

Braemar ACM Shipbroking Group Limited

Directors' Report and Financial Statements

Registered Number 01611096

28 February 2019

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Directors and Advisors

Directors

A T Borthwick
N P Stone
J R B A'Beckett
S G Davenport-Thomas
J C D Gundy
A M G Williams

Secretary

P T J Mason

Registered Office

One Strand
Trafalgar Square
London
WC2N 5HR

Bankers

HSBC Bank Plc
Surrey and Sussex Corporate Banking Centre
Ground Floor
1 London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

Directors' Report

The Directors present their Report and the Financial Statements for the year ended 28 February 2019.

Principal Activity

The principal activity of Braemar ACM Group Limited (the 'Company') is that of a holding company.

Results and Dividends

The profit for the period after taxation amounted to £3,186,673 (2018: £3,467,958). Details of dividends paid are set out in note 4 of the Financial Statements.

Political Contributions

No political donations were made by the Company in the current and past financial year.

Directors

Directors who have held office during the year were as follows:

A T Borthwick
N P Stone (appointed 8 July 2019)
J R B A'Beckett
S G Davenport-Thomas
J C D Gundy
A M G Williams
J R D Kidwell (resigned 26 July 2019)
L M Evans (resigned 29 June 2018)

Company Secretary

P T J Mason

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.

The Directors' Report is approved by the Board and signed on its behalf by:



A T Borthwick

Director

Braemar ACM Shipbroking Group Limited (reg. number 01611096)
One Strand, Trafalgar Square, London, WC2N 5HR
29 July 2020

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

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 they have elected to prepare the Financial Statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

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 enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Income Statement and Statement of Comprehensive Income
for the year ended 28 February 2019

| | Note | 2019 £ | 2018 £ |
|--|------|------------------|------------------|
| Revenue | | - | - |
| Cost of sales | | - | - |
| Gross profit | | - | - |
| Administrative expenses | | - | - |
| Investment income | 4 | 3,186,673 | 3,467,958 |
| Profit before taxation | | 3,186,673 | 3,467,958 |
| Tax on profit | 6 | - | - |
| Profit for the financial year | | 3,186,673 | 3,467,958 |
| Total comprehensive income for the year | | 3,186,673 | 3,467,958 |

The notes on pages 7 to 12 form part of these Financial Statements.

Balance Sheet
at 28 February 2019

| | Note | 2019 £ | 2018 £ |
|---|------|-------------------|-------------------|
| Fixed assets | | | |
| Investments | 7 | 16,853,633 | 16,853,633 |
| Current assets | | | |
| Debtors | 8 | 7,078,733 | 7,078,733 |
| | | <u>7,078,733</u> | <u>7,078,733</u> |
| Creditors: amounts falling due within one year | 9 | 19,368,894 | 18,368,894 |
| Net current liabilities | | <u>10,290,161</u> | <u>11,290,161</u> |
| Net assets | | <u>4,563,472</u> | <u>5,563,472</u> |
| Capital and reserves | | | |
| Called up share capital | 10 | 15,000 | 15,000 |
| Profit and loss account | | 4,548,472 | 5,548,472 |
| Shareholders' funds | | <u>4,563,472</u> | <u>5,563,472</u> |

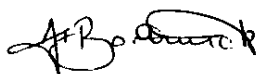
These Financial Statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

For the year ending 28 February 2019 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' Responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These Financial Statements were approved by the Board of Directors on 29 July 2020 and were signed on its behalf by:



A T Borthwick
 Director
 Braemar ACM Shipbroking Group Limited (reg. number 01611096)
 One Strand, Trafalgar Square, London, WC2N 5HR
 29 July 2020

The notes on pages 7 to 12 form part of these Financial Statements.

Statement of Changes in Equity
For the year ended 28 February 2019

| | Called up share capital | Profit and loss account | Total equity |
|---|--|------------------------------------|---------------------|
| | £ | £ | £ |
| Balance at 1 March 2018 | 15,000 | 5,548,472 | 5,563,472 |
| Total comprehensive income for the period | - | 3,467,958 | 3,467,958 |
| Dividends to equity shareholders | - | (3,467,958) | (3,467,958) |
| As at 28 February 2018 | 15,000 | 5,548,472 | 5,563,472 |
| Total comprehensive income for the period | - | 3,186,673 | 3,186,673 |
| Dividends to equity shareholders (Note 5) | - | (4,186,673) | (4,186,673) |
| As at 28 February 2019 | 15,000 | 4,548,472 | 4,563,472 |

The notes on pages 7 to 12 form part of these Financial Statements.

Notes

(forming part of the Financial Statements)

1 Basis of Preparation

a) General Information

Braemar ACM Shipbroking Group Limited (the "Company") is a private Company incorporated, domiciled and registered in England and Wales. The registered number is 1611096 and the registered address is One Strand, Trafalgar Square, London, WC2N 5HR.

b) Basis of Preparation

The Financial Statements are prepared on the historical cost basis.

The Company's financial information is presented in pounds sterling and all values are rounded to the nearest pound (£) except where indicated.

The functional currency of the Company is pounds sterling. Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the income statement.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements.

These Financial Statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101 from Adopted IFRS, the Company has made no measurement and recognition adjustments.

In these Financial Statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- Certain disclosures in respect of IFRS 9 Financial Instruments.

As the consolidated Financial Statements of Braemar Shipping Services Plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosure:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*; and

c) Going Concern

These Financial Statements have been prepared on a going concern basis. In reaching this conclusion regarding the going concern assumption the Directors have considered cash flow forecasts for twelve months from the date of signing these Financial Statements.

Notes (continued)

d) New and Amended Standards Adopted by the Company

New standards impacting the Company that have been adopted in the annual Financial Statements for the year ended 28 February 2019.

- **IFRS 9 "Financial Instruments"**
- **IFRS 15 "Revenue from Contracts with Customers"**

IFRS 9 "Financial Instruments" was effective for accounting periods commencing on or after 1 January 2018. The standard addresses the classification, measurement and recognition of financial assets and liabilities. IFRS 9 retains and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. A revised expected credit loss model replaces the incurred loss impairment model using in IAS 39.

IFRS 15, "Revenue from contracts with customers", was effective for accounting periods commencing on or after 1 January 2018. This standard deals with revenue recognition and establish principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The Company performed an impact assessment on each of its revenue streams in order to identify the performance obligations in its customer contracts and establish an appropriate method for recognising revenue on satisfaction of those performance obligations.

The adoption IFRS 9 and IFRS 15 did not result in any adjustments to the Company's Financial Statements.

New standards, amendments and interpretations issued but not yet effective for the financial year beginning 1 March 2019 and not early adopted:

As at the date of authorisation of these Financial Statements, the following standards and interpretations were in issue but not yet effective. The Group has not applied these standards and interpretations in the preparation of these Financial Statements:

- **IFRS 16 Leases**
- **IFRIC 23 Uncertainty over Income Tax Treatments**

IFRS 16, "Leases", effective from 1 January 2019. This standard requires lessees to recognise a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The Company has no leases falling under IFRS 16.

IFRIC 23 "Uncertainty over income tax treatments", effective from 1 January 2019. IFRIC 23 clarifies how to recognise and measure current and deferred income tax assets and liabilities when there is uncertainty over income tax treatments. IFRIC 23 is not expected to have a material impact on the Company's Financial Statements.

e) Estimates and Judgments

The preparation of Financial Statements in conformity with IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

Notes (continued)

f) Taxation

The taxation expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using rates that have been enacted or substantively enacted by the Balance Sheet date.

Full provision is made for deferred taxation on all taxable temporary differences. Deferred tax assets and liabilities are recognised separately on the Balance Sheet. Deferred tax assets are recognised only to the extent that they are expected to be recoverable. Deferred taxation is recognised in the Income Statement unless it relates to taxable transactions taken directly to equity, in which case the deferred tax is also recognised in equity. The deferred tax is released to the Income Statement at the same time as the taxable transaction is recognised in the Income Statement.

g) Trade and Other Debtors

Trade and other debtors are recognised and carried at the lower of their original value and recoverable amount. Specific provision is made where there is evidence that the balances will not be recovered in full.

h) Trade and Other Creditors

Creditors are recognised and carried at the lower of their original value and payable amount. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

i) Cash and Cash Equivalents

Cash and cash equivalents comprise of cash balances and call deposits. Bank overdrafts are repayable on demand and form an integral part of the Company's cash management.

j) Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's Financial Statements in the period in which the dividends are approved by the Company's shareholders

k) Investment Income

Investment income consists of dividends received from subsidiaries. The income is recognised when the Company's legal right to receive payment has been established.

l) Investments

Investments in wholly owned subsidiaries and associates are held at cost less accumulated impairment.

2 Auditor's Remuneration

| | 2019 | 2018 |
|-------------------------------------|------|-------|
| | £ | £ |
| Audit of these Financial Statements | - | 5,000 |

No other fees were paid to the auditors.

Notes (continued)

3 Directors and Employees

None of the Directors received any emoluments during the year or the previous years in respect of services to the Company.

There are no other key management employees other than the Directors of the Company.

All Directors who served during the year were employed by other Group companies and were remunerated for the qualifying services they provided to them.

The Company did not employ any staff during the year ended 28 February 2019 (2018: nil).

4 Investment Income

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Dividend income from fixed asset investments (unlisted shares) | <u>3,186,673</u> | <u>3,467,958</u> |

5 Dividends

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Declared and paid during the year | | |
| Interim dividend for 2019: £279.11 per share (2018: £231.19 per share) | <u>4,186,673</u> | <u>3,467,958</u> |

6 Taxation

Recognised in the Income Statement

| | 2019 £ | 2018 £ |
|--------------------------------------|-----------|-----------|
| <i>UK corporation tax</i> | | |
| Current tax on income for the period | - | - |
| Total current tax | <u>-</u> | <u>-</u> |

Reconciliation of Effective Tax Rate

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Profit for the year | 3,186,673 | 3,467,958 |
| Total tax expense | <u>-</u> | <u>-</u> |
| Profit excluding taxation | 3,186,673 | 3,467,958 |
| Tax using the UK corporation tax rate of 19% (2018: 19%) | 605,468 | 658,912 |
| Dividends received not taxable | <u>(605,468)</u> | <u>(658,912)</u> |
| Total tax expense | <u>-</u> | <u>-</u> |

Notes (continued)

7 Investments

| | Subsidiary undertakings £ | Associated undertaking £ | Other investment £ | Total £ |
|-----------------------|---------------------------------|--------------------------------|--------------------------|-------------------|
| Cost | | | | |
| At 1 March 2018 | 19,031,781 | 110,207 | 521,645 | 19,663,633 |
| Additions | - | - | - | - |
| At 28 February 2019 | <u>19,031,781</u> | <u>110,207</u> | <u>521,645</u> | <u>19,663,633</u> |
| Impairment | | | | |
| At 1 March 2018 | 2,700,000 | 110,000 | - | 2,810,000 |
| Additions | - | - | - | - |
| At 28 February 2019 | <u>2,700,000</u> | <u>110,000</u> | <u>-</u> | <u>2,810,000</u> |
| Net book value | | | | |
| At 28 February 2018 | 16,331,781 | 207 | 521,645 | 16,853,633 |
| At 28 February 2019 | <u>16,331,781</u> | <u>207</u> | <u>521,645</u> | <u>16,853,633</u> |

Investments in Subsidiary Undertakings

Incorporated in the UK

| One Strand, Trafalgar Square, London, WC2N 5HR | Principal Activity | Type of Share | Ownership (%) |
|--|-----------------------|---------------|---------------|
| Braemar ACM Shipbroking (Dry Cargo) Limited | Trading | Ordinary | 100 |
| Braemar ACM Shipbroking Limited | Trading | Ordinary | 100 |
| Braemar ACM Valuations Limited | Trading | Ordinary | 100 |
| ACM Shipping USA Limited | Dormant | Ordinary | 100 |

Incorporated in other Overseas Countries

| 5 th Floor, Dahanukar Bldg, 480, Kalbadevi Road, Mumbai, 400002, India | Principal Activity | Type of Share | Ownership (%) |
|--|-----------------------|---------------|---------------|
| ACM Shipping India Limited | Trading | Ordinary | 100 |
| Great Eastern Centre, 1 Pickering Street - # 8/01, Singapore 048659 | | | |
| ACM Shipping Asia Pte Limited | Dormant | Ordinary | 100 |
| Braemar ACM Singapore Pte Ltd | Trading | Ordinary | 100 |
| Unit number AG-14-E, AG Tower, Plot number JLT- PH1-I1A Jumeirah Lakes Towers, Dubai, United Arab Emirates | | | |
| Braemar ACM Shipbroking DMCC | Trading | Ordinary | 100 |
| Level 5, 432 St Kilda Road, Melbourne, Victoria 3004, Australia | | | |
| Braemar ACM Shipbroking Pty Ltd | Trading | Ordinary | 100 |

Associated Undertakings

The Company owns 30% of the ordinary share capital of ACM Shipping Services Limited, a dormant Company incorporated in Great Britain.

Notes (continued)

Other Investments

The Company's Employee Share Ownership Plan ("ESOP") acquired shares in ACM Shipping Group PLC and at 31 March 2014 held 440,466 shares. Following the merger of ACM Shipping Group PLC with Braemar Shipping Services Plc the ESOP now holds 125,621 shares in Braemar Shipping Services.

8 Debtors

| | 2019 | 2018 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Amounts owed by group undertakings | 7,078,733 | 7,078,733 |
| | <u>7,078,733</u> | <u>7,078,733</u> |

The Directors consider the carrying amounts of debtors approximate to their fair value. Amounts due from subsidiaries are interest free, unsecured and repayable on demand.

9 Creditors: Amounts Falling Due within One Year

| | 2019 | 2018 |
|------------------------------------|-------------------|-------------------|
| | £ | £ |
| Amounts owed to group undertakings | 19,368,894 | 18,368,894 |
| | <u>19,368,894</u> | <u>18,368,894</u> |

The Directors consider the carrying amounts of creditors approximate to their fair value. Amounts due to subsidiaries are interest free, unsecured and repayable on demand.

10 Share Capital

| | 2019 | 2018 |
|-----------------------------------|---------------|---------------|
| | £ | £ |
| 15,000 ordinary shares at £1 each | <u>15,000</u> | <u>15,000</u> |

11 Contingencies

Under the terms of its banking arrangements the Company, its ultimate parent, Braemar Shipping Services Plc and its fellow trading subsidiaries have provided cross guarantees and fixed and floating rate charges over their assets to secure Group borrowing facilities and other financial instruments.

12 Ultimate Parent Company and Parent Company of Larger Group

The Company is a wholly owned subsidiary of Braemar ACM Group Limited, a Company registered in England & Wales. Braemar Shipping Services Plc is the ultimate parent undertaking and controlling party and is the smallest and largest Company to consolidate these Financial Statements. Copies of the consolidated Financial Statements are publicly available and may be obtained from One Strand, Trafalgar Square, London WC2N 5HR.