

Registered number: 00000133

British India Steam Navigation Company Limited

Unaudited

Directors' Report and Financial Statements

For the Year Ended 31 December 2018



British India Steam Navigation Company Limited

Company Information

Directors	R.A. Al Qahtani (appointed 16 April 2018) S.M. Qureshi (resigned 25 June 2019) G.R. Jayaraman (resigned 16 April 2018) M.D. Budhdev (appointed 25 June 2019) M Al Hashimy (appointed 25 June 2019)
Company secretary	M Al Hashimy
Registered number	00000133
Registered office	16 Palace Street London SW1E 5JQ

British India Steam Navigation Company Limited

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British India Steam Navigation Company Limited

Directors' Report For the Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018. British India Steam Navigation Company Limited ('the Company') is incorporated and domiciled in the UK. The Company's principal activity is holding investments in group undertakings.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

Results and dividends

The profit for the year, after taxation, amounted to £1,468,353 (2017 - £1,325,012).

The directors do not recommend the payment of a dividend (2017: £3,373,930).

Directors

The directors who served during the year were:

R.A. Al Qahtani (appointed 16 April 2018)
S.M. Qureshi (resigned 25 June 2019)
G.R. Jayaraman (resigned 16 April 2018)

Qualifying third party indemnity provisions

All directors are entitled to contractual indemnification from the Company to the extent permitted by law against claim and legal expenses incurred in the course of their duties.

Such qualifying third party indemnity insurance is provided and remains in force as at the date of approving the Directors' Report.

British India Steam Navigation Company Limited

**Directors' Report (continued)
For the Year Ended 31 December 2018**

Small companies note

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

This report was approved by the board on *24 September 2019* and signed on its behalf.



M.D. Budhdev
Director

British India Steam Navigation Company Limited

Income Statement
For the Year Ended 31 December 2018

	Note	2018 £	2017 £
Administrative expenses		-	(636)
Operating profit/(loss)		-	(636)
Income from subsidiary	6	1,727,474	1,495,376
Profit before tax		1,727,474	1,494,740
Tax expense	4	(259,121)	(169,728)
Profit for the financial year		1,468,353	1,325,012

There were no recognised gains and losses for 2018 or 2017 other than those included in the income statement.

The notes on pages 6 to 13 form part of these financial statements.

British India Steam Navigation Company Limited
Registered number: 00000133

Statement of Financial Position
As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Investment in subsidiaries	5	283,817	283,817
		<u>283,817</u>	<u>283,817</u>
Current assets			
Debtors	7	11,384,539	9,916,186
		<u>11,384,539</u>	<u>9,916,186</u>
Total assets less current liabilities		<u>11,668,356</u>	<u>10,200,003</u>
Net assets		<u>11,668,356</u>	<u>10,200,003</u>
Capital and reserves			
Called up share capital	8	7,761,850	7,761,850
Capital redemption reserves		2,438,150	2,438,150
Profit and loss account		1,468,356	3
		<u>11,668,356</u>	<u>10,200,003</u>

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Company was entitled to exemption from audit under section 479(A) of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



24 September 2019

M.D. Budhdev
Director

The notes on pages 6 to 13 form part of these financial statements.

British India Steam Navigation Company Limited

**Statement of Changes in Equity
For the Year Ended 31 December 2018**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	7,761,850	2,438,150	3	10,200,003
Comprehensive income for the year				
Profit for the year	-	-	1,468,353	1,468,353
Total comprehensive income for the year	-	-	1,468,353	1,468,353
Total transaction with owners	-	-	-	-
At 31 December 2018	7,761,850	2,438,150	1,468,356	11,668,356

The notes on pages 6 to 13 form part of these financial statements.

**Statement of Changes in Equity
For the Year Ended 31 December 2017**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	7,761,850	2,438,150	2,048,921	12,248,921
Comprehensive income for the year				
Profit for the year	-	-	1,325,012	1,325,012
Total comprehensive income for the year	-	-	1,325,012	1,325,012
Dividends paid	-	-	(3,373,930)	(3,373,930)
Total transactions with owners	-	-	(3,373,930)	(3,373,930)
At 31 December 2017	7,761,850	2,438,150	3	10,200,003

The notes on pages 6 to 13 form part of these financial statements.

British India Steam Navigation Company Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

1. Accounting policies

1.1 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 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

British India Steam Navigation Company Limited

Notes to the Financial Statements For the Year Ended 31 December 2018

1. Accounting policies (continued)

1.3 Impact of new international reporting standards, amendments and interpretations

IFRS 9 Financial Instruments is effective for the year ended 31 December 2018. There were no retrospective adjustments in these financial statements as a result of adopting the new standard.

1.4 Going concern

The directors have considered the funding and liquidity position of the Company. Following this review, the directors consider it appropriate to continue to prepare the financial statements on the going concern basis.

1.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Income Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

1.6 Financial instruments

Classification of financial assets

Applicable from 1 January 2018, the Company classifies its financial assets in the following measurement categories:

- 1) Amortised cost;
- 2) Fair value through other comprehensive income ('FVOCI'); or
- 3) Fair value through profit or loss ('FVTPL')

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Initial recognition of financial assets

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

British India Steam Navigation Company Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

1. Accounting policies (continued)

Subsequent measurement of financial assets

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
FVOCI – debt instrument	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
FVOCI – equity instrument	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at 1 January 2018:

Financial instruments	Original classification under IAS 39	New classification under IFRS 9	Original carrying value under IAS39 £
Amounts owed by group undertakings	Loans and receivables	Financial assets at amortised cost	9,916,186

The new classification above did not result in any significant change in measurement of values under IFRS 9.

British India Steam Navigation Company Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

1. Accounting policies (continued)

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred and it does not retain control of the financial asset.

Impairment of non-derivative financial assets

From 1 January 2018, the Company assesses, on a forward-looking basis the expected credit losses ('ECLs') applicable to its financial assets measured at amortised cost. The Company measures loss allowances 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.

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

The application of IFRS 9's impairment requirements at 1 January 2018 did not result in any significant additional impairment allowance.

Non-derivative financial liabilities

Classification, initial recognition and measurement

The Company's financial instruments include non-derivative financial liabilities comprising of trade and other payables including amounts owed to group undertakings and interest-bearing borrowings. All non-derivative financial liabilities are recognised initially at fair value less any directly attributable transaction costs. The Company classifies all its non-derivative financial liabilities as financial liabilities to be carried at amortised cost using effective interest method.

The subsequent measurement of non-derivative financial liabilities is carried at the amortised cost using the effective interest method.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

1.7 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.

British India Steam Navigation Company Limited

Notes to the Financial Statements
For the Year Ended 31 December 2018

1. Accounting policies (continued)

1.8 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.9 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.

1.10 Taxation

Tax is recognised in the Income Statement, 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 reporting date in the countries where the Company operates and generates income.

2. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL).

3. Directors' remuneration

None of the directors received any remuneration from the Company during the year or prior period. The directors' remuneration was borne by group undertakings. The directors do not believe that it is practicable to apportion the remuneration between their services as directors of the Company and their services as directors/employees of other group undertakings.

4. Taxation

	2018 £	2017 £
Foreign tax		
Foreign tax on income for the year	259,121	169,728
Tax charged in the income statement	<u>259,121</u>	<u>169,728</u>

British India Steam Navigation Company Limited

Notes to the Financial Statements
For the Year Ended 31 December 2018

4. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>1,727,474</u>	<u>1,494,740</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	328,220	287,737
Effects of:		
Non-taxable income	(328,220)	(287,737)
Foreign tax on income for the year	259,121	169,728
Tax charge in the income statement	<u>259,121</u>	<u>169,728</u>

Factors that may affect future tax charges

A reduction from 20% to 19% from 1 April 2017 was enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016.

The rate changes will impact the amount of future tax recognised by the Company. However, it does not have any effect on the current year results.

Unrecognised deferred tax

No deductible or taxable differences arose during the year, thus no deferred tax assets or deferred tax liabilities have been recognised.

British India Steam Navigation Company Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

5. Investments

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost			
At 1 January 2018	549,817	244,000	793,817
At 31 December 2018	549,817	244,000	793,817
Impairment			
At 1 January 2018	266,000	244,000	510,000
At 31 December 2018	266,000	244,000	510,000
Net book value			
At 31 December 2018	283,817	-	283,817
At 31 December 2017	283,817	-	283,817

6. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
P&O Containers Pakistan (Private) Limited	Pakistan	Shipping agent & real estate management	Ordinary	70%
Mackinnon Mackenzie & Co of Pakistan (Private) Limited	Pakistan	Shipping agent & real estate management	Ordinary	70%

During the year, the Company received dividends of £1,601,241 from Mackinnon Mackenzie & Co of Pakistan (Private) Limited (2017: £1,367,544) and £126,233 from P&O Containers Pakistan (Private) Limited (2017: £127,832).

British India Steam Navigation Company Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2018**

7. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	11,384,539	9,916,186
	<u>11,384,539</u>	<u>9,916,186</u>

8. Share capital

	2018 £	2017 £
204,000 (2017 - 204,000) Ordinary shares of £50.00 each	10,200,000	10,200,000
	<u>10,200,000</u>	<u>10,200,000</u>
Allotted, called up and fully paid		
155,237 (2017 - 155,237) Ordinary shares of £50.00 each	7,761,850	7,761,850
	<u>7,761,850</u>	<u>7,761,850</u>

9. Controlling party

The smallest group of companies for which consolidated financial statements are prepared and in which the Company is consolidated is The Peninsular and Oriental Steam Navigation Company, a company incorporated by Royal Charter and therefore not registered, copies of whose accounts can be obtained from: The Registrar of Companies, Companies House, Crown Way, Cardiff CF14 3UZ.

The largest group of companies for which consolidated financial statements are prepared and which are publicly available, and in which the Company is consolidated is DP World PLC, a company limited by shares with the Registrar of Companies of the Dubai International Financial Centre ("DIFC") under the DIFC Companies Law and where 19.55% of its shares are traded on NASDAQ Dubai.

The immediate parent undertaking at 31 December 2018 was The Peninsular and Oriental Steam Navigation Company, a company incorporated in the United Kingdom.

In the opinion of the directors the ultimate controlling parent undertaking as at 31 December 2018 was Port & Free Zone World FZE, which owns 80.45% of DP World PLC. Port & Free Zone World FZE is a wholly owned subsidiary of Dubai World Corporation, which is the ultimate parent company of the Company, but which does not exert control over the Company. Both Port & Free Zone World FZE and Dubai World Corporation are incorporated in UAE.