
BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

COMPANY INFORMATION

DIRECTORS

A Dinkov
R Kosturkov
V Atanasov

COMPANY SECRETARY

D I Haynes

REGISTERED NUMBER

00871726

REGISTERED OFFICE

Black Sea House
72 Wilson Street
London
EC2A 2DH

AUDITOR

Barnes Roffe LLP
Chartered Accountants
Statutory Auditor
Leytonstone House
Leytonstone
London
E11 1GA

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

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BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group 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 group 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 the group and 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 the group 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 £88,152 (2012 - £132,533).

Dividends of £Nil (2012 - £454,782) have been paid in the year.

DIRECTORS

The directors who served during the year were:

A Dinkov
R Kosturkov
V Atanasov

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

This report was approved by the board on *15.05.2014* and signed on its behalf.



A Dinkov
Director

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

INTRODUCTION

The directors present their strategic report for the year ended 31 December 2013.

BUSINESS REVIEW

The directors have continued to focus on the group's chartering activities from its London office in the current year and are satisfied with the results for the year and expect the results of these activities to remain profitable in the forthcoming year.

PRINCIPAL RISKS AND UNCERTAINTIES

Foreign Exchange risk

The group acts mainly for its Parent company and other Bulgarian ship owning entities and so is exposed to foreign exchange risk. This is managed by operating Sterling, Euro and US Dollar bank accounts which are monitored regularly by the directors.


Liquidity risk and credit risk

The group finances its operation through retained profits and also loans from the Parent company where required, to manage liquidity and credit risk.

FINANCIAL KEY PERFORMANCE INDICATORS

As noted above, as the group acts for its Parent company and other Bulgarian ship owning entities, its chartering activities and performance are directly impacted where supply of these ships in the market exceeds demand and where the geographic position of these ships is considered in accordance to seasonal commodity trading patterns.

This report was approved by the board on *15. 05. 2014* and signed on its behalf.



A. Dinkov
Director

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

We have audited the financial statements of Balkan & Black Sea Shipping Company Limited for the year ended 31 December 2013, set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2013 and of the group's 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BALKAN & BLACK SEA SHIPPING
COMPANY LIMITED**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Stuart Moon

Stuart Moon (Senior statutory auditor)

for and on behalf of

Barnes Roffe LLP

Chartered Accountants

Statutory Auditor

Leytonstone House

Leytonstone

E11 1GA

Date:

7 July 2014

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
TURNOVER	1,2		
Continuing operations		453,972	482,160
Other operating income	3	50,301	10,800
Other external charges		(209,346)	(178,392)
Staff costs		(164,879)	(160,419)
Depreciation and amortisation		(18,313)	(21,480)
OPERATING PROFIT			
Continuing operations		146,127	144,450
Discontinued operations		(34,392)	(11,781)
		111,735	132,669
Income from other fixed asset investments		1,290	1,290
Interest receivable and similar income		2,987	1,362
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		116,012	135,321
Tax on profit on ordinary activities	8	(27,860)	(2,788)
PROFIT FOR THE FINANCIAL YEAR	14	£ 88,152	£ 132,533

The notes on pages 11 to 22 form part of these financial statements.

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	£	£
PROFIT FOR THE FINANCIAL YEAR	88,152	132,533
Exchange rate differences on foreign currency net investments	(1,163)	697
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	£ 86,989	£ 133,230

The notes on pages 11 to 22 form part of these financial statements.

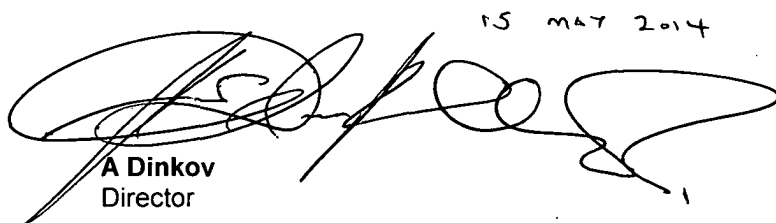
BALKAN & BLACK SEA SHIPPING COMPANY LIMITED
REGISTERED NUMBER: 00871726

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	9	660,315	672,326
Investments	10	466	466
		<u>660,781</u>	<u>672,792</u>
CURRENT ASSETS			
Debtors	11	1,341,304	553,296
Cash at bank		1,111,549	963,258
		<u>2,452,853</u>	<u>1,516,554</u>
CREDITORS: amounts falling due within one year	12	<u>(1,669,658)</u>	<u>(832,359)</u>
NET CURRENT ASSETS		<u>783,195</u>	<u>684,195</u>
NET ASSETS		<u><u>£ 1,443,976</u></u>	<u><u>£ 1,356,987</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	50,000	50,000
Other reserves	14	390,453	391,616
Profit and loss account	14	1,003,523	915,371
SHAREHOLDER'S FUNDS	15	<u><u>£ 1,443,976</u></u>	<u><u>£ 1,356,987</u></u>

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

15 MAY 2014



A Dinkov
Director

The notes on pages 11 to 22 form part of these financial statements.

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED
REGISTERED NUMBER: 00871726

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	9		660,259		668,193
Investments	10		3,375		3,375
			<u>663,634</u>		<u>671,568</u>
CURRENT ASSETS					
Debtors	11	1,500,667		718,381	
Cash at bank		1,008,749		793,093	
		<u>2,509,416</u>		<u>1,511,474</u>	
CREDITORS: amounts falling due within one year	12	(1,476,484)		(604,601)	
NET CURRENT ASSETS			<u>1,032,932</u>		<u>906,873</u>
NET ASSETS			<u>£ 1,696,566</u>		<u>£ 1,578,441</u>
CAPITAL AND RESERVES					
Called up share capital	13		50,000		50,000
Profit and loss account	14		1,646,566		1,528,441
SHAREHOLDER'S FUNDS	15		<u>£ 1,696,566</u>		<u>£ 1,578,441</u>

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

15 May 2014


A Dinkov
 Director

The notes on pages 11 to 22 form part of these financial statements.

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	17	164,433	238,447
Returns on investments and servicing of finance	18	4,277	2,652
Taxation		(12,955)	76,508
Capital expenditure and financial investment	18	(6,194)	(102)
Equity dividends paid		-	(454,782)
INCREASE/(DECREASE) IN CASH IN THE YEAR		£ 149,561	£ (137,277)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
Increase/(Decrease) in cash in the year	149,561	(137,277)
CHANGE IN NET FUNDS RESULTING FROM CASH FLOWS	149,561	(137,277)
Other non-cash changes	(1,270)	860
MOVEMENT IN NET FUNDS IN THE YEAR	148,291	(136,417)
Net funds at 1 January 2013	963,258	1,099,675
NET FUNDS AT 31 DECEMBER 2013	£ 1,111,549	£ 963,258

The notes on pages 11 to 22 form part of these financial statements.

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Basis of consolidation

The financial statements consolidate the accounts of Balkan & Black Sea Shipping Company Limited and all of its subsidiary undertakings ('subsidiaries').

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of value added tax.

Where the group acts as agent, margins are recognised in turnover on inception of the contract. Agency commissions are earned on completion of the contract.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following annual bases:

Freehold property	-	1.67% - 8.90% straight line
Plant, furniture, fixtures & fittings	-	5 - 25% straight line
Equipment & motor vehicles	-	20 - 25% straight line

1.5 Investments

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.
- (ii) **Other investments**
Investments held as fixed assets are shown at cost less provision for impairment.

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1. ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange rate differences arising from the translation of net assets at different rates from those used in the previous year have been taken to the profit and loss account for the year in respect of branches and in respect of subsidiaries (where the differences do not arise from the company's normal trading activities) are adjusted directly through reserves. Exchange differences on transactions during the year are taken to the Profit and loss account as they arise.

1.9 Pensions

The group operates a Group Personal Pension Plan Scheme. The contributions are expensed as incurred.

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

2. TURNOVER

The group's business is carried on through branches and subsidiary companies operating in key principal locations. The turnover and results on ordinary activities before taxation for each key location are shown below. The net assets attributable to each location are not disclosed as in the opinion of the directors, its provision would be detrimental to the interests of the group.

	Turnover 2013 £	Profit/(Loss) before taxation 2013 £	Turnover 2012 £	Profit/(Loss) before taxation 2012 £
United Kingdom	453,972	146,127	482,160	146,813
Greece	-	(34,392)	-	(11,492)
Total	<u>£ 453,972</u>	<u>£ 111,735</u>	<u>£ 482,160</u>	<u>£ 135,321</u>

Turnover by class of business:

	2013 £	2012 £
Chartering	<u>£ 453,972</u>	<u>£ 482,160</u>

3. OTHER OPERATING INCOME

	2013 £	2012 £
Other operating income	<u>50,301</u>	<u>10,800</u>

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2013		2012	
	Continuing	Discontinued	<i>Continuing</i>	<i>Discontinued</i>
	£	£	£	£
Turnover	453,972	-	482,160	-
Other operating income	50,301	-	10,800	-
Other external charges	(176,621)	(32,725)	(168,976)	(9,416)
Staff costs	(164,879)	-	(160,419)	-
Depreciation and amortisation	(16,646)	(1,667)	(19,115)	(2,365)
Operating profit	<u>146,127</u>	<u>(34,392)</u>	<u>144,450</u>	<u>(11,781)</u>

5. AUDITOR'S REMUNERATION

	2013	2012
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<u>11,000</u>	<u>15,500</u>

6. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2013	2012
	£	£
Wages and salaries	140,580	133,080
Social security costs	19,640	22,859
Other pension costs	4,659	4,480
	<u>£ 164,879</u>	<u>£ 160,419</u>

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

	2013	2012
	No.	No.
United Kingdom	<u>4</u>	<u>4</u>

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

7. DIRECTORS' REMUNERATION

	2013 £	2012 £
Remuneration	£ 94,800	£ 89,877

The London head office operates a Group Personal Pension Plan Scheme to which the group makes a defined contribution. A separate trustee administered fund holds the assets of the scheme. Contributions to the Group Personal Pension Plan Scheme during the year were £4,659 (2012 - £4,480), none of which relates to the directors.

8. TAXATION

	2013 £	2012 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	33,563	18,658
Adjustments in respect of prior periods	(5,703)	(16,543)
Overseas tax	-	673
Tax on profit on ordinary activities	£ 27,860	£ 2,788

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - *lower than*) the standard rate of corporation tax in the UK of 24% (2012 - 20%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	£ 116,012	£ 135,321
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 20%)	27,843	27,064
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,195	3,426
Capital allowances for year in excess of depreciation	(2,392)	2,827
Utilisation of tax losses	-	(12,674)
Adjustments to tax charge in respect of prior periods	(5,703)	(16,543)
Dividends from connected companies	(310)	(258)
Unrelieved tax losses carried forward	7,194	2,298
Overseas tax	-	673
Differences arising due to changes in tax rate	(1,178)	(4,025)
Marginal relief	(2,789)	-
Current tax charge for the year (see note above)	£ 27,860	£ 2,788

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

8. TAXATION (continued)

Factors that may affect future tax charges

The group has losses carried forward.

9. TANGIBLE FIXED ASSETS

Group	Freehold property £	Plant, furniture and fixtures & fittings £	Equipment & motor vehicles £	Total £
Cost				
At 1 January 2013	1,107,854	253,281	36,041	1,397,176
Additions	8,055	657	-	8,712
Disposals	-	-	(15,942)	(15,942)
Foreign exchange movement	-	6,076	401	6,477
At 31 December 2013	1,115,909	260,014	20,500	1,396,423
Depreciation				
At 1 January 2013	443,075	249,813	31,962	724,850
Charge for the year	15,343	1,303	-	16,646
On disposals	-	-	(11,757)	(11,757)
Foreign exchange movement	-	6,074	295	6,369
At 31 December 2013	458,418	257,190	20,500	736,108
Net book value				
At 31 December 2013	£ 657,491	£ 2,824	£ -	£ 660,315
At 31 December 2012	£ 664,779	£ 3,468	£ 4,079	£ 672,326

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

9. TANGIBLE FIXED ASSETS (continued)

Company	Freehold property £	Plant, furniture and fixtures & fittings £	Equipment & Motor vehicles £	Total £
Cost				
At 1 January 2013	1,107,854	17,698	20,500	1,146,052
Additions	8,055	657	-	8,712
At 31 December 2013	<u>1,115,909</u>	<u>18,355</u>	<u>20,500</u>	<u>1,154,764</u>
Depreciation				
At 1 January 2013	443,075	14,284	20,500	477,859
Charge for the year	15,343	1,303	-	16,646
At 31 December 2013	<u>458,418</u>	<u>15,587</u>	<u>20,500</u>	<u>494,505</u>
Net book value				
At 31 December 2013	<u>£ 657,491</u>	<u>£ 2,768</u>	<u>£ -</u>	<u>£ 660,259</u>
At 31 December 2012	<u>£ 664,779</u>	<u>£ 3,414</u>	<u>£ -</u>	<u>£ 668,193</u>

10. FIXED ASSET INVESTMENTS

Group	Unlisted investments £
Cost or valuation	
At 1 January 2013 and 31 December 2013	<u>466</u>
Net book value	
At 31 December 2013	<u>£ 466</u>
At 31 December 2012	<u>£ 466</u>

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

10. FIXED ASSET INVESTMENTS (continued)

Company	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2013 and 31 December 2013	2,909	466	3,375
Net book value			
At 31 December 2013	£ 2,909	£ 466	£ 3,375
At 31 December 2012	£ 2,909	£ 466	£ 3,375

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Balkan & Black Sea Shipping Company (Hellas) Ltd	Ordinary	100%
Overseas Transport & Trade Company Ltd	Ordinary	100%

Balkan and Black Sea Shipping Company (Hellas) Ltd entered voluntary liquidation on 1 December 2009.

The results for the year of Balkan & Black Sea Shipping Company (Hellas) Ltd have been included within discontinued operations.

11. DEBTORS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	14,134	57,103	13,860	57,103
Amounts owed by group undertakings	43,494	32,791	214,229	208,695
Other debtors	3,494	2,702	2,790	2,015
Prepayments and accrued income	1,280,182	460,700	1,269,788	450,568
	£ 1,341,304	£ 553,296	£ 1,500,667	£ 718,381

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

12. CREDITORS:

Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	31,079	23,863	18,497	13,259
Amounts owed to group undertakings	569,863	228,443	391,161	13,702
Corporation tax	33,563	18,658	33,563	18,658
Other taxation and social security	4,716	4,338	3,218	2,918
Accruals and deferred income	1,030,437	557,057	1,030,045	556,064
	<u>£ 1,669,658</u>	<u>£ 832,359</u>	<u>£ 1,476,484</u>	<u>£ 604,601</u>

13. SHARE CAPITAL

	2013	2012
	£	£
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	<u>£ 50,000</u>	<u>£ 50,000</u>

14. RESERVES

Group	Other reserves	Profit and loss account
	£	£
At 1 January 2013	391,616	915,371
Profit for the financial year		88,152
Movement on other reserves	(1,163)	
	<u>£ 390,453</u>	<u>£ 1,003,523</u>
At 31 December 2013		
		<u>£ 1,003,523</u>
Company		Profit and loss account
		£
At 1 January 2013		1,528,441
Profit for the financial year		118,125
		<u>£ 1,646,566</u>
At 31 December 2013		
		<u>£ 1,646,566</u>

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

Group	2013 £	2012 £
Opening shareholder's funds	1,356,987	1,678,539
Profit for the financial year	88,152	132,533
Dividends (Note 16)	-	(454,782)
Other recognised gains and losses during the year	(1,163)	697
	<u>£ 1,443,976</u>	<u>£ 1,356,987</u>
 Company	 2013 £	 2012 £
Opening shareholder's funds	1,578,441	1,894,541
Profit for the financial year	118,125	138,682
Dividends (Note 16)	-	(454,782)
	<u>£ 1,696,566</u>	<u>£ 1,578,441</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the year dealt with in the accounts of the company was £118,125 (2012 - £138,682).

16. DIVIDENDS

	2013 £	2012 £
Dividends paid on equity capital	<u>£ -</u>	<u>£ 454,782</u>

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

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17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating profit	111,735	132,669
Depreciation of tangible fixed assets	16,646	22,430
Loss/(profit) on disposal of tangible fixed assets	1,667	(950)
(Increase)/decrease in debtors	(788,008)	460,010
Increase/(decrease) in creditors	822,393	(375,712)
Net cash inflow from operating activities	£ 164,433	£ 238,447

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	2,987	1,362
Dividends received	1,290	1,290
Net cash inflow from returns on investments and servicing of finance	£ 4,277	£ 2,652
	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(8,712)	(1,052)
Sale of tangible fixed assets	2,518	950
Net cash outflow from capital expenditure	£ (6,194)	£ (102)

19. ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2013 £	Cash flow £	Other non-cash changes £	Exchange Movement £	31 December 2013 £
Cash at bank and in hand	963,258	149,561	-	(1,270)	1,111,549
Net funds	£ 963,258	£ 149,561	£ -	(1,270)	£ 1,111,549

BALKAN & BLACK SEA SHIPPING COMPANY LIMITED

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20. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of Navigation Maritime Bulgare JSC. The group principally acts for its parent company and other Bulgarian companies. The balances outstanding with the group undertakings at the year end are disclosed in notes 11 and 12.

During the year, the group received net commissions from its parent company of £58,579 (2012 - £530,304) after deducting costs of £635,746 (2012 - £3,783,720).

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The group's ultimate parent company at 31 December 2013 was Advance Properties OOD, incorporated in Sofia, Bulgaria.