British Marine Limited

Report and Financial Statements

31 December 2017

Ammended

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Company Registered No. 03821514

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

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

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).

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
		5,811,865	**7,066,773**
Current assets			
Trade and other receivables	12	4,928,418	5,248,135
Cash and cash equivalents	13	1,928,208	398,267
		6,856,626	**5,646,402**
Current liabilities			
Trade and other payables	14	1,320,916	13,610,300
Corporation tax liability	9	118,093	
Provisions	15	654,606	
		2,093,615	**13,610,300**
Net current assets / (liabilities)		**4,763,010**	**(7,963,898)**
Net assets / (liabilities)		**10,574,875**	**(897,125)**
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		**10,574,875**	**(897,125)**

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**	**10,574,875**
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
Adjustments for:			
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	-
Movements in working capital:			
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 12 to 25 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.

Notes to financial statements
for the year ended 31 December 2017

2. Accounting policies (continued)

Revenue

Revenues, net of sales tax such as VAT where applicable, are recorded when services are rendered or evidence of an arrangement, the price is fixed or determinable, and collection is reasonably assured.

Non-current assets and depreciation

Non-current assets are stated at cost less accumulated depreciation. Such cost includes costs directly attributable to making the asset capable of operating as intended. Depreciation is provided to write off the cost of the asset over its estimated useful life of two years from date of purchase.

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

Financial assets

Initial recognition and measurement

The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value.

The fair value of financial assets that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and trade and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Notes to financial statements
for the year ended 31 December 2017

2. Accounting policies (continued)

Financial assets at fair value through profit or loss

This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or finance costs in the income statement. The Company does not have financial assets falling under this category.

Loans and receivables

Trade and other receivables which have fixed or determinable payments that are not quoted in active market are classified as loans and receivables. Loans and receivables are measured at amortised cost, using the effective interest rate method (EIR), less impairment. Interest is recognised by applying the EIR method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each financial period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets, carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss or loans and borrowings. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

Notes to financial statements
for the year ended 31 December 2017

2. Accounting policies (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held for trading are recognised in the income statement. The Company does not have financial liabilities falling under this category.

Loans and borrowings

Loans from fellow Group companies that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Provisions

Provisions for legal claims are recognised when the Company has a present legal obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

Foreign currencies

Transactions in foreign currencies are converted into U.S. Dollars at the rates ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies are converted into U.S. Dollars at the rate of exchange ruling at the balance sheet date. All exchange differences have been dealt with in the profit and loss account.

Notes to financial statements
for the year ended 31 December 2017

2. Accounting policies (continued)

Taxation

The Company is resident in the United Kingdom and pays income tax on the profit or loss under normal corporation tax rules.

Deferred tax is recognised in respect of all timing 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, or a right to pay less or to receive more, tax. 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 the future reversal of the underlying timing differences can be deducted.

3. Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgements

In the process of applying the accounting policies, the management is of the opinion that there are no critical judgments involved that have a significant effect on the amounts recognised in the financial statements.

Estimates and assumptions

Allowance for trade receivables

Management establishes allowance for trade receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur, whether due to disputes, inability to pay or age. In establishing these allowances, the management considers its historical experience and changes to its customers' financial position. If the financial conditions of customers were to deteriorate, resulting in impairment of their ability to make the required payments, additional allowances may be required.

Office equipment depreciation and useful lives

Management review the estimated useful lives, residual values and depreciation method applied to office equipment at the end of each financial period. The useful lives of office equipment are not changed unless there is a change in the intended period of ownership.

4. Revenue

	31 Dec 2017 $	31 Dec 2016 $
Charter hire revenue	115,369	-
Gain on freight derivative contracts	3,093,253	-
	3,208,622	**-**

Notes to financial statements
for the year ended 31 December 2017

5. Other operating income

	31 Dec 2017 $	31 Dec 2016 $
Gain on settlement of litigation	5,400,050	-
Gain on forgiveness of debt	5,538,779	-
Management fees	562,686	1,118,558
	11,501,515	**1,118,558**

6. Expenses by nature

	31 Dec 2017 $	31 Dec 2016 $
Depreciation of property, plant and equipment	3,196	2,520
Employee costs (note 7)	197,432	273,994
Other employee costs	-	62,317
Reversal of impairment of subsidiaries debt	-	(64,418,076)
Forgiveness of subsidiaries debt	-	55,811,642
Loss on impairment of trade receivables	20,346	-
Provision for settlement of legal claim (note 15)	654,606	-
Fees paid to legal and professional advisors	1,018,978	890,725
Fees paid to auditor	57,109	-
Foreign exchange (gains) / losses	(43,414)	-
Other costs	857	3,263

7. Directors' remuneration and staff costs

Employee costs	31 Dec 2017 $	31 Dec 2016 $
Wages and salaries	381,566	231,889
Social security costs	49,006	28,295
Defined contribution pension costs	19,994	13,810
Less amounts recharged to related parties	(253,134)	-
	197,432	**273,994**

The amounts recharged to related parties in the prior year are treated in aggregate with other overheads and are not offset specifically.

Employee numbers

The average monthly number of employees during the year was made up as follows:

	31 Dec 2017 Number	31 Dec 2016 Number
Administrative	4	5

Key management personnel compensation

Key management personnel are the directors listed on page 2, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company.

Notes to financial statements

for the year ended 31 December 2017

7. Directors' remuneration and staff costs (continued)

	31 Dec 2017 $	31 Dec 2016 $
Salaries	216,518	143,280
Defined contribution pension costs	16,239	5,170
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
	232,757	**148,450**

Remuneration for the highest paid director, excluding pension contributions, was $128,880 (31 December 2016: $89,000). Pension contributions in respect of the highest paid director are $9,666 (31 December 2015: $5,000). During the year, there were 2 directors (2016: 1) accruing pension benefits under the Group's money purchase pension scheme.

8. Finance income and expense

	31 Dec 2017 $	31 Dec 2016 $
Finance income		
Net gain on financial assets held for trading at fair value	-	396,757
Total finance income	**-**	**396,757**
Finance expense		
Interest rate swap loss on settlement	-	233,536
Deferred finance expense	-	85,133
Total finance expense	**-**	**318,669**

9. Tax expense

The company income and profits are taxed under the normal UK corporation tax rules.

	31 Dec 2017 $	31 Dec 2016 $
Current tax on profits for the year	118,094	-
Total tax charge	**118,094**	**-**

The standard rate of corporation tax in the UK was 19.25% during the period (2016: 20%) The differences are explained below:

	31 Dec 2017 $	31 Dec 2016 $
Profit for the year before tax	**11,552,278**	**11,548,832**
Tax charge based on the standard rate of corporation tax	2,223,814	2,309,766
Utilisation of tax losses	(1,370,367)	(278,367)
Transfer pricing adjustments	(40,708)	364,500
Non-taxable income	(931,218)	(13,558,803)
Expenses not deductible for tax purposes	236,573	11,162,903
	118,094	**-**

The company has cumulative tax losses of $28.5m (31 December 2016: $35.7m). No deferred tax has been recognised on these losses owing to uncertainty over future use.

Notes to financial statements

for the year ended 31 December 2017

10. Property, plant and equipment

	Office Equipment $
Cost	
At 1 January 2017	158,503
Additions	4,675
At 31 December 2017	**163,178**
Depreciation	
At 1 January 2017	156,596
Charge for the year	3,196
At 31 December 2017	**159,792**
Net book value	
At 31 December 2017	**3,385**
At 1 December 2016	**1,907**

11. Investment in subsidiaries

	31 Dec 2017 $	31 Dec 2016 $
Investments in subsidiaries		
At 1 January	7,064,866	7,097,346
Additions	-	-
Disposals (i)	(7,637)	(32,480)
Impairment (ii)	(1,248,749)	-
Total investments	**5,808,481**	**7,064,866**

The principal subsidiaries of British Marine Limited are as follows:

	Nature of business	Country of incorporation	Proportion of ownership
RB British Marine (India) Pvt Limited	Service company	India	99.99%*

* One share is held by Mr A. Bekhor as nominee for the beneficial owner being the Company.

(i) During the year, the Company had a 100% ordinary shareholding in former ship owning subsidiaries Pride Shipping Limited, Gloriana Limited, Flagships Limited, Volumnia Shipping Limited, Excalibur Shipping Limited, Diamond Jubilee Limited and a ship lessor subsidiary Gwendolen Shipping Limited. All these were dormant and were sold by the Company to the principal shareholder Mr A. Bekhor on 13 December 2017 for consideration of 1 USD.

(ii) During the year, the Company impaired its investment in its subsidiary, RB British Marine (India) Pvt Limited, reflecting a fair value adjustment in the value of the office building located in Mumbai, India owned by that subsidiary. This revaluation occurred following the sale of part of the office building subsequent to the year end.

Notes to financial statements
for the year ended 31 December 2017

12. Trade and other receivables

	31 Dec 2017 $	31 Dec 2016 $
Trade receivables – third parties	44,000	22,637
Amounts due from related parties	4,874,525	5,225,498
Other receivables	9,893	-
	4,928,418	**5,248,135**

The age analysis of trade receivables which are not impaired is as follows:

	31 Dec 2017 $	31 Dec 2016 $
Trade receivables not yet due	44,000	22,637
Trade receivables past due	-	-
	44,000	**22,637**

13. Cash and cash equivalents

	31 Dec 2017 $	31 Dec 2016 $
Cash at bank	1,821,797	398,267
Restricted cash	106,411	-
	1,928,208	**398,267**

14. Trade and other payables

	31 Dec 2017 $	31 Dec 2016 $
Trade payables – third parties	55,617	863,485
Corporation tax liability	118,093	-
Payables due to related parties	1,265,298	12,162,050
Other payables	-	584,765
	1,439,008	**13,610,300**

15. Provisions

	31 Dec 2017 $	31 Dec 2016 $
Provision for legal claim	654,606	-
	654,606	**-**

Movement in provisions:

	Legal claim $	Total $
Carrying amount at 1 January 2017	-	-
Charged to statement of comprehensive income	654,606	654,606
Carrying amount at 31 December 2017	**654,606**	**654,606**

Notes to financial statements

for the year ended 31 December 2017

15. Provisions (continued)

During the year, a longstanding legal claim against the Company that had previously been considered unenforceable was revived due to a change in the regulatory environment favourable to the claimant. The directors consider it prudent to recognise a provision representing the full amount of the claim. The claim is expected to be resolved during 2018.

16. Share capital

	31 Dec 2017 Number	31 Dec 2017 $	31 Dec 2016 Number	31 Dec 2016 $
Deferred ("A") shares of £1 each	-	-	12,288,998	18,250,572
Ordinary ("B") shares of $0.0001 each	19,999	2	12,694,119	2,000
	19,999	**2**	**24,983,117**	**18,252,572**

On 30 March 2017 the Company re-structured its capital by cancelling all issued A shares of £1 each and all but 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 were issued for the consideration of £3 each.

17. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of share capital subscribed for.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

18. Related party transactions

During the year, the company entered into transactions, in the ordinary course of business, with other related parties:

	31 Dec 2017 $	31 Dec 2016 $
Amounts owed from / (to) related parties at 1 January	**(6,936,552)**	**116,858,699**
Net forgiveness of related party debt	4,757,800	(55,823,501)
Transfer of loan balance to subsidiaries	-	(68,409,781)
Sale of subsidiaries to related parties	-	3,011,051
Gains on derivative positions held by related parties	3,093,253	-
Recharge of office overheads	412,017	469,141
Costs paid / (funds received) on behalf of related parties	2,373,608	3,990,211
Invoices paid by related parties on behalf of the Company	(238,971)	(1,055,494)
Cash transferred to / (from) related parties	148,021	(5,976,877)
Amounts owed from / (to) related parties at 31 December	**3,609,227**	**(6,936,552)**

Notes to financial statements

for the year ended 31 December 2017

18. Related party transactions (continued)

At year end, the Company had a net balance of $4,874,525 due from other related parties and a balance of $1,265,298 owed to the parent for costs incurred during the current and prior years. The net balance owed to the Company by related parties of $3,609,227.

The company forgave debt owed and had debts forgiven by related parties during the year. These related parties had become dormant during the year and could not be expected to repay or claim the amounts. The net gain is recognised in the statement of comprehensive income for the year.

During the year, the Company had a 100% ordinary shareholding in former ship owning subsidiaries Pride Shipping Limited, Gloriana Limited, Flagships Limited, Volumnia Shipping Limited, Excalibur Shipping Limited, Diamond Jubilee Limited and a ship lessor subsidiary Gwendolen Shipping Limited. All these were dormant and were sold by the Company to the principal shareholder Mr A. Bekhor on 13 December 2017 for consideration of 1 USD.

19. Financial instruments, financial risks and capital risk management

The Company has trade and other payables, trade and other receivables and cash that arrive directly from its operations.

The Company also enters into derivative transactions, such as Forward Freight Agreements and Forward Bunker Agreements to hedge shipping costs and vessel fuel costs respectively. These derivatives are held on behalf of the Company by a related party, Britmar Limited, and disclosed on the balance sheet of that entity. The Company does not adopt hedge accounting and all gains or losses arising from forward contracts have been recognised in the statement of comprehensive income. The valuation of these positions is based on daily quoted prices issued by the recognised market information provider for the settlement of the derivative contracts. A summary of financial instruments held by category is provided below:

Financial assets	Financial assets at fair value through profit and loss		Loans and receivables	
	31 Dec 2017	**31 Dec 2016**	**31 Dec 2017**	**31 Dec 2016**
	$	$	$	$
Trade and other receivables	-	-	4,928,418	5,248,135
Derivative financial instruments	-	-	-	-
Cash and cash equivalents	-	-	1,928,208	398,267
	-	-	**6,856,626**	**5,646,402**

Financial liabilities	Financial liabilities at fair value through profit and loss		Financial liabilities at amortised cost	
	31 Dec 2017	**31 Dec 2016**	**31 Dec 2017**	**31 Dec 2016**
	$	$	$	$
Trade and other payables	-	-	1,320,915	13,610,300
	-	-	**1,320,915**	**13,610,300**

Notes to financial statements
for the year ended 31 December 2017

19. Financial instruments, financial risks and capital risk management (continued)

The Company's activities expose it to market risks (including foreign currency risk), credit risks and liquidity risks.

The Board of Directors is responsible for reviewing and agreeing policies for managing these financial risks. Overall, the Company's risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

There has been no change to the Company's exposure to these financial risks and the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

Credit Risk

Credit risk refers to the risk that counterparty will not meet its contractual obligations resulting in a loss to the Company. The Company performs ongoing credit evaluation of its counterparties' financial condition and does not hold collateral as security.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Company's maximum exposure to credit risk.

The Company's major classes of financial assets are bank balances, restricted cash, and trade and other receivables.

Bank balances and restricted cash are deposits held with banks with high credit-ratings assigned by international credit rating agencies. Contracts for derivative financial instruments are performed through clearing houses.

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record with the Company.

The age analysis of trade receivables which are not impaired is provided within note 12.

Foreign exchange risk

Foreign currency risk arises from transactions denominated in currencies other than the functional currency of the Company. All revenue and expenditure transactions within the freight business are performed in U.S. Dollars. Office overheads in the United Kingdom are in Sterling.

The carrying amounts of the Company's foreign currency denominated monetary assets at the end of financial year are as follows:

Monetary assets:	**31 Dec 2017**	**31 Dec 2016**
	$	$
Sterling	143,653	50,892
Singapore dollars	56	238
Euro	174,003	-
Australian dollars	545	-

Notes to financial statements
for the year ended 31 December 2017

19. Financial instruments, financial risks and capital risk management (continued)

Liquidity risks

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

Liquidity risk arises from the Company's management of working capital. Liquidity risk also arises from derivative contracts entered into through clearing houses, where margin calls may be required.

Management regularly monitor the liquidity of the Company and manage the exposure to liquidity risk by maintaining significant free cash.

The following table summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Within 6 months	6-12 months	More than 1 year	Total
	$	$	$	$
At 31 December 2017				
Trade and other payables	1,320,915	-	-	1,320,915
	1,320,915	**-**	**-**	**1,320,915**

	Within 6 months	6-12 months	More than 1 year	Total
	$	$	$	$
At 31 December 2016				
Trade and other payables	13,610,300	-	-	13,610,300
	13,610,300	**-**	**-**	**13,610,300**

Capital risk management policies and objectives

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company consists of issued share capital and retained earnings.

The gearing ratio is calculated as long-term liabilities divided by the sum of total liabilities and equity.

	31 Dec 2017	31 Dec 2016
	$	$
Non-current liabilities	-	-
Total liabilities	2,093,615	13,610,300
Equity	10,574,875	(897,125)
Total liabilities and equity	12,668,491	12,713,175
Gearing ratio	0%	0%

Notes to financial statements

for the year ended 31 December 2017

20. Ultimate parent company and control

The Company's immediate parent undertaking is British Marine Corporation (a Marshall Islands corporation). The Company's ultimate parent undertaking is Britmar (UK) Limited, a company incorporated in England, which is the holding company of the largest group and smallest group.

The individual company financial statements and the consolidated financial statements of Britmar (UK) Limited may be requested from the registered office at 5th Floor, Millbank Tower, 21-24 Millbank, London SW1P 4QP.

The company is controlled by Mr Alan Bekhor.