

BIG BLUE CRUISING LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

31 DECEMBER 2020

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BIG BLUE CRUISING LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Director:

Mr. Claus Thottrup

The sole director presents herewith his annual report together with the audited financial statements of Big Blue Cruising Limited ("the Company") for the year ended 31 December 2020.

Principal Activities

The principal activities of the Company, which have remained unchanged from the previous accounting year, are those of owning, operating and chartering all types of sea craft.

Review of Business

During the year under review, the level of business decreased markedly as a direct result of the COVID-19 pandemic which wreaked havoc on business around the globe, and the Company was no exception. Charter income decreased by more than 50% to € 615,000 during 2020 which unfortunately contributed to the loss sustained during the year. However, the company's financial position remains stable. The director notes that the Company was well established to have a very good year going forward, however due to the persisting COVID-19 pandemic uncertainty across all continents, 2021 is proving to be another challenging year, albeit not to the same extent of 2020.

COVID-19

The Coronavirus (COVID-19) pandemic is affecting economic and financial markets worldwide, and virtually all industries are facing challenges associated with the economic conditions resulting from efforts to address it.

Following the outbreak of COVID-19, the Company took steps to apply for short-term financing whilst also taking steps to mitigate losses from cancelled or postponed business because of such outbreak. After the relaxation of certain measures, the Company undertook measures to sanitise the yacht and installed state of the art sanitization systems in order to ensure the utmost safety for its guests and staff whilst being able to undertake charters. These measures have been positively received, and whilst most of the previously booked charters for 2020 have been postponed for the forthcoming year, the Company has seen renewed interest from new clients to undertake charters during 2021.

This is very good news for the Company however, it is still very early to make any solid predictions, and therefore, the Company still envisages to incur a loss for the year 2021. However, the long-term assessment is that the Company's assets will be preserved and consequently the going concern basis applied to these financial statements is still applicable.

Results, Dividends and Reserves

The results for the year and the movement on the reserves are as set out on pages 7 and 9 of the financial statements respectively. No dividends were recommended or paid during the year. No final dividends are being recommended.

Director

The director listed above served in office throughout the year. In accordance with the Company's Articles of Association, the director in office at date of this report is to remain in office.

BIG BLUE CRUISING LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Auditors

Baker Tilly Malta have intimated their willingness to continue in office. A proposal to reappoint Baker Tilly Malta as auditors of the Company will be put to the General Meeting.

Approved and signed by the sole director on 30 June 2021.

Mr. Claus Thottrup
Director

Big Blue Cruising Ltd

~~Pault 14 level 2~~

Valletta Waterfront

Floriana 1914 - Malta

Vat nr MT24125703

BIG BLUE CRUISING LIMITED

DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors are required to prepare financial statements for each financial period which give a true and fair view of the financial position of the Company as at the end of the financial period and of the profit or loss of the Company for that period.

In preparing the financial statements, the directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed by the sole Director on 30 June 2021.

Mr. Claus Thottrup
Director

Big Blue Cruising Ltd
Vault 14, level 2
Valletta Waterfront
Floriana 1914 - Malta
Vat nr MT24125703

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BIG BLUE CRUISING LIMITED

Report on the Audit of the Financial Statements

We have audited the financial statements of the Company set out on pages 7 to 27 which 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 significant accounting policies and other explanatory information.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance and its cash flows for the period then ended in accordance with the requirements of International Financial Reporting Standards as adopted by the EU and the Merchant Shipping (Shipping Organisations – Private Companies) Regulations, 2004.

Material Uncertainty related to Going Concern

We draw attention to the going concern paragraph in Note 23 to the financial statements. This note indicates that the Company's business operations may be severely impacted by COVID-19 (Coronavirus). This indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta*, 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 directors are responsible for the other information. The other information comprises the directors' report.

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.

With respect to the directors' report, we also considered whether the directors' report includes the disclosures required by Article 177 of the Companies Act (Cap. 386).

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BIG BLUE CRUISING LIMITED

Other Information (Contd.)

Based on the work performed, in our opinion:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Companies Act (Cap. 386).

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report and other information. We have nothing to report in this regard.

Responsibilities of the Directors

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 'Reasonable assurance' is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 judgement 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 management.

Conclude on the appropriateness of management's 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, then we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BIG BLUE CRUISING LIMITED

Auditors' Responsibilities for the Audit of the Financial Statements (Contd.)

- 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 fair presentation.
- We communicate with those charged with governance 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.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

Other Legal and Regulatory Requirements

We are also required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.

We have nothing to report to you in respect of these responsibilities.



This copy of the audit report has been signed by
Donald Sam for and on behalf of

Baker Tilly Malta
Registered Auditors

30 June 2021

BIG BLUE CRUISING LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

		<u>2020</u>	<u>2019</u>
	Note	Euro	Euro
Revenue	4	615,000	1,262,100
Direct and Operational Overheads		(903,840)	(939,669)
Gross Profit/(Loss)		(288,840)	322,431
Administrative Overheads		(90,330)	(143,810)
Other Operating Income	5	16,801	293,098
Operating Profit/(Loss)	6	(362,369)	471,719
Finance Costs	7	(121,883)	(93,060)
Profit/(Loss) before Taxation		(484,252)	378,659
Tax Expense	8	-	-
Profit/(Loss) for the Year		(484,252)	378,659
Total Comprehensive Income/(Loss) for the Year		(484,252)	378,659

The notes on pages 11 to 27 form an integral part of these financial statements.

BIG BLUE CRUISING LIMITED**STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2020**

		<u>2020</u>	<u>2019</u>
	Note	Euro	Euro
ASSETS			
Vessels	9	8,037,500	8,312,500
Investments in Subsidiaries	10	1	1
Total Non-Current Assets		<u>8,037,501</u>	<u>8,312,501</u>
Inventories	11	17,833	18,731
Trade and Other Receivables	12	1,623,937	1,508,831
Cash and Cash Equivalents	13	9,062	58
Total Current Assets		<u>1,650,832</u>	<u>1,527,620</u>
Total Assets		<u>9,688,333</u>	<u>9,840,121</u>
EQUITY			
Share Capital	14	10,001	10,001
Other Reserve	14	2,317,499	2,317,499
Yacht Revaluation Reserve	14	3,667,275	3,846,025
Retained Earnings		395,889	701,391
Total Equity		<u>6,390,664</u>	<u>6,874,916</u>
LIABILITIES			
Interest-Bearing Borrowings	15	2,000,000	2,000,000
Bank Borrowings	16	104,608	-
Total Non-Current Liabilities		<u>2,104,608</u>	<u>2,000,000</u>
Trade and Other Payables	17	1,147,669	965,071
Bank Borrowings	16	45,392	134
Total Current Liabilities		<u>1,193,061</u>	<u>965,205</u>
Total Liabilities		<u>3,297,669</u>	<u>2,965,205</u>
Total Equity and Liabilities		<u>9,688,333</u>	<u>9,840,121</u>

The notes on pages 11 to 27 form an integral part of these financial statements.

The financial statements on pages 7 to 27 were approved and signed by the sole director on 30 June 2021.

Mr. Claus Thottrup
Director

Big Blue Cruising Ltd
~~Vardt 14, Level 2~~
~~Valletta Waterfront~~
Floriana 1914 - Malta
Vat nr MT24125703

BIG BLUE CRUISING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>Total</u>	<u>Share Capital</u>	<u>Other Reserve</u>	<u>Yacht Revaluation Reserve</u>	<u>Retained Earnings</u>
	Euro	Euro	Euro	Euro	Euro
Balance at 1 January 2020	6,874,916	10,001	2,317,499	3,846,025	701,391
Comp. Loss for Year					
Loss for the Year	(484,252)	-	-	-	(484,252)
Movement on Reserves					
Depreciation on Revaluation	-	-	-	(178,750)	178,750
Balance at 31 December 2020	<u>6,390,664</u>	<u>10,001</u>	<u>2,317,499</u>	<u>3,667,275</u>	<u>395,889</u>
Balance at 1 January 2019	6,496,257	10,001	2,317,499	4,024,775	143,982
Comp. Income for Year					
Profit for the Year	378,659	-	-	-	378,659
Movement on Reserves					
Depreciation on Revaluation	-	-	-	(178,750)	178,750
Balance at 31 December 2019	<u>6,874,916</u>	<u>10,001</u>	<u>2,317,499</u>	<u>3,846,025</u>	<u>701,391</u>

The notes on pages 11 to 27 form an integral part of these financial statements.

BIG BLUE CRUISING LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

		<u>2020</u>	<u>2019</u>
	Note	Euro	Euro
Cash Flows from Operating Activities			
Profit/(Loss) for the Year		(484,252)	378,659
<i>Adjustments for:</i>			
Depreciation		275,000	275,000
Impairment in Value of Investment in Subsidiary Company		-	15,649
Waiver of Subsidiary Company Balance		-	(290,250)
Finance Expense		121,734	91,246
		<u>(87,518)</u>	<u>470,304</u>
Changes in			
Inventories		898	(6,438)
Trade and Other Receivables		13,638	(87,479)
Trade and Other Payables		132,668	185,474
Ultimate Parent Company Trade Receivables		(94,580)	(104,999)
Related Company Account		(71,804)	(33,996)
		<u>(106,698)</u>	<u>422,866</u>
Net Cash from/(used in) Operating Activities			
Cash Flows from Investing Activities			
Movements on Subsidiary Company Loan		-	(2,000,000)
Movements on Parent Company Account		(34,164)	(7,832)
Movements on Ultimate Parent Company Account		-	(134,046)
		<u>(34,164)</u>	<u>(2,141,878)</u>
Net Cash used in Investing Activities			
Cash Flows from Financing Activities			
Movements on Bank Borrowings		150,000	-
Movements on Director's Account		-	272
Movements on Parent Company Loan		-	2,000,000
Movements on Ultimate Parent Company Loan		-	(280,939)
		<u>150,000</u>	<u>1,719,333</u>
Net Cash from Financing Activities			
Net Movement in Cash and Cash Equivalents			
		9,138	(223)
Cash and Cash Equivalents at Beginning of Year		(76)	147
Cash and Cash Equivalents at End of Year	13	<u>9,062</u>	<u>(76)</u>

The notes on pages 11 to 27 form an integral part of these financial statements.

BIG BLUE CRUISING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Reporting Entity

Big Blue Cruising Limited ("the Company") is a limited liability company domiciled and incorporated in Malta. The Company's registered office is at Vault 14, Level 2, Valletta Waterfront, Floriana FRN 1914, Malta.

2. Basis of Preparation

2.1 Statement of Compliance

These unconsolidated financial statements have been prepared and presented in accordance with the provisions of the Companies Act, 1995 relating to individual accounts, which requires adherence to International Financial Reporting Standards as adopted by the European Union. They have been drawn up in accordance with the provisions of the Companies Act, 1995 enacted in Malta, (The Act) same insofar as such provisions remove the requirement under IAS 27 Consolidated and Separate Financial Statements, of preparing and presenting consolidated Financial Statements of the group, of which the company is parent.

The Company availed itself of the size exemption from the requirement to prepare consolidated financial statements in terms with Article 173 of the Act.

These financial statements therefore represent the separate financial statements of the Company, in which the investments are accounted for on the basis of the direct equity interest, rather than on the basis of the reported results and net assets of the investees.

The Act specifies that in the event that any of one of its provisions is in conflict or not comparable with IFRSs or its application is incompatible with the obligation for financial statements to give a true and fair view, that provision shall be departed from in order to give a true and fair view.

2.2 Basis of Measurement

The financial statements have been prepared on the historical cost basis, except for Vessels, which are stated at fair value.

2.3 Functional and Presentation Currency

These financial statements are presented in Euro (€), which is the Company's functional currency.

2.4 Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the 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. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the opinion of the director, the accounting estimates and judgments made in the course of preparing these financial statements are not difficult to reach, subjective or complex to a degree which would warrant their description as significant and critical in terms of the requirements of IAS 1 (revised).

BIG BLUE CRUISING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Basis of Preparation (Contd.)

2.5 Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company accounts for its Vessels at fair value.

2.6 New Standards and Interpretations Not Yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted, however the Company has not early adopted the new or amended standards in preparing these financial statements.

Standards and amendments that are effective for the first time in 2020 and could be applicable to the Company are:

- *Amendments to References to Conceptual Framework in IFRS Standards*
- *Definition of Material (Amendments to IAS 1 and IAS 8)*
- *Definition of a Business (Amendments to IFRS 3)*
- *Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)*
- *COVID-19 Related Rent Concessions (Amendment to IFRS 16) – Effective 1 June 2020*

Other Standards and amendments that are not yet effective and have not been adopted early by the Company include:

- *Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IFRS 7, IFRS 4 and IFRS 16) – Effective 1 January 2021*
- *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) – Effective 1 January 2022*
- *Annual Improvements to IFRS Standards 2018–2020 – Effective 1 January 2022*
- *Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) – Effective 1 January 2022*
- *Reference to the Conceptual Framework (Amendments to IFRS 3) – Effective 1 January 2022*
- *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) – Effective 1 January 2023*
- *IFRS 17 Insurance Contracts – Effective 1 January 2023*

BIG BLUE CRUISING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Significant Accounting Policies

The accounting policies set out below have been applied throughout the period presented in these financial statements.

3.1 Foreign Currency Transactions

Transactions in foreign currencies are translated to the Company's functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Foreign currency differences arising on retranslation are recognised in profit or loss.

3.2 Dividend Income

Dividends are received from financial assets measured at fair value through profit or loss and at fair value through other comprehensive income. Dividends are recognised as other income in profit or loss when the right to receive payment is established.

3.3 Revenue

Rendering of Services

Revenue comprises the fair value of the consideration received or receivable for the chartering of the yacht in the ordinary course of business of the Company. Revenue for services is recognised in the period in which these are rendered. Revenues are shown net of value added tax, rebates and discounts.

3.4 Vessels

Vessels are measured at cost or valuation less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is recognised in profit and loss account on a straight-line basis over the estimated useful life of the sea vessel. Depreciation is provided on sea vessels and equipment so as to write off their carrying value over their expected useful economic lives. Depreciation is provided at the following annual rates after taking into consideration that the Company's vessel will have an estimated residual value of € 2,400,000 at the end of 24 years:

Sailing Yacht SATORI	-	4.17%
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3.5 Investments in Subsidiaries

A subsidiary is an entity which is controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

An investment in a subsidiary is initially measured at cost. After initial recognition, an investment in subsidiaries may be carried either under the cost method, that is at cost less any impairment losses or under the equity method. The company is measuring the investment in subsidiary company using the equity method.

Loans advanced by the Company to its subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future, are treated as an extension to the Company's net investment in those subsidiaries and included as part of the carrying amount of investments in subsidiaries.

BIG BLUE CRUISING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Significant Accounting Policies (Contd.)

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventory is ascertained on the first in first out basis.

Cost comprises all costs of purchases, costs of conversion and other costs in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

3.7 Receivables

Receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less expected credit loss allowances.

Trade receivables are written off or provided for where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure by the debtor to abide by the credit terms or failure to engage in a repayment programme with the company for the settlement of amounts due.

Impairment on trade receivables are presented as net expected credit losses within operating profit. Subsequent recoveries of amounts previously written off or provided for are credited against the same line item.

3.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits at call with financial institutions, other short-term liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

3.9 Impairment of Financial Assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets at amortised cost, namely trade and other receivables, amounts due by related parties, cash at bank and short-term investments.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit plan (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Company measures loss allowances for trade receivables without a significant financing component and contract assets at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

BIG BLUE CRUISING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Significant Accounting Policies (Contd.)

3.9 Impairment of Financial Assets (Contd.)

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset. In the case of interest-free short-term financial assets, such as trade receivables, ECLs are not discounted.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Impairment losses related to trade and other receivables, including contract assets, are presented separately in the statement of comprehensive income.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off on its financial assets based on whether there is a reasonable expectation of recovery and with reference to its historical experience of recoveries.

The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

BIG BLUE CRUISING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Significant Accounting Policies (Contd.)

3.9 Impairment of Financial Assets (Contd.)

The Company's trade receivables do not consist of a significant financing component and thus these are measured on initial recognition at the transaction price determined under IFRS 15 - Revenue from Contracts with Customers. As a result, these do not have a contractual interest rate. Furthermore, these trade receivable balances, including balances due from related parties are generally repaid in full close to the year end. This implies that the effective interest rate for these receivables is zero. Accordingly, discounting of cash shortfalls to reflect the time value of money when measuring ECLs is generally not required.

When trade receivables, including amounts due from related parties become overdue and the balances are then modified to effectively incorporate a significant financing component, then the Company exercise judgement because using an effective interest rate of zero may no longer be appropriate.

3.10 Borrowings

Borrowing costs are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceed (net of transaction costs) and the redemption value is recognised as profit and loss in the statement of comprehensive income over the period of borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless has an unconditional right to defer settlement of the liability for at least one year after the reporting date.

3.11 Trade and Other Payables

Trade and other payables comprise obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities, if payment is due within one year or less. If not, they are presented as non-current liabilities. The carrying amount of trade and other payables are considered to be the same as their fair values due to their short-term nature.

3.12 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probably that an outflow of economic benefit will be required to settle the obligation.

3.13 Share Capital

Ordinary shares are classified as equity.

3.14 Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases are recognised in the profit and loss on a straight line basis over the term of the lease.

3.15 Employee Benefits

Pension Contributions

The Company contributes towards the state pension in accordance with legislation requirements. The only obligation of the Company is to make the required contributions. Costs are expensed in the period in which they are incurred.

BIG BLUE CRUISING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Significant Accounting Policies (Contd.)

3.16 Finance Costs

Finance cost comprises interest expense. Interest expense is recognised as it accrues in profit or loss, using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.17 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- (a) temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- (b) temporary differences relating to investments in subsidiaries, associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

4. Revenue

	<u>2020</u>	2019
	Euro	Euro
Yacht Charter Income	<u>615,000</u>	<u>1,262,100</u>

BIG BLUE CRUISING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

5. Other Operating Income/(Expenses)

Other operating income and expenses arise mainly from the gratuities that the Company receives from clients and an insurance claim, whilst in the comparative year included the waiver of a subsidiary company payable balance and the impairment on the investment in the subsidiary. Since these are not considered to be part of the main revenue generating activities, the Company presents this income and expense separately from revenue.

	<u>2020</u>	<u>2019</u>
	Euro	Euro
Gratuities	1,346	18,497
Insurance Claim	15,455	-
Provision for Impairment on Investment in Subsidiary Company	-	(15,649)
Waiver of Subsidiary Company Balance	-	290,250
	<u>16,801</u>	<u>293,098</u>

6. Operating Profit/(Loss)

The results from operating activities are stated after charging the following:

	<u>2020</u>	<u>2019</u>
	Euro	Euro
Auditors' Remuneration	6,000	6,000
Depreciation	275,000	275,000

6.1 Employee Information

The average weekly number of persons employed by the Company during the year was 8 (2019 - 8). Staff costs for the year comprised:

	<u>2020</u>	<u>2019</u>
	Euro	Euro
Crew Wages and Social Costs	120,031	204,271

All persons were employed as crew members on the yacht.

7. Finance Costs

	<u>2020</u>	<u>2019</u>
	Euro	Euro
Interest Payable on Parent Company Loan	120,000	91,246
Interest Payable on Bank Loan	1,734	-
Realised Foreign Exchange Losses	148	1,814
Finance Costs	<u>121,882</u>	<u>93,060</u>

BIG BLUE CRUISING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8. Tax Expense

No charge for current taxation has been made in the Company's financial statements on the basis that the Company's vessel is registered under the Merchant Shipping (Shipping Organisations – Private Companies) Regulations, 2004 enacted in Malta, which states that income from shipping operations is exempt from taxation. Accordingly, the Company did not have any current tax charge for the year.

9. Vessels

	<u>At</u> <u>01.01.20</u>	<u>Additions</u>	<u>At</u> <u>31.12.20</u>
	Euro	Euro	Euro
Valuation:			
S/Y Satori	9,000,000	-	9,000,000
	<u> </u>	<u> </u>	<u> </u>
	<u>At</u> <u>01.01.20</u>	<u>Charge</u> <u>For Year</u>	<u>At</u> <u>31.12.20</u>
	Euro	Euro	Euro
Depreciation:			
S/Y Satori	687,500	275,000	962,500
	<u> </u>	<u> </u>	<u> </u>
Net Book Amount	<u>8,312,500</u>		<u>8,037,500</u>

9.1 The vessel is stated at fair value after it was revalued at € 9 million in 2017 by an external independent qualified valuer. This value was further confirmed during 2019, when the vessel was insured with AIG Europe Limited for the same amount.

9.2 The Company did not have any commitments to purchase any property, plant and equipment at year end.

10. Investments in Subsidiaries

	<u>2020</u>	<u>2019</u>
	Euro	Euro
Equity Investments:		
Investment in Subsidiary Company at Cost	15,650	15,650
Impairment in Value of Investment in Subsidiary Company	(15,649)	(15,649)
	<u> </u>	<u> </u>
Net Investment in Subsidiary	<u>1</u>	<u>1</u>

10.1 The following information relates to that subsidiary which, in the opinion of the Directors, principally affected the results or assets of the Company.

<u>Subsidiary Company</u>	<u>Incorp. in</u>	<u>% Holding</u>		<u>Nature of Business</u>
		<u>2020</u>	<u>2019</u>	
Big Blue Yachting Yatcilik AS	Turkey	<u>100%</u>	<u>100%</u>	Yacht Building – In Liquidation

BIG BLUE CRUISING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10. Investments in Subsidiaries (Contd.)

10.2 Subsidiary Company Financial Information

The following table highlights the unaudited financial information relating to the subsidiary company:

Big Blue Yachting Yatcilik AS

	<u>2020</u>	<u>2019</u>
	Euro	Euro
Loss for the Year	(22,628)	(34,144)
Share Capital	15,650	15,650
Reserves	6,314	(3,760)
Accumulated Losses	(72,318)	(49,690)
Total Equity Deficiency	<u>(50,354)</u>	<u>(37,800)</u>

11. Inventories

	<u>2020</u>	<u>2019</u>
	Euro	Euro
General Yacht Supplies	<u>17,833</u>	<u>18,731</u>

12. Trade and Other Receivables

	<u>2020</u>	<u>2019</u>
	Euro	Euro
Trade Receivables due from Ultimate Parent Company	1,443,233	1,348,653
Other Receivables	102,407	105,309
Prepayments	27,984	39,785
Other Taxes	8,317	7,252
Amounts due from Parent Company	41,996	7,832
	<u>1,623,937</u>	<u>1,508,831</u>

12.1 The Company's exposure to credit risk related to trade and other receivables is disclosed in Note 19.3. No provision for Expected Credit Losses was considered necessary on the above balance due from the ultimate parent and parent companies, as these companies are financially solid. The director has therefore assessed that the Probability of Default and Loss Given Default are non-existent.

12.2 The amounts due from the ultimate parent company, which represent trading transactions, are unsecured, interest free and repayable on demand.

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

BIG BLUE CRUISING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

13. Cash and Cash Equivalents

	<u>2020</u>	<u>2019</u>
	Euro	Euro
Bank Balances	5,263	58
Cash to Captain	3,799	-
	<u>9,062</u>	<u>58</u>
Overdrawn Bank Balance	-	(134)
	<u>9,062</u>	<u>(76)</u>
Net Cash and Cash Equivalents	<u>9,062</u>	<u>(76)</u>

14. Capital and Reserves

14.1 Share Capital

	<u>2020</u>	<u>2019</u>
	Euro	Euro
Authorised		
10,000 A Ordinary Shares of € 1 each	10,000	10,000
1 B Ordinary Share of € 1	1	1
	<u>10,001</u>	<u>10,001</u>
Issued and Fully Paid Up		
10,000 A Ordinary Shares of € 1 each	10,000	10,000
1 B Ordinary Share of € 1	1	1
	<u>10,001</u>	<u>10,001</u>

The holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

14.2 Reserves

14.2.1 Other Reserve

The other reserve was created on the waiver of a related party loan balance that was affected as part of the agreement of the transfer of ownership of the Company during 2016. This reserve forms part of the distributable reserves of the company.

14.2.2 Yacht Revaluation Reserve

This reserve represents the movement between the cost of the S/Y Satori and its fair value as established by an external independent qualified valuer and further confirmed through AIG Europe Limited, the yacht's insurers during the year under review. This reserve is stated net of the relative depreciation on the revalued amount. This reserve is non-distributable.

BIG BLUE CRUISING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

15. Interest Bearing Borrowings

	<u>2020</u>	<u>2019</u>
	Euro	Euro
Non-Current:		
Parent Company Loan	<u>2,000,000</u>	<u>2,000,000</u>
Total Interest Bearing Borrowings	<u><u>2,000,000</u></u>	<u><u>2,000,000</u></u>

15.1 The loan due to the parent company is unsecured, bears interest at 6% per annum and is repayable after 25 February 2025. In the comparative period, the loan was subject to interest at 5.2% per annum.

16. Bank Borrowings

	<u>2020</u>	<u>2019</u>
	Euro	Euro
Non-Current:		
Bank Loan	<u>104,608</u>	<u>-</u>
Current:		
Bank Loan	<u>45,392</u>	<u>-</u>
Bank Overdrawn Balance	<u>-</u>	<u>134</u>
	<u><u>45,392</u></u>	<u><u>134</u></u>
Total Bank Borrowings	<u><u>150,000</u></u>	<u><u>134</u></u>

16.1 The bank loan is secured by personal guarantees of the ultimate beneficial owners, bears interest at the rate of 2.5% per annum and is repayable by monthly instalments of € 3,783 over four years, with a moratorium on loan repayments for the first 6 months.

17. Trade and Other Payables

	<u>2020</u>	<u>2019</u>
	Euro	Euro
Trade Payables	91,202	43,248
Other Payables	394,685	172,645
Accruals and Deferred Income	554,554	572,851
Accrued Interest Payable	93,951	91,246
Amounts due to Related Companies	13,005	84,809
Amounts due to Director	272	272
	<u><u>1,147,669</u></u>	<u><u>965,071</u></u>

17.1 The amounts due to related companies are unsecured, interest free and repayable on demand.

BIG BLUE CRUISING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

18. Fair Value Hierarchy

The following table shows financial instruments recognised at fair value for the year ended 31 December 2020 and 2019 analysed between those whose fair value is based on:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based upon observable market data.

The following table presents the Company's assets and liabilities that are not measured at fair value but for which the fair value is disclosed.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	Euro	Euro	Euro	Euro
31 December 2020				
Financial Assets				
Unquoted Investments	1	-	1	-
Trade and Other Receivables	1,623,937	-	-	1,623,937
Cash and Cash Equivalents	9,062	-	-	9,062
	<u>1,633,000</u>	<u>-</u>	<u>1</u>	<u>1,632,999</u>
Financial Liabilities				
Parent Company Loan	2,000,000	-	-	2,000,000
Bank Borrowings	150,000	-	-	150,000
Trade and Other Payables	1,147,669	-	-	1,147,669
	<u>3,297,669</u>	<u>-</u>	<u>-</u>	<u>3,297,669</u>
31 December 2019				
Financial Assets				
Unquoted Investments	1	-	1	-
Trade and Other Receivables	1,508,831	-	-	1,508,831
Cash and Cash Equivalents	58	-	-	58
	<u>1,508,890</u>	<u>-</u>	<u>1</u>	<u>1,508,889</u>
Financial Liabilities				
Parent Company Loan	2,000,000	-	-	2,000,000
Trade and Other Payables	965,071	-	-	965,071
Bank Overdrawn Balance	134	-	-	134
	<u>2,965,205</u>	<u>-</u>	<u>-</u>	<u>2,965,205</u>

During the reporting year ended 31 December 2020, there was no transfer between Level 1 and Level 2 fair value measurement.

BIG BLUE CRUISING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

19. Financial Risk Management

19.1 Overview

The Company activities potentially expose it to a variety of financial risks, including fair value or cash flow interest rate risk, credit risk, liquidity risks and market risks:

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

19.2 Risk Management Framework

The director has overall responsibility for the establishment and oversight of the Company's risk management objectives and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The overall objective of the sole director is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details of these policies are set out below:

19.3 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's charter income which is managed by the ultimate parent company. During the year, there were no events that potentially indicate that there was a significant increase in credit risk associated to the company receivables from the ultimate parent, and therefore, the resultant Expected Credit Losses on receivables is considered insignificant.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The Company's policy is to place cash with financial institutions of a high credit rating.

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

	<u>2020</u>	<u>2019</u>
	Euro	Euro
Trade and Other Receivables	1,623,937	1,508,831
Cash and Cash Equivalents	9,062	58
	<u>1,632,999</u>	<u>1,508,889</u>

19.4 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

BIG BLUE CRUISING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

19. Financial Risk Management (Contd.)

19.4 Liquidity Risk (Contd.)

Exposure to Liquidity Risk

The following are the contractual maturities of financial liabilities:

	Within 1 Year	Between 1-2 Years	Between 2-5 Years	Over 5 Years
	Euro	Euro	Euro	Euro
31 December 2020				
Parent Company Loan	-	-	-	2,000,000
Bank Borrowings	45,392	45,392	59,216	-
Trade and Other Payables	1,147,669	-	-	-
	<u>1,193,061</u>	<u>45,392</u>	<u>59,216</u>	<u>2,000,000</u>
31 December 2019				
Parent Company Loan	-	-	-	2,000,000
Trade and Other Payables	965,071	-	-	-
Bank Overdrawn Balance	134	-	-	-
	<u>965,205</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>

19.5 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange currency financial instruments will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The overall effect of fluctuations in exchange rates at the reporting date are not considered to be material.

19.5.1 Fair Value or Cash Flow Interest Rate Risk

The Company's interest-bearing instruments comprises a loan advanced by the parent company which is subject to a fixed interest rate and a bank loan which is also subject to a fixed interest rate. Accordingly, the Company is not exposed to cash flow interest rate risk.

19.5.2 Currency Risk

The Company is not exposed to currency risk at the reporting date.

19.6 Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board's objectives are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The director monitors the return on capital as well as the level of dividends to ordinary shareholders.

BIG BLUE CRUISING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

20. Related Parties Disclosures

20.1 Parent and Ultimate Controlling Party

The Company is a wholly owned subsidiary of Borgo Lifestyle Finance Plc. (the "Parent Company"), a Malta company bearing Reg. No. C 88245 and whose registered office is at Vaults 14, Level 2, Valletta Waterfront, Floriana FRN 1914, Malta.

Borgo Lifestyle Finance Plc. is in turn a wholly owned subsidiary of Borgo Lifestyle Group srl. (the "Ultimate Parent Company"), an Italian company bearing Reg. No. MI-2082215 and whose registered office is at Via Torino 2, Milano 20123, Italy.

The ultimate controlling party is Mr. Claus Thottrup.

20.2 Identity of Related Parties

The Company has a related party relationship with its ultimate parent company, parent company, subsidiary company and related parties.

20.3 Related Party Transactions and Balances

	<u>2020</u>	<u>2019</u>
	Euro	Euro
Related Company:		
Charter Fees charged to	30,000	105,000
Funds Advanced by/(to)	<u>(71,804)</u>	<u>89,039</u>
Subsidiary Company:		
Payable Balance Settled to	-	(2,000,000)
Waiver of Subsidiary Company Balance	-	290,250
Impairment in Value of Investment in Subsidiary Company	<u>-</u>	<u>15,649</u>
Parent Company:		
Loan Advanced by	-	2,000,000
Interest Charged by	(120,000)	(91,246)
Expenses Paid by	<u>(34,164)</u>	<u>(7,836)</u>
Ultimate Parent Company:		
Loan Advanced by/(to)	-	(280,939)
Management fees charged by	(18,450)	(34,500)
Funds Advanced by/(to)	<u>-</u>	<u>(134,046)</u>

Amounts due from and to related parties are disclosed in Notes 12, 15 and 16 to these financial statements.

The key management of the Company is considered to be the director of the Company. The director did not receive any remuneration during the year under review.

21. Operating Commitments

The Company did not have any operating lease commitments at year end.

BIG BLUE CRUISING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

22. Contingent Liabilities

The Company is acting as a guarantor to the parent company, namely Borgo Lifestyle Finance Plc. in connection with a Bond Issue amounting to € 5,000,000 maturing between 2026 and 2029. The guarantee covers the principal amount of € 5,000,000 and interest thereon. The Company has been the recipient of loan funds amounting to € 2,000,000 emanating from such Bond issue.

23. COVID-19

The Coronavirus (COVID-19) pandemic is affecting economic and financial markets worldwide, and virtually all industries are facing challenges associated with the economic conditions resulting from efforts to address it.

Following the outbreak of COVID-19, the Company took steps to apply for short-term financing whilst also taking steps to mitigate losses from cancelled or postponed business because of such outbreak. After the relaxation of certain measures, the Company undertook measures to sanitise the yacht and installed state of the art sanitization systems in order to ensure the utmost safety for its guests and staff whilst being able to undertake charters. These measures have been positively received, and whilst most of the previously booked charters for 2020 have been postponed for the forthcoming year, the Company has seen renewed interest from new clients to undertake charters during 2021.

This is very good news for the Company however, it is still very early to make any solid predictions, and therefore, the Company still envisages to incur a loss for the year 2021. However, the long-term assessment is that the Company's assets will be preserved and consequently the going concern basis applied to these financial statements is still applicable.

24. Subsequent Events

During 2021, the company secured another bank loan amounting to € 190,000 in order to assist it with the 2021 charter season.

25. Comparative Figures

Certain comparative figures have been adjusted to conform to the current year's presentation.

BIG BLUE CRUISING LIMITED**SCHEDULE TO INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>2020</u>	<u>2019</u>
	Euro	Euro
Revenue		
Yacht Charter Income	<u>615,000</u>	<u>1,262,100</u>
Direct and Operational Costs		
Berthing and Harbour Expenses	24,513	5,676
Charter Commissions	95,250	103,812
Crew Wages and Social Costs	120,031	204,271
Crew Allowances and Uniforms	120,438	46,299
Depreciation	275,000	275,000
Fuel Expenses	30,191	36,713
Port Agency Fees	6,886	3,180
Promotion and Advertising	302	35,582
Repairs and Maintenance	83,195	128,800
Telecommunications	7,412	12,502
Tonnage Tax	2,500	1,890
Utilities, Cleaning, Food and Beverage	70,483	38,391
Yacht Insurance	33,612	29,400
Yacht Running Costs	34,027	18,153
	<u>903,840</u>	<u>939,669</u>
Gross Profit/(Loss)	<u>(288,840)</u>	<u>322,431</u>
Administrative Overheads		
Accountancy Fees	11,338	35,300
Auditors' Remuneration	6,000	6,000
Bank Charges	3,925	8,579
Fines	3,604	1,928
General Expenses	23,095	17,275
Management Fees	18,450	34,500
Professional Fees	23,568	39,878
Registration Fees	350	350
	<u>90,330</u>	<u>143,810</u>
	<u>(379,170)</u>	<u>180,511</u>
Other Operating Income/(Expense)		
Gratuities	1,346	18,497
Insurance Claim	15,455	-
Provision for Impairment on Investment in Subsidiary Company	-	(15,649)
Waiver of Subsidiary Company Balance	-	290,250
	<u>16,801</u>	<u>293,098</u>
Operating Profit/(Loss)	<u>(362,369)</u>	<u>471,719</u>