public Accountant and Registered Auditor
for and on behalf of
MGI Gregoriou & Co Ltd
Certified Public Accountants and Registered Auditors

Nicosia, 7 April 2021

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2020

	Note	2020 €	2019 €
Revenue		342,820	311,011
Cost of sales		<u>(215,129)</u>	<u>(177,657)</u>
Gross profit		127,691	133,354
Selling and distribution expenses		-	(1,590)
Administration expenses		(101,925)	(96,231)
Other expenses		<u>-</u>	<u>-</u>
Operating profit	7	25,766	35,533
Finance income	8	-	7,541
Finance costs	8	(10,788)	(2,449)
Profit before tax		14,978	40,625
Tax	9	<u>(4,337)</u>	<u>(2,841)</u>
Net profit for the year		10,641	37,784
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>10,641</u>	<u>37,784</u>

The notes on pages 9 to 22 form an integral part of these financial statements.

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

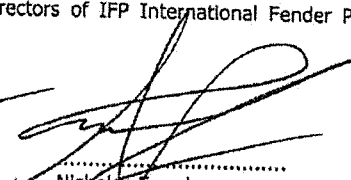
STATEMENT OF FINANCIAL POSITION


31 December 2020

	Note	2020 €	2019 €
ASSETS			
Non-current assets			
Property, plant and equipment	11	<u>202,338</u>	258,498
		<u>202,338</u>	258,498
Current assets			
Trade and other receivables	13	50,590	166,947
Loans receivable	12	-	174,748
Cash at bank and in hand	14	<u>406</u>	33,304
		<u>50,996</u>	374,999
Total assets		<u>253,334</u>	633,497
EQUITY AND LIABILITIES			
Equity			
Share capital	15	1,000	1,000
Retained earnings		<u>143,032</u>	417,680
Total equity		<u>144,032</u>	418,680
Current liabilities			
Trade and other payables	16	105,565	212,576
Current tax liabilities	17	<u>3,737</u>	2,241
Total liabilities		<u>109,302</u>	214,817
Total equity and liabilities		<u>253,334</u>	633,497

On 7 April 2021 the Board of Directors of IFP International Fender Providers Limited authorised these financial statements for issue.


.....
Christopher Frendo
Director


.....
Nicholas Frendo
Director


.....
Georgila Philippou
Director

The notes on pages 9 to 22 form an integral part of these financial statements.

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2020

	Note	Share capital €	Retained earnings €	Total €
Balance at 1 January 2019		1,000	379,896	380,896
Net profit for the year		-	37,784	37,784
Balance at 31 December 2019		1,000	417,680	418,680
Net profit for the year		-	10,641	10,641
Dividends	10	-	(285,289)	(285,289)
Balance at 31 December 2020		1,000	143,032	144,032

The notes on pages 9 to 22 form an integral part of these financial statements.

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

CASH FLOW STATEMENT Year ended 31 December 2020

	Note	2020 €	2019 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		14,978	40,625
Adjustments for:			
Depreciation of property, plant and equipment	11	56,160	56,160
Unrealised exchange loss/(profit)		7,815	(7,541)
		78,953	89,244
Changes in working capital:			
Decrease in trade and other receivables		5,816	52,338
Decrease in trade and other payables		(107,011)	(153,167)
Cash used in operations		(22,242)	(11,585)
Tax paid		(2,841)	-
Net cash used in operating activities		(25,083)	(11,585)
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans granted		-	(174,748)
Net cash used in investing activities		-	(174,748)
CASH FLOWS FROM FINANCING ACTIVITIES			
Unrealised exchange (loss)/profit		(7,815)	7,541
Net cash (used in)/generated from financing activities		(7,815)	7,541
Net decrease in cash and cash equivalents		(32,898)	(178,792)
Cash and cash equivalents at beginning of the year		33,304	212,096
Cash and cash equivalents at end of the year	14	406	33,304

The notes on pages 9 to 22 form an integral part of these financial statements.

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

1. Incorporation and principal activities

Country of incorporation

The Company IFP International Fender Providers Limited (the "Company") was incorporated in Cyprus on 23th October 2015 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Florinis, 7, GREG TOWER, 2nd floor, P.C. 1065, Nicosia, Cyprus.

Principal activity

The principal activity of the Company is the ownership of a set of fenders which it leases to clients to perform sea to shore operations. Also it provides the services of a mooring master who oversees the operation from rigging and unrigging the fenders.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention.

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2020. This adoption did not have a material effect on the accounting policies of the Company.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern basis

Even though the Company has made a profit of €10,641 for the year ended 31 December 2020, as of that date the Company's current liabilities exceeded its current assets by €58,306. The Company is dependent upon the continuing financial support of its shareholder without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The shareholder has indicated his intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4. Significant accounting policies (continued)

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Fenders	10
Hoses	25

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Financial assets

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - Classification (continued)

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets - impairment - credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 5, Credit risk section for a description of how the Company determines low credit risk financial assets.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - modification (continued)

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Financial liabilities - Modifications

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. 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 interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4. Significant accounting policies (continued)

Financial assets (continued)

Financial liabilities - Modifications (continued)

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity.

5. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

5.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest-bearing financial instruments was:

	2020 €	2019 €
Fixed rate instruments		
Financial assets	-	174,748
Variable rate instruments		
Financial assets	<u>406</u>	<u>33,304</u>
	<u>406</u>	<u>208,052</u>

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

5. Financial risk management (continued)

Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December 2020 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.

	2020	Equity 2019	2020	Profit or loss 2019
	€	€	€	€
Variable rate instruments	406	33,304	4	333
	406	33,304	4	333

5.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2020	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Trade and other payables	102,552	102,552	102,552	-	-	-	-
Payables to related parties	6,750	6,750	6,750	-	-	-	-
	109,302	109,302	109,302	-	-	-	-

31 December 2019	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Trade and other payables	179,267	179,267	179,267	-	-	-	-
Payables to related parties	35,550	35,550	35,550	-	-	-	-
	214,817	214,817	214,817	-	-	-	-

5.3 Capital risk management

Capital includes equity shares and share premium, convertible preference shares and loan from parent company.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

6. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Going concern basis**

The Directors judge that it is appropriate to prepare the financial statements on the going concern basis.

- **Calculation of loss allowance**

When measuring expected credit losses the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Critical judgements in applying the Company's accounting policies

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

6. Critical accounting estimates and judgments (continued)

• Fendering equipment life and impairment

The carrying value of the Company's fendering equipment represents its original cost at the time it was delivered or purchased less depreciation calculated using an estimated useful life of years from the date the fendering equipment was originally delivered from the shipyard. In the shipping industry, use of life in this range has become the standard. The actual life of the fendering equipment may be different. If the economic life assigned to the fendering equipment proves to be too long because of new regulations or other future events, higher depreciation expense and impairment losses could result in future periods related to a reduction in the useful life of the fendering equipment.

The carrying value of the Company's fendering equipment may not represent its fair market value at any point in time since the market prices of second-hand fendering equipment tend to fluctuate with changes in charter rates and the cost of new buildings. Historically, both charter rates and fendering equipment values tend to be cyclical. The Company records impairment losses only when events occur that cause the Company to believe that future cash flows for the fendering equipment will be less than its carrying value. The carrying amount of fendering equipment held and used by the Company is reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of the fendering equipment may not be fully recoverable. In such instances, an impairment charge would be recognised if the estimate of the discounted future cash flows expected to result from the use of the fendering equipment and its eventual disposition is less than the fendering equipment's carrying amount.

In developing estimates of future cash flows, the Company must make assumptions about future charter rates, ship operating expenses and the estimated remaining useful life of the fendering equipment. These assumptions are based on historical trends as well as future expectations. Although Management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions may be highly subjective.

• Useful live of depreciable assets

The Board of Directors assesses the useful lives of depreciable assets at each reporting date, and revises them if necessary so that the useful lives represent the expected utility of the assets to the Company. Actual results, however, may vary due to technological obsolescence, mis-usage and other factors that are not easily predictable.

7. Operating profit

	2020 €	2019 €
Operating profit is stated after charging the following items:		
Depreciation of property, plant and equipment (Note 11)	56,160	56,160
Auditors' remuneration	3,650	2,500

8. Finance income/(costs)

	2020 €	2019 €
Exchange profit	-	7,541
Finance income	-	7,541
Net foreign exchange losses	(7,815)	-
Sundry finance expenses	(2,973)	(2,449)
Finance costs	(10,788)	(2,449)
Net finance (costs)/income	(10,788)	5,092

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

9. Tax

	2020	2019
	€	€
Corporation tax	<u>4,337</u>	<u>2,841</u>
Charge for the year	<u>4,337</u>	<u>2,841</u>

The tax on the Company's profit before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2020	2019
	€	€
Profit before tax	<u>14,978</u>	<u>40,625</u>
Tax calculated at the applicable tax rates	1,872	5,078
Tax effect of expenses not deductible for tax purposes	8,041	7,617
Tax effect of allowances and income not subject to tax	(5,970)	(10,112)
10% additional charge	<u>394</u>	<u>258</u>
Tax charge	<u>4,337</u>	<u>2,841</u>

The corporation tax rate is 12.5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

10. Dividends

	2020	2019
	€	€
Declared final dividend	<u>285,289</u>	<u>-</u>
	<u>285,289</u>	<u>-</u>

On 31 December 2020 the Company in General Meeting declared the payment of a final dividend of €285,289 (2019: €NIL).

Dividends are subject to a deduction of special contribution for defence at 17% for individual shareholders that are both Cyprus tax resident and Cyprus domiciled. From 1 March 2019, dividends are also subject to a 1,70% contribution to the General Healthcare System, increased to 2,65% from 1 March 2020, with the exception of April 2020 until June 2020 when the 1,70% rate was applicable.

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

11. Property, plant and equipment

	Fendering equipment €
Cost	
Balance at 1 January 2019	532,215
Balance at 31 December 2019/ 1 January 2020	532,215
Balance at 31 December 2020	532,215
Depreciation	
Balance at 1 January 2019	217,557
Charge for the year	56,160
Balance at 31 December 2019/ 1 January 2020	273,717
Charge for the year	56,160
Balance at 31 December 2020	329,877
Net book amount	
Balance at 31 December 2020	202,338
Balance at 31 December 2019	258,498

12. Non-current loans receivable

	2020 €	2019 €
Loans to parent (Note 19.2)	-	174,748
	-	174,748

The loan to International Fender Providers Limited is interest free and is repayable on demand.

The fair values of non-current receivables approximate to their carrying amounts as presented above.

13. Trade and other receivables

	2020 €	2019 €
Trade receivables	49,841	76,947
Receivables from parent (Note 19.1)	-	34,271
Deposits and prepayments	749	46,517
Refundable VAT	-	9,212
	50,590	166,947

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

14. Cash at bank and in hand

Cash balances are analysed as follows:

	2020	2019
	€	€
Cash at bank and in hand	<u>406</u>	<u>33,304</u>
	<u>406</u>	<u>33,304</u>

15. Share capital

	2020 Number of shares	2020 €	2019 Number of shares	2019 €
Authorised				
Ordinary shares of €1 each	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Issued and fully paid				
Balance at 1 January	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Balance at 31 December	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

16. Trade and other payables

	2020	2019
	€	€
Trade payables	94,042	149,458
Accruals	4,773	27,568
Payables to fellow subsidiaries (Note 19.3)	6,750	-
Payables to associates (Note 19.3)	-	35,550
	<u>105,565</u>	<u>212,576</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

17. Current tax liabilities

	2020	2019
	€	€
Corporation tax	<u>3,737</u>	<u>2,241</u>
	<u>3,737</u>	<u>2,241</u>

18. Operating Environment of the Company

This operating environment may have a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and Management's current expectations and estimates could differ from actual results.

19. Related party transactions

The Company is controlled by International Fender Providers Ltd, incorporated in Malta, which owns 100% of the Company's shares.

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

19. Related party transactions (continued)

The following transactions were carried out with related parties:

19.1 Receivables from related parties

<u>Name</u>	<u>Nature of transactions</u>	2020 €	2019 €
International Fender Providers	Trade	-	34,271
		<u>-</u>	<u>34,271</u>

The receivables from related parties were provided interest free, and there was no specified repayment date.

19.2 Loans to related parties (Note 12)

	2020 €	2019 €
International Fender Providers	-	174,748
	<u>-</u>	<u>174,748</u>

The loan to International Fender Providers Limited is interest free and is repayable on demand.

19.3 Payables to related parties (Note 16)

<u>Name</u>	2020 €	2019 €
Palm Shipping Agency	-	35,550
Endo One Maritime Ltd	6,750	-
	<u>6,750</u>	<u>35,550</u>

20. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2020.

21. Commitments

The Company had no capital or other commitments as at 31 December 2020.

22. Events after the reporting period

With the recent and rapid development of the Coronavirus disease (COVID-19) outbreak the world economy entered a period of unprecedented health care crisis that has already caused considerable global disruption in business activities and everyday life. Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments, including the Republic of Cyprus, have implemented restrictions on travelling as well as strict quarantine measures.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome.

The event is considered as a non-adjusting event and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2020. note 18

Management has considered the unique circumstances and the risk exposures of the Group and has concluded that there is no significant impact on the Company. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely and will assess the need for further actions in case the period of disruption becomes prolonged. note 18

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

22. Events after the reporting period (continued)

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements. note 18

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

DETAILED INCOME STATEMENT

Year ended 31 December 2020

	Page	2020 €	2019 €
Revenue			
Sales of products		342,820	311,011
Cost of sales	24	<u>(203,296)</u>	<u>(177,657)</u>
Gross profit		139,524	133,354
Surplus from	25	<u>(11,833)</u>	<u>-</u>
Gross profit		127,691	133,354
Operating expenses			
Administration expenses	26	(101,925)	(96,231)
Selling and distribution expenses	26	<u>-</u>	<u>(1,590)</u>
Operating profit		25,766	35,533
Finance income		-	7,541
Finance costs	27	<u>(10,788)</u>	<u>(2,449)</u>
Net profit for the year before tax		<u>14,978</u>	<u>40,625</u>

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

COST OF SALES

Year ended 31 December 2020

	2020 €	2019 €
Cost of sales		
Purchases	203,296	177,657
Closing stocks	-	-
	<u>203,296</u>	<u>177,657</u>

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

DIRECT EXPENSES

Year ended 31 December 2020

	2020 €	2019 €
Expenditure		
Operational expenses	<u>11,833</u>	<u>-</u>
	<u>11,833</u>	<u>-</u>

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

OPERATING EXPENSES

Year ended 31 December 2020

	2020 €	2019 €
Administration expenses		
Annual levy	350	700
Insurance	3,142	9,008
Repairs and maintenance	32,428	12,608
Sundry expenses	-	208
Courier expenses	-	239
Auditors' remuneration	3,650	2,500
Legal fees	5,210	1,300
Travelling	635	5,182
Testing charges	350	7,681
Freight charges	-	645
Depreciation	56,160	56,160
	<u>101,925</u>	<u>96,231</u>

	2020 €	2019 €
Selling and distribution expenses		
Consumable expenses	-	1,590
	<u>-</u>	<u>1,590</u>

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

FINANCE INCOME/COST

Year ended 31 December 2020

	2020 €	2019 €
Finance income		
Unrealised foreign exchange profit	<u>-</u>	<u>7,541</u>
	<u>-</u>	<u>7,541</u>
 Finance costs		
Sundry finance expenses		
Bank charges	2,973	2,449
Net foreign exchange losses		
Unrealised foreign exchange loss	<u>7,815</u>	<u>-</u>
	<u>10,788</u>	<u>2,449</u>

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

COMPUTATION OF WEAR AND TEAR ALLOWANCES

Year ended 31 December 2020

	Year	COST			ANNUAL ALLOWANCES					Net value 31/12/2020 €
		Balance 01/01/2020 €	Additions for the year €	Disposals for the year €	Balance 31/12/2020 €	Balance 01/01/2020 €	Charge for the year €	On disposals €	Balance 31/12/2020 €	
Fendering equipment										
Fenders	2016	330,833	-	-	330,833	115,668	33,083	-	148,751	182,082
Hoses	2016	171,997	-	-	171,997	163,196	8,801	-	171,997	-
Other Equipment	2017	29,385	-	-	29,385	12,050	5,877	-	17,927	11,458
		532,215	-	-	532,215	290,914	47,761	-	338,675	193,540

IFP INTERNATIONAL FENDER PROVIDERS LIMITED

COMPUTATION OF CORPORATION TAX

Year ended 31 December 2020

	Page	€	€
Net profit per income statement	23		14,978
<u>Add:</u>			
Depreciation		56,160	
Unrealised foreign exchange loss		7,815	
Annual levy		<u>350</u>	
			<u>64,325</u>
			79,303
<u>Less:</u>			
Annual wear and tear allowances	29	<u>47,761</u>	
			<u>(47,761)</u>
Chargeable income for the year			<u><u>31,542</u></u>

Calculation of corporation tax

	Income €	Rate %	Total € c
Tax at normal rates:			
Chargeable income as above	<u>31,542</u>	12.50	3,942.75
10% additional charge			<u>394.28</u>
TAX PAYABLE			<u><u>4,337.03</u></u>