

Company Number: 02369964

**FLEET TRADE & TRANSPORT LIMITED**

**ANNUAL REPORT**

**31 DECEMBER 2018**



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# FLEET TRADE & TRANSPORT LIMITED

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## DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2018. A strategic report has not been prepared as the company is entitled to the small companies exemption under section 414B of the Companies Act 2006.

### 1. Introduction

The principal activity of Fleet Trade and Transport Limited involved commodities-related activities including physical oil trading. The directors intend to liquidate the company as detailed in note 3 below.

The company's ultimate parent undertaking and controlling entity is The Goldman Sachs Group, Inc. (Group Inc.). Group Inc. is a bank holding company and a financial holding company regulated by the Board of Governors of the Federal Reserve System. In relation to the company, 'group undertaking' means Group Inc. or any of its subsidiaries. Group Inc., together with its consolidated subsidiaries, form 'GS Group'. GS Group is a leading global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and individuals.

The company primarily operates in a U.S. dollar environment as part of GS Group. Accordingly, the company's functional currency is the U.S. dollar and these financial statements have been prepared in that currency.

### 2. Financial overview

The financial statements have been drawn up for the year ended 31 December 2018. Comparative information has been presented for the year ended 31 December 2017.

The results for the year are shown in the profit and loss account on page 6. Profit before taxation for the year ended 31 December 2018 was US\$9.0 million (2017: US\$7.5 million). The company has total assets of US\$36.6 million (2017: US\$267.5 million).

### 3. Future outlook and going concern

In April 2017 the company's oil supply service agreement with an Israeli client concluded. As a result the company no longer holds inventories on its balance sheet and the associated derivative financial assets and liabilities were substantially unwound.

The directors intend to liquidate the company within twelve months of the date of approval of the financial statements and these financial statements have been prepared on a basis other than going concern.

### 4. Dividends

The directors declared and paid an interim dividend of US\$240.0 million on 13 December 2018 (2017: US\$nil).

### 5. Exchange rate

The British pound / U.S dollar rate at the balance sheet date was £ / US\$1.2743 (31 December 2017: £ / US\$1.3524). The average rate for the year was £ / US\$1.3297 (2017: £ / US\$1.3020).

**DIRECTORS' REPORT (continued)**

**6. Principal risks and uncertainties**

The company's risk management objectives and policies, as well as its risk exposures, are described in note 16 to the financial statements.

**7. Disclosure of information to auditors**

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**8. Independent auditors**

Prior to 1 October 2007, the company passed an elective resolution under section 386 of the Companies Act 1985 to dispense with the annual reappointment of auditors. PricewaterhouseCoopers LLP will, accordingly, continue in office as auditors of the company pursuant to section 487(2) of the Companies Act 2006 and paragraph 44 of Schedule 3 to the Companies Act 2006 (Commencement No. 3 Consequential Amendment, Transitional Provisions and Savings) Order 2007.

**9. Directors**

The directors of the company who served throughout the year and to the date of this report, were:

**Name**

L. D. C. Taylor

R. M. Thomas

No director had, at the year end, any interest requiring note herein.

**DIRECTORS' REPORT (continued)**

**10. Statement of directors' responsibilities**

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 period which give a true and fair view of the state of affairs 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 those 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 accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- 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 which 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.

**11. Date of authorisation of issue**

The financial statements were authorised for issue by the Board of Directors on 11 September 2019.

**ON BEHALF OF THE BOARD**



**R. M. Thomas**  
Director

# **Independent auditors' report to the members of Fleet Trade & Transport Limited**

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## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Fleet Trade & Transport Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 December 2018; the Profit and Loss Account, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Emphasis of matter - financial statements prepared on a basis other than going concern**

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2(c) to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### **Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

## **Independent auditors' report to the members of Fleet Trade & Transport Limited**

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### **Responsibilities for the financial statements and the audit**

#### ***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Nick Morrison (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
16 September 2019

## **FLEET TRADE & TRANSPORT LIMITED**

### **PROFIT AND LOSS ACCOUNT**

**for the year ended 31 December 2018**

		<b>Year ended</b>	<b>Year ended</b>
		<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>Note</b>	<b>US\$'000</b>	<b>US\$'000</b>
Trading profit		39	3,018
Administrative expenses	4	(85)	(2,385)
Interest receivable and similar income	5	9,028	9,143
Interest payable and similar expenses	6	-	(2,263)
<b>PROFIT BEFORE TAXATION</b>		<b>8,982</b>	<b>7,513</b>
Tax on profit	9	(2,839)	(580)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>6,143</b>	<b>6,933</b>

The profit before taxation of the company is derived from continuing operations in the current and prior years.

The company has no recognised gains and losses other than those included in the profit and loss account for the years shown above and therefore no separate statement of other comprehensive income has been presented.

The accompanying notes are an integral part of these financial statements.

# FLEET TRADE & TRANSPORT LIMITED

## BALANCE SHEET

as at 31 December 2018

	Note	31 December 2018 US\$'000	31 December 2017 US\$'000
<b>CURRENT ASSETS</b>			
Debtors	10	35,093	265,740
Derivative financial assets	11	-	42
Cash at bank and in hand		1,535	1,681
		36,628	267,463
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Creditors	12	(11,982)	(7,858)
Deferred tax liabilities	13	(13,218)	(14,320)
		(25,200)	(22,178)
<b>NET CURRENT ASSETS AND NET ASSETS</b>		11,428	245,285
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	-	210,000
Profit and loss account		11,428	35,285
<b>TOTAL SHAREHOLDER'S FUNDS</b>		11,428	245,285

The financial statements were approved by the Board of Directors on 11 September 2019 and signed on its behalf by:



**R. M. Thomas**  
Director

The accompanying notes are an integral part of these financial statements.

Company number: 02369964

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## FLEET TRADE & TRANSPORT LIMITED

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### STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2018

	Called up share capital US\$'000	Profit and loss account US\$'000	Total shareholder's funds US\$'000
<b>Balance at 1 January 2017</b>	210,000	28,352	238,352
Profit for the financial year	-	6,933	6,933
<b>Balance at 31 December 2017</b>	210,000	35,285	245,285
Profit for the financial year	-	6,143	6,143
Capital reduction	(210,000)	210,000	-
Dividends	-	(240,000)	(240,000)
<b>Balance at 31 December 2018</b>	-	11,428	11,428

No dividends were paid in 2017.

The accompanying notes are an integral part of these financial statements.

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# **FLEET TRADE & TRANSPORT LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018**

### **1. GENERAL INFORMATION**

The company is a limited liability company and is incorporated and domiciled in England and Wales. The address of its registered office is Plumtree Court, 25 Shoe Lane, London EC4A 4AU, United Kingdom.

The parent company of the smallest group for which consolidated financial statements are prepared is Goldman Sachs Group UK Limited, a company incorporated and domiciled in England and Wales. Copies of its consolidated financial statements are available on request from the Company Secretary, GSG UK, Plumtree Court, 25 Shoe Lane, London EC4A 4AU, United Kingdom.

The ultimate parent undertaking and the parent company of the largest group for which consolidated financial statements are prepared is The Goldman Sachs Group, Inc., a company incorporated in the United States of America. Copies of its consolidated financial statements can be obtained from Investor Relations, 200 West Street, New York, NY 10282, United States of America, or at [www.goldmansachs.com/shareholders/](http://www.goldmansachs.com/shareholders/).

### **2. ACCOUNTING POLICIES**

#### **a. Basis of preparation**

These financial statements have been prepared on a basis other than the going concern basis, under the historical cost convention, and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006.

The following exemptions from disclosure requirements of International Financial Reporting Standards (IFRS) as adopted by the E.U. have been applied in the preparation of these financial statements in accordance with FRS 101:

- (i) IFRS 2 'Share-based Payment' paragraph 45(b) and 46 to 52. These disclosures are provided in the consolidated financial statements of Group Inc.;
- (ii) IAS 1 'Presentation of Financial Statements' paragraph 38 to present comparative information in respect of IAS 1 'Presentation of Financial Statements' paragraph 79(a)(iv);
- (iii) IAS 1 'Presentation of Financial Statements' paragraphs 10(f), 16 and 40A-D;
- (iv) IAS 7 'Statement of Cash Flows';
- (v) IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31;
- (vi) IFRS 15 'Revenue from Contracts with Customers' second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129;
- (vii) IAS 24 'Related Party Disclosures' paragraph 17; and
- (viii) IAS 24 'Related Party Disclosures' requirements to disclose transactions with companies also wholly owned within GS Group.

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018**

**2. ACCOUNTING POLICIES (continued)**

**b. Changes in accounting policies**

From 1 January 2018 the company adopted IFRS 9 'Financial Instruments' (IFRS 9) as issued by the IASB in July 2014.

As permitted by the transitional provisions of IFRS 9, the company elected not to restate comparative figures. The consequential amendments to IFRS 7 disclosures have only been applied in the current year.

The adoption of IFRS 9 has resulted in changes in the company's accounting policies for classification and measurement of financial assets and liabilities – refer to note 2(i) for further detail.

Set out below are disclosures relating to the impact of the adoption of IFRS 9 on the company.

**(i) Classification and measurement**

The company performed a detailed analysis of its business models for managing financial assets and, where required, subsequent analysis of cash flow characteristics on individual financial assets.

There were no changes to the carrying amount of financial assets as a result of the adoption of IFRS 9. At 1 January 2018, the company had US\$267.4 million of financial assets classified as loans and receivables under IAS 39 'Financial Instruments: Recognition and Measurement' (IAS 39). These financial assets were reclassified as measured at amortised cost under IFRS 9.

There were no changes to the classification and measurement of financial liabilities.

**(ii) Impairment**

The company has developed and tested an impairment model that complies with the key requirements of IFRS 9. The results calculated by the model were not material and therefore the company has not recorded any credit losses as a result of adopting IFRS 9.

**c. Going concern**

In April 2017 the company's oil supply service agreement with an Israeli client concluded. As a result the company no longer holds inventories on its balance sheet and the associated derivative financial assets and liabilities were substantially unwound.

The directors intend to liquidate the company within twelve months of the date of approval of the financial statements and these financial statements have been prepared on a basis other than going concern.

**d. Revenue recognition**

Trading profit has been disclosed instead of turnover as this more meaningfully reflects the nature and results of the company's activities. This includes trading profits from transactions in physical crude oil and related services and other financial instruments.

**e. Dividends**

Final equity dividends are recognised as a liability and deducted from equity in the period in which the dividends are approved by the company's shareholders. Interim equity dividends are recognised and deducted from equity when paid.

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## FLEET TRADE & TRANSPORT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

#### 2. ACCOUNTING POLICIES (continued)

##### **f. Foreign currencies**

The company's financial statements are presented in U.S. dollars, which is also the company's functional currency.

Transactions denominated in foreign currencies are translated into U.S. dollars at rates of exchange ruling on the date the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at rates of exchange ruling at the balance sheet date. Foreign exchange gains and losses are recognised in the profit and loss account.

##### **g. Cash at bank and in hand**

Cash at bank and in hand consists of highly liquid overnight deposits held in the ordinary course of business.

##### **h. Inventory**

The company traded commodity inventory on account of others. Inventory is valued at fair value less costs to sell. Realised and unrealised gains and losses from changes in fair value are reported in trading profit.

##### **i. Financial assets and financial liabilities**

###### **(i) Recognition and derecognition**

Financial assets and financial liabilities, including derivative instruments, are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or if the company transfers the financial asset and the transfer qualifies for derecognition. A transferred financial asset qualifies for derecognition if the company transfers substantially all the risks and rewards of ownership of the financial asset or does not retain control. Financial liabilities are derecognized only when they are extinguished (i.e. when the obligation specified in the contract is discharged or cancelled or expires).

###### **(ii) Classification and measurement**

Financial assets comprise all of the company's current assets (with the exception of inventories), and financial liabilities comprise all of the company's creditors (with the exception of deferred tax liabilities).

From 1 January 2018 the company has adopted IFRS 9 and classifies financial assets into the below categories on the basis of both the company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. The business model reflects how the company manages particular groups of assets in order to generate future cash flows. Where the business model is to hold the assets to collect contractual cash flows, the company subsequently assesses whether the cash flows represent solely payments of principal and interest.

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018****2. ACCOUNTING POLICIES (continued)****i. Financial assets and financial liabilities (continued)**

- **Financial assets measured at amortised cost**

Financial assets that are held for the collection of contractual cash flows and have cash flows that represent solely payments of principal and interest are measured at amortised cost, unless they are designated at fair value through profit or loss. The company considers whether the cash flows represent basic lending arrangements and where contractual terms introduce exposure to risk or volatility inconsistent with a basic lending arrangement, the financial asset is classified and measured at fair value through profit or loss.

Financial assets measured at amortised cost are initially measured at fair value plus transaction costs and subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the company estimates cash flows considering all contractual terms of the financial asset but does not consider future credit losses. All finance income is recognised in the profit and loss account.

- **Financial assets mandatorily measured at fair value through profit and loss**

Financial assets that do not meet the criteria for amortised cost are mandatorily measured at fair value through profit or loss. Such financial assets are initially measured at fair value and subsequently at fair value through profit or loss, with gains or losses recognised in trading profit.

Prior to 1 January 2018, the company classified its financial assets into the following categories under IAS 39:

- **Financial assets held for trading**

Financial assets held for trading included derivative financial assets. Derivative financial assets were initially recognised at fair value with transaction costs expensed in profit or loss. Such financial assets were subsequently measured at fair value with gains or losses recognised in the profit and loss account.

- **Loans and receivables**

Loans and receivables were non-derivative financial assets with fixed or determinable payments that were not quoted in an active market. Such financial assets were initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method. All finance income was recognised in the profit and loss account.

The company classifies its financial liabilities into the below categories. The classification, which is determined at initial recognition, depends on the purpose for which they were acquired or originated.

- **Financial liabilities held for trading**

Financial liabilities held for trading are initially measured at fair value and subsequently at fair value through profit or loss, with gains or losses recognised in trading profit.

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## FLEET TRADE & TRANSPORT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

#### 2. ACCOUNTING POLICIES (continued)

##### i. Financial assets and financial liabilities (continued)

- **Financial liabilities measured at amortised cost**

Financial liabilities measured at amortised cost are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method (see above). Finance costs, including discounts allowed on issue, are recorded in interest payable and similar expenses.

##### (iii) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet where there is:

- (i) currently a legally enforceable right to set off the recognised amounts; and
- (ii) intent to settle on a net basis or to realise the asset and settle the liability simultaneously.

Where these conditions are not met, financial assets and financial liabilities are presented on a gross basis on the balance sheet.

##### j. Current and deferred tax

The tax expense comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all temporary differences that have originated, but not reversed at the balance sheet date, where transactions or events have occurred at that date that will result in an obligation to pay more tax or a right to pay less tax in the future with the following exceptions:

- (i) Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which future reversal of the underlying temporary differences can be deducted.
- (ii) Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in these financial statements. The nature of estimation means that actual outcomes could differ from those estimates. In the opinion of management, there were no judgements made that had a significant effect on amounts recognised in the financial statements.

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## FLEET TRADE & TRANSPORT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

#### 4. ADMINISTRATIVE EXPENSES

	Year ended 31 December 2018 US\$'000	Year ended 31 December 2017 US\$'000
Overseas tax	-	1,831
Foreign exchange (gains)/losses	(10)	415
Legal and professional fees	58	80
Auditors' remuneration - audit services	29	54
Other expenses	8	5
	<u>85</u>	<u>2,385</u>

Overseas tax in 2017 relates to Israeli tax on oil supply services revenue, which the Israeli Tax Authorities (ITA) have characterised as interest and subject to tax.

#### 5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 2018 US\$'000	Year ended 31 December 2017 US\$'000
Interest on loans to group undertakings (see note 10)	<u>9,028</u>	<u>9,143</u>

#### 6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 31 December 2018 US\$'000	Year ended 31 December 2017 US\$'000
Interest on loans from group undertakings (see note 12)	<u>-</u>	<u>2,263</u>

#### 7. STAFF COSTS

As in the prior year, the company has no employees. All persons involved in the company's operations are employed by group undertakings. The charges made by these group undertakings for all services provided to the company are included in management fees charged by group undertakings. There have been no staff costs in 2018.

#### 8. DIRECTORS' EMOLUMENTS

The directors did not receive any remuneration from the company in the current or prior years and no contributions were made by the company under defined benefit or defined contribution pension schemes. The directors are employed by other group undertakings and their remuneration is borne by those companies and not re-charged. The directors do not consider that more than an incidental amount of their remuneration relates to the qualifying services provided to the company.

# FLEET TRADE & TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

### 9. TAX ON PROFIT

	Year ended 31 December 2018 US\$'000	Year ended 31 December 2017 US\$'000
<b>Current tax:</b>		
U.K. corporation tax	3,996	2,799
Adjustments in respect of prior periods	(55)	(45)
<b>Total current tax</b>	<b>3,941</b>	<b>2,754</b>
<b>Deferred tax:</b>		
Origination and reversal of temporary differences	(1,102)	(2,174)
<b>Total deferred tax</b>	<b>(1,102)</b>	<b>(2,174)</b>
<b>Total tax on profit</b>	<b>2,839</b>	<b>580</b>

The table below presents a reconciliation between tax on profit and the amount calculated by applying the weighted average rate of U.K. corporation tax applicable to the company for the year of 19% (2017: 19.25%) to the profit before taxation.

	Year ended 31 December 2018 US\$'000	Year ended 31 December 2017 US\$'000
Profit before taxation	8,982	7,513
Profit before taxation multiplied by the weighted average rate in the U.K. 19% (2017: 19.25%)	1,707	1,446
Changes in recognition and measurement of deferred tax	1,102	-
Adjustments in respect of prior periods	(55)	(45)
Permanent differences	-	352
Exchange differences and other	85	26
Foreign tax credit	-	(1,199)
<b>Total tax on profit</b>	<b>2,839</b>	<b>580</b>

### 10. DEBTORS

Debtors, all of which are due within one year of the balance sheet date, comprise:

	31 December 2018 US\$'000	31 December 2017 US\$'000
Amounts due from group undertakings	33,339	261,066
Group relief receivable	-	4,670
Other debtors	1,754	4
	<b>35,093</b>	<b>265,740</b>

Amounts due from group undertakings in the current and prior year includes a loan of US\$11.6 million (31 December 2017: US\$251.5 million) advanced by the company to Goldman Sachs International, a fellow group undertaking, under the terms of an existing loan agreement. The loan is unsecured and carries interest at a variable margin over the U.S. Federal Reserve's federal funds rate. The loan is repayable 94 days from when the company demands repayment.

# FLEET TRADE & TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

### 11. DERIVATIVE FINANCIAL ASSETS

The table below presents the company's derivative financial assets, which comprise derivative contracts within the operating activities of the company.

	31 December 2018	31 December 2017
	US\$'000	US\$'000
Interest rates	-	42
	-	42

### 12. CREDITORS

	31 December 2018	31 December 2017
	US\$'000	US\$'000
Amounts due to group undertakings	4,428	2,509
Group relief payable	7,523	5,303
Accruals	31	46
	<b>11,982</b>	<b>7,858</b>

Amounts due to group undertakings in the current and prior years includes a loan of US\$nil (31 December 2017: US\$17,000) advanced to the company by Group Inc., a fellow group undertaking, under the terms of an existing loan agreement. The loan was unsecured and carries interest at a variable margin over the U.S. Federal Reserve's federal funds rate. The loan was repayable on demand.

### 13. DEFERRED TAX LIABILITIES

The table below presents the components of the company's deferred tax liability.

	31 December 2018	31 December 2017
	US\$'000	US\$'000
Other transitional differences	13,218	14,320

Other transitional differences are a result of FRS 101 transitional adjustments in respect of derivative contracts, in accordance with Change of Accounting Practice Regulations (SI 2004/3271). Previously, the tax effect of the transitional adjustments were spread over 10 years.

As a result of the preparation of the financial statements under a basis other than going concern, all deferred tax liabilities have been reclassified to current liabilities, in the current year and prior year.

The table below presents changes in each component of the company's deferred tax liability.

	2018	2017
	US\$'000	US\$'000
As of 1 January	14,320	16,494
Transfer to the profit and loss account	(1,102)	(2,174)
As of 31 December	13,218	14,320

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## FLEET TRADE & TRANSPORT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

#### 14. CALLED UP SHARE CAPITAL

At 31 December 2018 and 31 December 2017 called up share capital comprised:

	31 December 2018		31 December 2017	
	No.	US\$'000	No.	US\$'000
<b>Allotted, called up and fully paid</b>				
Ordinary shares of US\$1 each	-	-	210,000,000	210,000
Ordinary shares of £1 each	2	-	2	-
		<u>-</u>		<u>210,000</u>

#### 15. FINANCIAL COMMITMENTS AND CONTINGENCIES

The company had no financial commitments or contingencies outstanding at year end (31 December 2017: US\$nil).

#### 16. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

The company monitors its capital on an ongoing basis. The company's objective is to be prudently capitalised in terms of the amount and composition of its equity base compared to the company's risk exposures. The appropriate level and composition of equity capital is determined by considering multiple factors including the business environment, conditions in the financial markets and assessments of potential future losses due to adverse changes in market environments.

The company is not subject to any externally imposed capital requirements.

The directors consider that the most important components of the company's financial risk are market risk, credit risk and liquidity risk. The company, as part of a global group, adheres to global risk management policies and procedures.

##### **a. Market risk**

Market risk is the risk of loss in value of certain financial assets and financial liabilities due to changes in market conditions. Risks are monitored and controlled through strong firmwide oversight and independent control and support functions across the company's business. The relevant market risks for the company are interest rate risk and currency risk.

Interest rate risk results from exposures to changes in level, slope and curvature of yield curves, volatilities of interest rates and credit spreads.

Currency risk results from changes in spot prices, forward prices and volatilities of currency rates.

The entity no longer has any material market risk. The primary market risk the entity is currently exposed to is interest rate risk.

**16. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (continued)**

**b. Credit risk**

Credit risk represents the potential for loss due to the default or deterioration in the credit quality of a counterparty. Credit risk is managed by reviewing the credit quality of the counterparties and reviewing, if applicable, the underlying collateral against which the financial assets are secured.

**Credit exposures**

The company's credit exposures are described further below.

**Cash at bank and in hand.** Cash at bank and in hand include both interest-bearing and non-interest-bearing deposits. To mitigate the risk of credit loss, the company places substantially all of its deposits with highly-rated banks. The company's maximum exposure to credit risk is equivalent to the carrying value of its cash at bank and in hand as at 31 December 2018 and 31 December 2017.

**Debtors.** The company is exposed to credit risk from its amounts due from group undertakings. Amounts due from group undertakings are due from an affiliate of the company that is a highly-rated financial institution. The company's maximum exposure to credit risk is equivalent to the carrying value of its debtors as at 31 December 2018 and 31 December 2017.

**Derivative financial assets.** The company is exposed to credit risk from its derivative contracts with group undertakings and its customers. The company's gross exposure to credit risk is equivalent to the carrying value of its derivative financial assets as at 31 December 2018 and 31 December 2017.

**c. Liquidity risk**

Liquidity risk is the risk that the company does not have sufficient cash or collateral to make payments to its counterparties or customers as they fall due. The company manages its liquidity risk in accordance with GS Group's comprehensive and conservative set of liquidity and funding policies to address both company specific and broader industry or market liquidity events.

# FLEET TRADE & TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018

### 17. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

#### a. Financial assets and financial liabilities by category

The table below presents the carrying value of the company's financial assets and financial liabilities by category.

		31 December 2018		
		Mandatorily at fair value	Amortised cost	Total
		US\$'000	US\$'000	US\$'000
<b>Financial assets</b>				
Cash at bank and in hand		-	1,535	1,535
Debtors		-	35,093	35,093
		-	36,628	36,628
		Held for trading	Amortised cost	Total
		US\$'000	US\$'000	US\$'000
<b>Financial liabilities</b>				
Creditors		-	(11,982)	(11,982)

  

		31 December 2017		
		Held for trading	Loans and receivables	Total
		US\$'000	US\$'000	US\$'000
<b>Financial assets</b>				
Cash at bank and in hand		-	1,681	1,681
Debtors		-	265,740	265,740
Derivative financial assets		42	-	42
		42	267,421	267,463
		Held for trading	Amortised cost	Total
		US\$'000	US\$'000	US\$'000
<b>Financial liabilities</b>				
Creditors		-	(7,858)	(7,858)

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2018**

**17. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**

**b. Fair value hierarchy**

FRS 101 has a three level fair value hierarchy for disclosure of fair value measurements. The fair value hierarchy priorities inputs to the valuation techniques used to measure fair value, giving the highest priority to level 1 inputs and lowest priority to level 3 inputs. A financial instrument's level in the fair value hierarchy is based on the lowest level of any input that is significant to its fair value measurement.

The fair value hierarchy is as follows:

- Level 1 - Inputs are unadjusted quoted prices in active markets to which GS Group has access at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Inputs to valuation techniques are observable, either directly or indirectly.
- Level 3 - One or more inputs to valuation techniques are significant and unobservable.

The fair values for certain of the company's financial assets in the prior year are based on observable prices and inputs and are classified in level 1 of the fair value hierarchy.

**c. Fair value of financial assets and financial liabilities not measured at fair value**

The company has US\$36.6 million (31 December 2017: US\$267.4 million) of current financial assets and US\$12 million (31 December 2017: US\$7.9 million) of current financial liabilities that are not measured at fair value. Given the short-term nature of these instruments, their carrying amounts in the balance sheet are a reasonable approximation of fair value.

**d. Maturity of financial liabilities**

The company's financial liabilities, including interest that will accrue, are due within one month of balance sheet date for the current and prior year.