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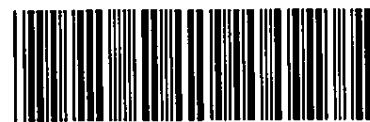
## Great Northern Pacific Limited

### Report and financial statements

For the year ended 31 December 2013

Incorporated	09 September 03
UK registered number	FC027106
UK branch number	BR009051
Date of opening of UK branch	16 October 06

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**Great Northern Pacific Limited**

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2013  
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**Great Northern Pacific Limited**

**Strategic report**

**Principal activities**

The principal activity of the company was the international carriage of seaborne freight. The vessel Hyundai Singapore operated for 338 days during the year before being sold on 4 December 2013.

While the vessel has been sold, it is not management's intention to wind up the company within 12 months due to ongoing transactional issues and therefore the entity is presented as a going concern.

**Business review**

The profit of the company for the year to 31 December 2013 was \$13,209,000 (2012: \$4,719,000).

**Financial instruments**

The company's principal financial instruments comprise short term bank deposits and interest rate swaps. Further details are given in note 14 to the accounts.

By order of the board



C. Klein  
Secretary  
// September 2014

**Great Northern Pacific Limited**

**Directors' report**

The directors present their directors' report and the audited financial statements for the year ended 31 December 2013. Information in relation to the principal activities and business review of the company has been set out in the Strategic report on page 3.

**Directors**

The directors who held office during the year were as follows

D. Ofer  
R. Zingher  
N. Weeks  
C. Klein

Following the year end, R. Zingher resigned as a director on 30 May 2014.

**Dividends**

The directors paid no dividends during the year (2012: \$4.0m).

**Statement as to disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director 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 auditor is aware of that information.

**Auditor**

KPMG LLP

15 Canada Square  
London  
E14 5GL

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



C. Klein  
Secretary  
11 September 2014

Registered office  
Trident Chambers  
P.O. Box 146, Road Town  
Tortola  
British Virgin Islands

## **Great Northern Pacific Limited**

### **Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the Financial Statements**

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Great Northern Pacific Limited**  
**Independent auditor's report to the members of Great Northern Pacific Ltd**

We have audited the financial statements of Great Northern Pacific Ltd for the year ended 31 December 2013 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and company's members, as a body, for our audit work, for this report, or the opinions we have formed.

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

**In our opinion the financial statements**

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

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

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, 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.



**Ian Griffiths (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

// September 2014

Great Northern Pacific Limited  
**Profit and loss account**  
For the year ended 31 December 2013

	Notes	2013 \$'000	2012 \$'000
<b>Turnover</b>	2	10,748	11,639
Direct and operating costs		(5,809)	(6,538)
Profit on sale of vessel		6,781	-
<b>Operating profit</b>	3	<u>11,720</u>	<u>5,101</u>
Interest receivable and similar income	5	2,082	37
Interest payable and similar charges	5	(579)	(402)
<b>Profit on ordinary activities before taxation</b>		<u>13,223</u>	<u>4,736</u>
UK tonnage tax	6	(14)	(17)
<b>Profit on ordinary activities after taxation</b>		<u>13,209</u>	<u>4,719</u>
<b>Profit for the year</b>	18	<u><u>13,209</u></u>	<u><u>4,719</u></u>

All of the activities of the company are classified as continuing

The company has no recognised gains or losses other than the results for the year as set out above and therefore no statement of total recognised gains and losses has been presented

The notes on pages 10 to 15 form part of the financial statements

Great Northern Pacific Limited  
Company Registration No FC027106  
**Balance sheet**  
At 31 December 2013

	Notes	2013 \$'000	2012 \$'000
<b>Fixed assets</b>			
Tangible assets	7	-	50,025
<b>Current assets</b>			
Stocks	8	-	191
Debtors	9	17,607	1,181
		<u>17,607</u>	<u>1,372</u>
<b>Current liabilities</b>			
Creditors amounts falling due within one year	10	(1,576)	(4,284)
		<u>16,031</u>	<u>(2,912)</u>
<b>Net assets/current liabilities</b>		<u>16,031</u>	<u>(2,912)</u>
<b>Total assets less current liabilities</b>		<u>16,031</u>	<u>47,113</u>
Creditors amounts falling due after more than one year	11	-	(44,291)
		<u>16,031</u>	<u>2,822</u>
<b>Net assets</b>		<u>16,031</u>	<u>2,822</u>
Share capital	15	-	-
Profit and loss account	18	<u>16,031</u>	<u>2,822</u>
<b>Shareholders' funds</b>	18	<u>16,031</u>	<u>2,822</u>

The notes on pages 10 to 15 form part of the financial statements

These financial statements were approved by the Board of Directors on // September 2014

Signed on behalf of the Board of Directors



C Klein  
Director



Great Northern Pacific Limited  
Cash flow statement  
For the year ended 31 December 2013

	Notes	2013 \$'000	2012 \$'000
Net cash (outflow)/inflow from operating activities	16 a	(7,098)	8,173
Returns on investments and servicing of finance	16 b	1,503	(369)
Capital expenditure and financial investment	16 c	53,687	-
Tax paid	16 d	(14)	(17)
Cash inflow before financing		<u>48,078</u>	<u>7,787</u>
Financing	16 e	(48,078)	(3,787)
Dividends paid	16 f	-	(4,000)
Increase in cash		<u>-</u>	<u>-</u>

The notes on pages 10 to 15 form part of the financial statements

## 1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

*a) Basis of preparation*

The financial statements are presented in US dollars, rounded to the nearest thousand. They are prepared under the historical cost accounting rules and in accordance with applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

*b) Turnover*

Revenue from charter hire is recognised evenly over the period of the charter.

*c) Fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

*Impairment*

The carrying amounts of the Group's vessels are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

*d) Depreciation*

Depreciation is calculated on a straight line basis to write off the cost of the fixed assets to their residual values over the estimated useful economic life of that asset.

Vessel	-straight line over 20 years
Deferred dry dock expenditure	-between 30 to 60 months

*e) Stocks*

Stocks comprise bunkers and lubricants and are stated at the lower of cost and net realisable value.

*f) Foreign currencies*

The financial statements are presented in US dollars as this is the operational currency of the company. Transactions in other currencies are translated into the reporting currency at the exchange rate in operation at the date of the transaction, or where appropriate, at contracted forward rates. Monetary assets and liabilities denominated in foreign currencies are translated into the reported currency at closing rates ruling at the balance sheet date. All revaluation differences and realised foreign exchange differences are taken to the profit and loss account.

*g) Taxation*

On 27 October 2006 the company elected to enter the UK tonnage regime for an initial period of ten years, renewable each year thereafter by re-election. Under the tonnage tax regime the current year tax charge is calculated by reference to the net tonnage of the qualifying ship chartered in by the partnership. To the extent that the company generates profits/losses which do not qualify for inclusion under the above regime they will be taxable under general UK tax principles. Deferred taxation is not recognised in respect of profits/losses arising within the tonnage tax regime. However, where the company generates profits/losses which do not qualify for inclusion under the above regime, deferred tax will be recognised and measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

**Great Northern Pacific Limited**  
**Notes to the financial statements (continued)**

**2 Turnover**

The turnover and profit before tax are attributable to the principal activity of the company  
All turnover and operating profit is derived from United Kingdom operations and is from the operation of the vessel "Hyundai Singapore". Net operating assets are all managed from the United Kingdom

**3 Operating profit**

2013	2012
\$'000	\$'000

Operating profit is stated after charging

Depreciation of assets	3,044	3,321
Amortisation of drydock	75	81

Auditor's remuneration is borne by another group undertaking. The fee attributable to the company is \$5,700 (2012: \$5,500). There were no other fees paid to the auditor.

**4 Particulars of employees**

The company has had no employees in either the current or prior year  
No director has received any remuneration for services to the company in the current or prior year

**5 Interest payable**

2013	2012
\$'000	\$'000

Bank loans and fees

(579)	(402)
<u>(579)</u>	<u>(402)</u>

**Interest receivable**

2013	2012
\$'000	\$'000

Bank interest

2,082	37
<u>2,082</u>	<u>37</u>

**6 Tax on profit on ordinary activities**

2013	2012
\$'000	\$'000

Current tax

UK Tonnage tax	(14)	(17)
	<u>(14)</u>	<u>(17)</u>

The directors are of the opinion that the company is managing its affairs in a manner that does not make it liable to corporation or other taxes in respect of any of its operations other than UK tonnage tax.

**7 Tangible fixed assets**

	Vessel	Deferred dry dock expenditure	Total
	\$'000	\$'000	\$'000
<b>Cost</b>			
At 1 January 2013	70,233	408	70,641
Additions	-	-	-
Disposals	(70,233)	(408)	(70,641)
At 31 December 2013	-	-	-
<b>Depreciation/ amortisation</b>			
At 1 January 2013	20,468	148	20,616
Charge for the year	3,044	75	3,119
Disposals	(23,512)	(223)	(23,735)
At 31 December 2013	-	-	-
<b>Net book value</b>			
At 1 January 2013	49,765	260	50,025
At 31 December 2013	-	-	-

**Great Northern Pacific Limited**  
**Notes to the financial statements (continued)**

<b>8 Stock</b>	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
Consumables	<u>-</u>	<u>191</u>
<b>9 Debtors</b>	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade receivables	32	32
Amounts due from shareholders	17,556	1,132
Prepayments and accrued income	<u>19</u>	<u>17</u>
	<u>17,607</u>	<u>1,181</u>
<b>10 Creditors amounts falling due within one year</b>	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank loans	-	(3,787)
Trade payables	(1,576)	(478)
Taxation	-	-
Accruals and deferred income	<u>-</u>	<u>(19)</u>
	<u>(1,576)</u>	<u>(4,284)</u>
<b>11 Creditors amounts falling due after more than one year</b>	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank loans	-	(30,292)
Amounts due to shareholders	<u>-</u>	<u>(13,999)</u>
	<u>-</u>	<u>(44,291)</u>
<b>12 Commitments under bank loans</b>	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts payable within 1 year	-	(3,787)
Amounts payable between 2 to 5 years	-	(15,596)
Amounts payable after more than 5 years	<u>-</u>	<u>(14,696)</u>
	<u>-</u>	<u>(34,079)</u>

**13 Related party transactions**

During the year the company paid management fees of \$120,000 to Zodiac Maritime Agencies Limited, a related company through its affiliation with Oceania Holdings Limited, for vessel management services (2012. \$120,000) At 31 December 2013 \$nil remained unpaid (2012. \$nil)

#### 14 Financial Instruments

##### Financial risk management

The company's financial instruments comprise short term bank deposits, trade payables and receivables, bank loans and interest rate swaps. The company does not undertake financial instrument transactions that are speculative or unrelated to the company's trading activities. Exposure to liquidity, credit and interest rate risks arise in the normal course of the company's trading business.

##### Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The company does not require collateral in respect of financial assets. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

##### Interest rate risk

The Company adopts a policy of ensuring that an element of its exposure to changes in interest rates on borrowings is on a floating rate basis. An interest rate swap, denominated in US dollars, was entered into to achieve an appropriate mix of fixed and floating rate exposure within the Company's policy. During the year all interest rate swaps were extinguished through cash settlement.

##### Trade and other receivables and payables

For the receivables and payables with a remaining life of less than one year, the notional amount is deemed to reflect fair value. All other receivables and payables are discounted to determine fair value.

#### 15 Share capital

	2013 \$'000	2012 \$'000
Allotted, called-up and fully-paid		
1 ordinary share of US\$1	-	-

Great Northern Pacific Limited  
Notes to the financial statements (continued)

16 Notes to the statement of cash flows

a) Reconciliation of operating profit to net cash flow from operating activities	2013 \$'000	2012 \$'000
Operating profit	11,720	5,101
Profit on sale of vessel	(6,781)	-
Depreciation and amortisation	3,119	3,402
Decrease in stocks	191	91
Increase in debtors	(16,426)	(514)
Increase in creditors	1,079	93
Net cash (outflow)/inflow from operating activities	<u>(7,098)</u>	<u>8,173</u>
b) Returns on investments and servicing of finance	2013 \$'000	2012 \$'000
Interest received	2,082	37
Interest paid	<u>(579)</u>	<u>(406)</u>
	<u>1,503</u>	<u>(369)</u>
c) Capital expenditure and financial investment	2013 \$'000	2012 \$'000
Proceeds from sale of tangible fixed assets	<u>53,687</u>	<u>-</u>
d) Tax paid	2013 \$'000	2012 \$'000
UK Tonnage tax paid	<u>(14)</u>	<u>(17)</u>
e) Financing	2013 \$'000	2012 \$'000
Repayment of loans	<u>(48,078)</u>	<u>(3,787)</u>
f) Dividends paid	2013 \$'000	2012 \$'000
Equity dividends paid	<u>-</u>	<u>(4,000)</u>
g) Analysis of changes in net debt		

	At 1 January 2013 \$'000	Non-cash changes \$'000	Cash flows \$'000	At 31 December 2013 \$'000
Loans - non-current	(13,999)	-	13,999	-
Bank loans - non-current	(30,292)	-	30,292	-
Bank loans - current	(3,787)	-	3,787	-
Net debt	<u>(48,078)</u>	<u>-</u>	<u>48,078</u>	<u>-</u>

**Great Northern Pacific Limited**  
**Notes to the financial statements (continued)**

<b>17 Reserves</b>	<b>\$'000</b>
At 1 January 2013	2,822
Profit for the financial year	13,209
Dividends paid	-
At 31 December 2013	<u>16,031</u>

<b>18 Reconciliation of movement in shareholders' funds</b>	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
Shareholders' funds at 1 January	2,822	2,103
Profit for the financial year	13,209	4,719
Dividends paid	-	(4,000)
Shareholders' funds as at 31 December	<u>16,031</u>	<u>2,822</u>

**19 Immediate and ultimate parent company**

The sole shareholder of the company is Container Enterprises Limited, a corporation incorporated in the Republic of Liberia. The ultimate parent company of the company is Oceania Holdings Limited, a corporation incorporated in the Republic of Liberia. On February 11, 2014, the ultimate controlling enterprise changed from Oceania Holdings Ltd to Arktos Holdings Limited.