

British Marine Limited

Report and Financial Statements

31 December 2017

Company Registered No. 03821514



British Marine Limited

Registered No: 03821514

Contents

	Page
Directors report	3
Independent auditor's report	5
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes forming part of the financial statements	12

British Marine Limited

Registered No: 03821514

Directors

Alan Bekhor
Joseph Bekhor (appointed 6 February 2017)
Peter Johnson (resigned 20 December 2017)

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Registered Office

5th Floor
Millbank Tower
21-24 Millbank
London
SW1P 4Q

British Marine Limited

Registered No: 03821514

Directors' report

The directors present their report together with the audited financial statements of the Company for the year ended 31 December 2017. The report has been prepared in accordance with the provision applicable to companies entitled to the small companies' exemptions, including the exemption to produce a strategic report.

Principal activities and business model

Company's principal activity during the year was that of trading of freight and related products and intends to continue this activity.

On 1 January 2017, a derivative position was assigned by a related company to the Company at market value.

On 30 March 2017 the Company re-structured its capital by cancelling all issued A shares of £1 each and all 10,000 issued B shares of US\$0.0001 each in the Company and the amount by which the share capital was reduced was credited to a reserve. In addition, the share premium account was cancelled and credited to a reserve. Finally, a total of 9,999 B shares of US\$0.0001 each in the Company for the consideration of £3 each.

On 13 December 2017, the Company sold its dormant subsidiaries to Mr A. Bekhor for US\$1.

Financial review

The Company's key financial and other performance indicators during the year were as follows:

	31 Dec 2017 \$'000	31 Dec 2016 \$'000
Revenue	3,209	-
Total operating profit / (loss)	12,801	8,492

The Company made a profit for the year, after taxation, of \$11,434,185 (31 December 2016: profit of \$11,548,832).

Directors of the company

Alan Bekhor served as a director throughout the year. Joseph Bekhor was appointed on 6 February 2017. Peter Johnson resigned on 20 December 2017.

Qualifying third party indemnity provisions

The Company has put in place qualifying third-party indemnity provisions for all the directors of the Company which was in force at the date the date of approval of this report.

Dividends

The directors do not recommend the payment of a dividend (31 December 2016: \$nil).

British Marine Limited

Registered No: 03821514

Directors' report

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, 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.

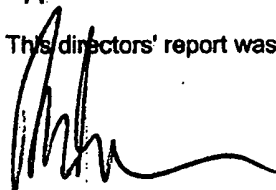
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

Auditors

All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the Company's auditor is unaware.

Approval

This directors' report was approved by order of the Board on 24 July 2018.



A Bekhor
Director

Independent auditor's report to the members of British Marine Limited

Opinion

We have audited the financial statements of British Marine Limited for the year ended 31 December 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the

Independent auditor's report to the members of British Marine Limited

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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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.

Independent auditor's report to the members of British Marine Limited

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 auditor's 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Matt Crane (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street
United Kingdom
London
W1U 7EU

24th July 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of comprehensive income

for the year ended 31 December 2017

	Note	31 Dec 2017 \$	31 Dec 2016 \$
Revenue	4	3,208,622	-
Other operating income	5	11,501,515	9,724,992
Administrative expenses	6	(1,909,110)	(1,232,820)
Operating profit		12,801,027	8,492,172
Finance income	8	-	396,757
Finance expense	8	-	(318,669)
Loss on impairment of investment in subsidiary	11	(1,248,749)	-
Gain on sale of subsidiaries		-	2,978,572
Profit before taxation		11,552,278	11,548,832
Taxation on profit / (loss) of ordinary activities	9	(118,094)	-
Profit after taxation		11,434,185	11,548,832
Other comprehensive income		-	-
Total comprehensive profit for the year		11,434,185	11,548,832

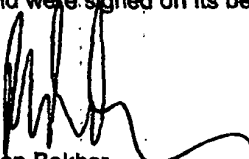
The notes on pages 12 to 25 form part of these financial statements.

Statement of financial position
at 31 December 2017

	Note	31 Dec 2017 \$	31 Dec 2016 \$
Non-current assets			
Property, plant and equipment	10	3,384	1,907
Investments in subsidiaries	11	5,808,481	7,064,866
		<u>5,811,865</u>	<u>7,066,773</u>
Current assets			
Trade and other receivables	12	4,928,418	5,248,135
Cash and cash equivalents	13	1,928,208	398,267
		<u>6,856,626</u>	<u>5,646,402</u>
Current liabilities			
Trade and other payables	14	1,320,916	13,610,300
Corporation tax liability	9	118,093	
Provisions	15	654,606	
		<u>2,093,615</u>	<u>13,610,300</u>
Net current assets / (liabilities)		<u>4,763,010</u>	<u>(7,963,898)</u>
Net assets / (liabilities)		<u>10,574,875</u>	<u>(897,125)</u>
Capital and reserves			
Share capital	16	2	18,252,572
Share premium		37,823	22,594,200
Retained earnings	17	10,537,051	(41,743,897)
Total equity		<u>10,574,875</u>	<u>(897,125)</u>

The accounts have been prepared in accordance with special provision applicable to companies' subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board on 24 July 2018 and were signed on its behalf by


Alan Bekhor
Director

The notes on pages 12 to 25 form part of these financial statements.

Statement of changes in equity

for the year ended 31 December 2017

	Share capital \$	Share premium \$	Retained earnings \$	Total \$
Balance at 1 January 2017	18,252,572	22,594,200	(41,743,897)	(897,125)
Profit for the financial year	-	-	11,434,185	11,434,185
Equity restructure	(18,252,571)	(22,594,200)	40,846,771	-
Share issue	1	37,823	-	37,824
Balance at 31 December 2017	2	37,823	10,537,051	10,574,876
Balance at 1 January 2016	18,252,572	22,594,200	(53,292,729)	(12,445,957)
Profit for the financial year	-	-	11,548,832	11,548,832
Balance at 31 December 2016	18,252,572	22,594,200	(41,743,897)	(897,125)

There was no other comprehensive income during the period.

The notes on pages 12 to 25 form part of these financial statements.

Statement of cash flows

for the year ended 31 December 2017

	Note	31 Dec 2017 \$	31 Dec 2016 \$
Cash flows from operating activities			
Profit before taxation		11,552,278	11,548,832
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	10	3,196	2,520
Net impairment of subsidiary's debt		-	(8,606,434)
Loss on impairment of trade receivables	12	20,346	-
Loss on impairment of investment in subsidiary	11	1,248,749	-
Gain on forgiveness of intercompany debt and trade creditors	5	(5,538,779)	-
Gain on derivatives held for sale	4	(3,093,253)	-
(Gain) / loss on disposal of subsidiaries	11	7,637	(2,978,572)
Finance (income) / expense		-	(78,088)
Increase in provision	15	654,606	-
<u>Movements in working capital:</u>			
Trade and other receivables	12	346,440	258,978
Trade and other payables	14	(3,704,428)	(403,100)
Cash generated from operating activities		1,496,791	(255,866)
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(4,675)	(1,032)
Net cash used in investing activities		(4,675)	(1,032)
Cash flows from financing activities			
Repayment of interest rate swaps	8	-	227,634
Proceeds from issue of share capital	16	37,824	-
Net cash from financing activities		37,824	227,634
Net increase / (decrease) in cash and cash equivalents including restricted cash		1,529,941	(29,264)
Cash and cash equivalents at 1 January		398,267	427,531
Cash and cash equivalents at 31 December		1,928,208	398,267

The notes on pages 10 to 23 form part of these financial statements.

Notes to financial statements

for the year ended 31 December 2017

1. Statutory information

The Company is a private company limited by shares and is incorporated in England. The address of its registered office is disclosed on page 2.

2. Accounting policies

Basis of preparation

In the current year the financial statements of the Company have been prepared in accordance with IFRS, issued by the IASB as adopted by the EU. In the previous year the financial statements were prepared in accordance with *Financial Reporting Standard 101 reduced Disclosure Framework*. In the previous year a number of disclosure exemptions applied due to equivalent disclosures being included in the consolidated financial statements of Britmar (UK) Limited.

This year, the Britmar (UK) Limited accounts have yet to be approved at the date of finalising this report and therefore no exemptions are taken.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in U.S. Dollars, being the functional currency of the Company.

The Company has prepared, and reviewed forecasts based on which, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

Accounting standards issued but not adopted

At the date of authorisation of these financial statements, the following standards and relevant interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and some of which were pending endorsement by the EU):

- IFRS 9 'Financial Instruments' (effective date: 1 January 2018 subject to EU endorsement)
- IFRS 15 'Revenue from Contracts with Customers' (effective date: 1 January 2018)
- IFRS 16 'Leases' (effective date: 1 January 2019 subject to EU endorsement)

The Directors do not expect that the adoption of the standards and interpretations listed above will have a material impact on the financial statements of the Company in future periods, except that IFRS 9 will impact both the measurement and disclosure of financial instruments. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review is undertaken.

Going concern

The Company has prepared, and reviewed forecasts based on which, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.