

SEA BUNKERING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

SEA BUNKERING LIMITED

COMPANY INFORMATION

Director	B J Newton
Company secretary	S Wheatley
Registered number	02620572
Registered office	Chiltern House 45 Station Road Henley-on-Thames Oxfordshire RG9 1AT
Independent auditor	James Cowper Kreston Audit Chartered Accountants and Statutory Auditor Reading Bridge House George Street Reading Berkshire RG1 8LS
Bankers	HSBC UK Bank plc Stratus House Emperor Way Exeter Business Park Exeter Devon EX1 3QS

SEA BUNKERING LIMITED

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SEA BUNKERING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Principal activity

The principal activity of the company is the storage, transportation and distribution of marine gas oil primarily within the United Kingdom.

Business review

Sea Bunkering Limited is one of the largest marine fuel suppliers in the UK engaged in the marketing, sale and distribution of marine fuel products. In the UK fuel is supplied from its own seven dedicated storage locations, other supply partners or direct from trusted oil refineries giving it many competitive advantages.

The company has its own dedicated vessels that ensure security of supply and these vessels also provide direct bunkering services and shipping to third parties.

The company has remained committed to growth, developing new business opportunities, strengthening its balance sheet and above all, focusing on providing value to its customers beyond best price. This value includes leveraging off the company's market knowledge and its unique expertise, which enables the company to limit customers' exposure to price volatility, supply issues and quality.

The company's financial key performance indicators are gross profit and operating profit. During the year the company performed satisfactorily against these KPIs with both gross and operating profit at similar levels to the previous year.

As a result of a combination of initiatives by the company there was a significant increase in volume and there was also a sustained management of costs. The company feels confident going forward into 2024 that it will have another positive year.

During 2023 there were major movements in the price of fuel, the company has used its expertise and the necessary risk management tools to mitigate the price volatility and supply risks. This together with the company's finance facility has meant that the company has been able to manage through these turbulent times with the necessary cash to fund its working capital and acquisition requirements.

In terms of Supply and Demand both have continued to remain in line with prior years and the company has continued to secure new customers.

Financial and non-financial key performance indicators

The director considers the key performance indicator of the company to be the degree to which it is able to profitably grow the business in the physical supply of marine fuel to a growing customer base and therefore both turnover growth and operating profit are under constant review. It must also ensure that it successfully manages and, if necessary, hedges any exposure to the market such as oil price volatility, logistical and distribution costs and currency fluctuations.

Principal risks and uncertainties

The principal risks to the business is the unpredictability of the price of marine distillates, this can be hedged with either physical trades or with derivatives. To a lesser extent the time taken to physically ship products can also have an impact on logistical costs and therefore profitability.

The company uses various financial instruments including trade finance, future fuel price hedges, cash, foreign exchange hedges and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations and mitigate risk.

SEA BUNKERING LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Financial risk management objectives and policies

The main risks arising from the company's financial instruments are market risk, cash flow interest rate risk, credit risk and liquidity risk. Management review and agree policies for managing each of these risks which are summarised below. These policies remain unchanged from previous years.

Market risk

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. The company's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below. The company is exposed to price risk due to volatility in the price of oil. This is managed by future fuel price hedge contracts.

Currency risk

The company is exposed to translation and transaction foreign exchange risk which is managed by forward exchange contracts for currency. All sales and cost of sales of the company are invoiced in sterling.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Interest rate risk

The company finances its operations through trade loan facilities and term loan as well as through retained profits. The company's debtors and creditors do not attract interest, and are therefore subject to fair value interest rate risk.

Credit risk

The company's principal financial assets are cash and trade debtors. The credit risk associated with the cash balances is managed by the company monitoring the financial position of the counter parties involved.

In order to manage the credit risk arising from trade debtors, the director sets limits for customers based on a combination of payment history and third party credit references.

Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

The company has reviewed debtor balances at 31 December 2023 and provided for balances where the risk of non-recovery is considered to be significant.

The director monitors the performance of counter-parties and addresses the problems with customers where the risk on non-performance of contractual obligations is considered to be significant.

SEA BUNKERING LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Director's statement of compliance with duty to promote the success of the Company

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties which are set out in detail in section 172 of UK Companies Act 2006. The following paragraphs summarise how the Directors' fulfil their duties:

Risk Management: We provide business critical services in a highly regulated environment, it is therefore vital we effectively identify, evaluate, manage and mitigate these risks and continue to evolve our approach to risk management.

Our People: We are committed to be a responsible business, aligned with expectations of our people, clients, investors, communities' and society. People are at the heart of our services, so we need to manage and develop our people's performance and bring through talent. We must ensure we share common values and guide behaviour, so we achieve our goals the right way.

Business Relationships: Our strategy prioritises organic growth. To do this we need to develop and maintain strong client relationships. We value all our suppliers and have long term contracts with our key suppliers.

Community and Environment: The company approach is to create positive change for the people and communities with which it interacts, and we want to leverage our expertise to support the communities around us.

Shareholders: The board is committed to engaging with its shareholders so that they understand our strategy and objectives, so they must be explained clearly to them and their feedback heard and properly considered.

This report was approved by the board and signed on its behalf.

B J Newton

Director

Date: 17 September 2024

SEA BUNKERING LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The director presents his report and the financial statements for the year ended 31 December 2023.

Director's responsibilities statement

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Going concern

The financial position of the group, its liquidity position and principal risks and uncertainties are described in the Strategic report.

The group has remained committed to growth, developing new business opportunities, strengthening its balance sheet and above all, focusing on providing value to its customers beyond best price. This value includes leveraging off the company's market knowledge and its unique expertise, which enables the group to limit customers' exposure to price volatility, supply issues and quality.

As a result, the director believes that the group has adequate resources to continue operations for the foreseeable future being a period of not less than twelve months from the date of signing the financial statements. Accordingly, he continues to adopt the going concern basis in preparing the financial statements.

Results and dividends

The profit for the year, after taxation, amounted to £1,551,058 (2022 - £2,026,180).

SEA BUNKERING LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Director

The director who served during the year was:

B J Newton

Future developments

See strategic report.

Engagement with suppliers, customers and others

See strategic report.

Disclosure of information to auditor

The director at the time when this Director's Report is approved has confirmed that:

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- he 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 auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, James Cowper Kreston Audit, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

B J Newton

Director

Date: 17 September 2024

SEA BUNKERING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEA BUNKERING LIMITED

Opinion

We have audited the financial statements of Sea Bunkering Limited (the 'Company') for the year ended 31 December 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of 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 2023 and of its 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 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 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.

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 director with respect to going concern are described in the relevant sections of this report.

Other information

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEA BUNKERING 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 Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have 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 Strategic Report or the Director's Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's 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 Director's Responsibilities Statement set out on page 4, the director is 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 director 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 director 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 director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEA BUNKERING LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non compliance with laws and regulations;
- Reviewing financial statements disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to 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 evidence of bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

SEA BUNKERING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEA BUNKERING LIMITED (CONTINUED)

Use of our report

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

Alan Poole BA (Hons) FCA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston Audit

Chartered Accountants and Statutory Auditor

Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

18 September 2024

SEA BUNKERING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
Turnover	4	293,815,364	360,354,628
Cost of sales		(288,302,435)	(355,020,549)
		<hr/>	<hr/>
Gross profit		5,512,929	5,334,079
Administrative expenses		(2,496,585)	(2,298,393)
		<hr/>	<hr/>
Operating profit	5	3,016,344	3,035,686
Interest receivable and similar income	9	-	2,057
Interest payable and similar expenses	10	(1,154,468)	(513,093)
		<hr/>	<hr/>
Profit before tax		1,861,876	2,524,650
Tax on profit	11	(310,818)	(498,470)
		<hr/>	<hr/>
Profit for the financial year		<u>1,551,058</u>	<u>2,026,180</u>
Other comprehensive income for the year		<hr/>	<hr/>
Total comprehensive income for the year		<u><u>1,551,058</u></u>	<u><u>2,026,180</u></u>

The notes on pages 13 to 29 form part of these financial statements.

SEA BUNKERING LIMITED
REGISTERED NUMBER: 02620572

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	2,776,218	2,926,335
		2,776,218	2,926,335
Current assets			
Stocks	14	12,032,127	6,241,261
Debtors: amounts falling due within one year	15	20,834,873	27,190,883
Cash at bank and in hand	16	694,426	957,109
		33,561,426	34,389,253
Creditors: amounts falling due within one year	17	(23,285,239)	(25,438,244)
Net current assets		10,276,187	8,951,009
Total assets less current liabilities		13,052,405	11,877,344
Provisions for liabilities			
Deferred tax	19	(677,170)	(721,830)
		(677,170)	(721,830)
Net assets		12,375,235	11,155,514
Capital and reserves			
Called up share capital	20	10,000	10,000
Profit and loss account		12,365,235	11,145,514
		12,375,235	11,155,514

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

B J Newton
Director

Date: 17 September 2024

SEA BUNKERING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2022	10,000	9,519,171	9,529,171
Comprehensive income for the year			
Profit for the year	-	2,026,180	2,026,180
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	2,026,180	2,026,180
Contributions by and distributions to owners			
Dividends: Equity capital	-	(399,837)	(399,837)
Total transactions with owners	-	(399,837)	(399,837)
At 1 January 2023	10,000	11,145,514	11,155,514
Comprehensive income for the year			
Profit for the year	-	1,551,058	1,551,058
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,551,058	1,551,058
Contributions by and distributions to owners			
Dividends: Equity capital	-	(331,337)	(331,337)
Total transactions with owners	-	(331,337)	(331,337)
At 31 December 2023	<u>10,000</u>	<u>12,365,235</u>	<u>12,375,235</u>

The notes on pages 13 to 29 form part of these financial statements.

SEA BUNKERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

Sea Bunkering Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office and principal place of business is Chiltern House, 45 Station Road, Henley-on-Thames, Oxfordshire, RG9 1AT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Geos Group Limited as at 31 December 2023 and these financial statements may be obtained from Companies House.

2.3 Going concern

The financial position of the group, its liquidity position and principal risks and uncertainties are described in the Strategic report.

The group has remained committed to growth, developing new business opportunities, strengthening its balance sheet and above all, focusing on providing value to its customers beyond best price. This value includes leveraging off the company's market knowledge and its unique expertise, which enables the group to limit customers' exposure to price volatility, supply issues and quality.

As a result, the director believes that the group has adequate resources to continue operations for the foreseeable future being a period of not less than twelve months from the date of signing the financial statements. Accordingly, he continues to adopt the going concern basis in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised in respect of the sale of marine fuel at the date of delivery and acceptance of bunkers.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 25 years
Motor vehicles	- 4 years
Fixtures and fittings	- 15 years
Computer equipment	- 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" 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 trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.10 Financial instruments (continued)

amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

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 the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

Derivatives, including oil price hedges and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss. The company does not currently apply hedge accounting

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.10 Financial instruments (continued)

for interest rate and foreign exchange derivatives.

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.13 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.14 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.16 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.17 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.18 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

The company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period and which employees are entitled to carry forward and use within the next 12 months. The provision is measured as the salary costs payable for the period of absence.

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.20 Impairment of non-financial assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of Comprehensive Income.

If an impairment loss subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in the Statement of Comprehensive Income, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year are included below.

Critical judgements that management has made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognised in the financial statements relates to the following:

Provisions

In recognising provisions, the company evaluates the extent to which it is probable that it has incurred a legal or constructive obligation in respect of past events and the probability that there will be an outflow of benefits as a result. The judgements used to recognise provisions are based on currently known factors which may vary over time, resulting in changes in the measurement of recorded amounts as compared to initial estimates.

Stocks

Management applies judgement at each balance sheet date position to estimate the net realisable values of stock, taking into account the most reliable evidence at each reporting date.

Fixed assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to obsolescence and "wear and tear" that may change the utility of certain plant and machinery.

Where there are indicators of impairment of individual assets, management perform impairment tests based on the fair value less costs to sell at a value in use calculation. The value in use calculation is based on a discounted cash flow model, cash flows being based on budgets and estimated discount rates.

In undertaking this impairment assessment, the director has taken into consideration the benefits that the Blyth terminal brings to the performance of the company's other terminals.

SEA BUNKERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. Turnover

An analysis of turnover by class of business is as follows:

	2023	2022
	£	£
Marine fuel sales	293,815,364	360,354,628
	<u>293,815,364</u>	<u>360,354,628</u>

Analysis of turnover by country of destination:

	2023	2022
	£	£
United Kingdom	215,865,296	324,979,683
Rest of Europe	58,455,558	23,636,753
Rest of the world	19,494,510	11,738,192
	<u>293,815,364</u>	<u>360,354,628</u>

5. Operating profit

The operating profit is stated after charging:

	2023	2022
	£	£
Exchange differences	4,605	50,697
Other operating lease rentals	146,970	147,716
	<u>146,970</u>	<u>147,716</u>

6. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor and its associates:

	2023	2022
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	38,900	37,175
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	9,100	5,450
Other assurance services	3,250	3,250
	<u>3,250</u>	<u>3,250</u>

SEA BUNKERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7. Employees

Staff costs, including director's remuneration, were as follows:

	2023	2022
	£	£
Wages and salaries	1,081,460	940,313
Social security costs	131,314	129,416
Cost of defined contribution scheme	147,252	172,519
	1,360,026	1,242,248
	1,360,026	1,242,248

The average monthly number of employees, including the director, during the year was as follows:

	2023	2022
	No.	No.
Director	1	1
Administration	18	18
	19	19
	19	19

8. Director's remuneration

	2023	2022
	£	£
Director's emoluments	47,986	12,000
Company contributions to defined contribution pension schemes	33,000	33,000
	80,986	45,000
	80,986	45,000

During the year retirement benefits were accruing to no directors (2022 - NIL) in respect of defined contribution pension schemes.

9. Interest receivable

	2023	2022
	£	£
Other interest receivable	-	2,057
	-	2,057
	-	2,057

SEA BUNKERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. Interest payable and similar expenses

	2023	2022
	£	£
Bank interest payable	1,154,468	513,093
	<u>1,154,468</u>	<u>513,093</u>

11. Taxation

	2023	2022
	£	£
Corporation tax		
Current tax on profits for the year	389,120	516,191
Adjustments in respect of previous periods	(33,642)	-
	<u>355,478</u>	<u>516,191</u>
Total current tax	<u>355,478</u>	<u>516,191</u>
Deferred tax		
Origination and reversal of timing differences	(44,660)	(17,721)
Total deferred tax	<u>(44,660)</u>	<u>(17,721)</u>
Taxation on profit on ordinary activities	<u>310,818</u>	<u>498,470</u>

SEA BUNKERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - higher than) the standard rate of corporation tax in the UK of 23.52% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>1,861,876</u>	<u>2,524,650</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.52% (2022 - 19%)	437,923	479,684
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,241	421
Capital allowances for year in excess of depreciation	(318)	(7,882)
Remeasurement of deferred tax for changes in tax rates	(2,643)	29,389
Adjustments to tax charge in respect of prior periods	(33,641)	-
Group relief	(91,744)	(3,142)
Total tax charge for the year	<u><u>310,818</u></u>	<u><u>498,470</u></u>

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the main corporation tax rate will increase to 25%. The impact of these changes is not expected to be material.

12. Dividends

	2023 £	2022 £
Interim dividend paid on equity capital	<u>331,337</u>	<u>399,837</u>
	<u><u>331,337</u></u>	<u><u>399,837</u></u>

SEA BUNKERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. Tangible fixed assets

	Plant and machinery	Motor vehicles	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2023	4,004,579	-	126,558	67,917	4,199,054
Additions	4,300	16,000	23,018	440	43,758
Disposals	-	-	(12,950)	-	(12,950)
At 31 December 2023	<u>4,008,879</u>	<u>16,000</u>	<u>136,626</u>	<u>68,357</u>	<u>4,229,862</u>
Depreciation					
At 1 January 2023	1,221,350	-	10,307	41,062	1,272,719
Charge for the year on owned assets	160,245	667	9,255	12,342	182,509
Disposals	-	-	(1,584)	-	(1,584)
At 31 December 2023	<u>1,381,595</u>	<u>667</u>	<u>17,978</u>	<u>53,404</u>	<u>1,453,644</u>
Net book value					
At 31 December 2023	<u>2,627,284</u>	<u>15,333</u>	<u>118,648</u>	<u>14,953</u>	<u>2,776,218</u>
At 31 December 2022	<u>2,783,229</u>	<u>-</u>	<u>116,251</u>	<u>26,855</u>	<u>2,926,335</u>

SEA BUNKERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. Stocks

	2023	2022
	£	£
Fuel stocks	12,032,127	6,241,261
	<u>12,032,127</u>	<u>6,241,261</u>

15. Debtors

	2023	2022
	£	£
Trade debtors	12,339,682	19,161,251
Amounts owed by group undertakings	5,597,980	5,521,103
Other debtors	1,772,802	1,521,634
Prepayments and accrued income	1,067,734	963,022
Financial instruments	56,675	23,873
	<u>20,834,873</u>	<u>27,190,883</u>

Included within other debtors is a director's current account of £1,162,828 (2022: £1,170,475). See note 24 for further details.

The derivative financial instruments above relate to Gasoil futures stated at the quoted market value,

16. Cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	694,426	957,109
	<u>694,426</u>	<u>957,109</u>

SEA BUNKERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

17. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Bank loans	15,532,073	5,093,087
Trade creditors	6,114,107	18,766,075
Amounts owed to group undertakings	700,000	700,000
Corporation tax	390,893	352,600
Other taxation and social security	210,004	171,412
Other creditors	206	215,037
Accruals and deferred income	337,956	140,033
	23,285,239	25,438,244

The company has a trade finance facility of £24,000,000 (2022: £18,000,000) and a loan facility of £Nil (2022: £3,000,000).

The trade financing facility is secured by a debenture including fixed and floating charge over all assets and a guarantee from Geos Group Limited. It carried interest at LIBOR plus margin of 2.25%.

The bank loan is subject to an interest rate of LIBOR plus margin of 2.5%. These are secured over tank storage assets. The loan is repayable in equal monthly instalments over four years.

The derivative financial instruments above relate to Gasoil futures stated at the quoted market value.

18. Financial instruments

	2023	2022
	£	£
Financial assets		
Derivative financial instruments held at fair value	56,675	468,338
Financial assets that are debt instruments measured at amortised cost	19,354,276	25,852,840
Cash and cash equivalents	694,426	957,109
	20,105,377	27,278,287
Financial liabilities		
Financial liabilities measured at amortised cost	(22,960,493)	(25,196,133)

SEA BUNKERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

19. Deferred taxation

	2023 £
At beginning of year	(721,830)
Charged to profit or loss	44,660
At end of year	<u><u>(677,170)</u></u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(677,170)	(721,830)
	<u><u>(677,170)</u></u>	<u><u>(721,830)</u></u>

20. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
10,000 (2022 - 10,000) Ordinary shares of £1 each	<u><u>10,000</u></u>	<u><u>10,000</u></u>

21. Contingent liabilities

As at 31 December 2023 and at 31 December 2022 there were no contingent liabilities.

22. Capital commitments

The company had no capital commitments at the end of the financial year 31 December 2023 (2022: £NIL).

SEA BUNKERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

23. Commitments under operating leases

At 31 December 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	105,618	159,022
Later than 1 year and not later than 5 years	225,560	230,388
Later than 5 years	549,803	606,193
	<u>880,981</u>	<u>995,603</u>

24. Transactions with directors

At the year end amounts owed by the director totalled £1,162,828 (2022: £1,170,475) The maximum amount owed during the year was £1,170,475 (2022: £1,170,475).

25. Related party transactions

As a wholly owned subsidiary, the company has taken advantage of the exemption in Financial Reporting Standard 102 paragraph 33 not to disclose transactions with other group companies, where 100% of the voting rights are controlled by the group.

The director considers key management personnel to comprise the members of the senior management team. The total employment benefits, including employer pension contributions for the senior management team were £460,691 (2022: £365.655).

26. Controlling party

As at 31 December 2023 and at 31 December 2022 the immediate parent undertaking is Sea Bunkering Holding Limited, a company registered in England & Wales, by virtue of its 100% shareholding in the company. The ultimate parent undertaking is Geos Group Limited, a company registered in England & Wales, by virtue of its 100% shareholding in the immediate parent undertaking. Copies of the group financial statement of Geos Group Limited are available from Chiltern House, 45 Station Road, Henley-on-Thames, Oxfordshire, RG9 1AT.

The ultimate controlling party is Barry J Newton, by virtue of his controlling shareholding in the ultimate parent undertaking.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.