

Anglo-Eastern (UK) Limited

Annual report and financial statements
for the year ended 31 December 2019

Registered Number SC153841

FRIDAY



S9ETI9YQ

SCT

02/10/2020

#95

COMPANIES HOUSE

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Contents

Page

Directors and advisers	1
Strategic Report.....	2
Directors' Report	3
Independent auditors' report to the members of Anglo-Eastern (UK) Limited.....	7
Profit and loss account.....	10
Balance sheet	11
Statement of changes in equity.....	12
Cash flow statement.....	13
Accounting policies.....	14
Critical accounting judgements and estimation uncertainty.....	17
Notes to the financial statements.....	18

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Directors and advisers

Directors

P Cremers (resigned 28 October 2019)

D W Lang

A S MacDiarmid

S G Joseph (resigned 30 August 2019)

J B Hojgaard (appointed 28 October 2019)

D A Brookes (appointed 28 October 2019)

Company secretary

H Baniewicz

Registered office

144 Elliot Street

Glasgow

G3 8EX

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

141 Bothwell Street

Glasgow

G2 7EQ

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Strategic Report

The directors present their strategic report on the company for the year ended 31 December 2019.

Review of Business

As anticipated, following a challenging year for ship management, there has been a decrease in turnover in 2019 compared to the 2018 level.

There is a decrease in both cost of sales and administration costs in the year in line with client contracts and business requirements.

Results

The company's loss for the financial year was £117,583 (2018: profit of £719,780). The company is in a net asset position of £512,218 at the end of the year (2018: £828,427).

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

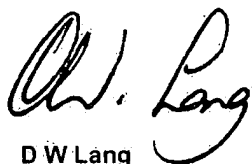
The key business risks and uncertainties which the company has some control over are the retention of existing clients and senior staff, together with increasingly demanding international regulation. The cyclical nature of international shipping, coupled with global economic development, are risks out with the control of the company.

The risks within our control are actively managed primarily through close consultation between our client's and senior staff. Any potential issues arising are attempted to be resolved in an efficient and transparent way through clear communication. The company has a dedicated resource to manage the changing international regulations.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

On behalf of the Board



D W Lang
Director
24 September 2020

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Directors' Report

The directors present their report and the audited financial statements of the company for the year ended 31 December 2019.

Principal activities

The company's principal activities during the year were technical ship management, marine consultancy and the strategic development of manning activities.

Future outlook

2020 will continue to be a challenging year for the marine industry, however the company continues to attract new business and the directors will continue to focus on margin and costs to maximise the company's results going forward.

Dividends

The directors recommended the payment of a dividend of £99,313.19 per share, paid on 29th June 2019 (23rd March 2018: £107,332.50), (30 May 2018: £174,314.50) and £nil per share for the remainder of the year (2018: £135,178).

The total dividend for the financial year is £198,626.38 (2018: £833,650). The retained loss for the financial year of £316,209 (2018: loss of £113,870) was taken to reserves and contributed to the decrease in net assets from £828,427 in 2018 to £512,218 as at 31 December 2019.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements are listed on page 1.

Directors' Indemnity

Every director of the Company is indemnified by a group indemnity insurance policy held by Anglo Eastern Ship Management in Hong Kong, which provides cover for any loss or liability incurred in their capacity as directors. This indemnity is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Research and development

The company's key assets are its staff and its use of information technology. The company continues to invest in both of these areas to maintain its competitiveness.

COVID-19

The Directors consider the Covid-19 pandemic to be a non-material post balance sheet event. The circumstances surrounding the pandemic and the subsequent economic impact did not arise until after 31 December 2019, however there was no material impact to the financial statements as at 31 December 2019 as employees have been able to work from home to perform all required duties and on returning to the office appropriate action has been taken to ensure that Government guidelines are followed and therefore no adjustment has been made.

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Directors' Report (continued)

Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks; market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by a central treasury department (*Group Treasury*) under policies approved by the Group Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Company. The group board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollars. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Group Management has set up a policy to require group companies to manage foreign exchange risk against the Company's functional currency. The Company uses forward exchange contracts entered into by the Group Treasury function to manage its foreign exchange risk. Foreign exchange risk arises when future commercial transactions are denominated in a currency that is not the entity's functional currency.

Cash flow interest rate risk

The Company is exposed to cash flow interest rate risk arising from bank balances. Other than these, the Company has no significant interest-bearing assets or liabilities, its income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables, prepayment and deposits, cash deposits with banks. The carrying amounts of trade and other receivables, prepayments and deposits and bank balances represent the Company's maximum exposure to credit risk in relation to financial assets.

To manage this risk, deposits are mainly placed with banks which are all high-credit-quality financial institutions. The Company has policies in place to ensure that transactions are made to parties with an appropriate financial strength. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews regularly the recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts.

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Directors' Report (continued)

Liquidity risk

Management of the Company aims to maintain sufficient cash and cash equivalents or have available funding through loans from Group to meet its commitments.

Capital risk management

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 for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares if required.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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. **Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

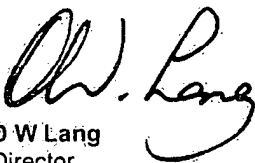
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's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

Independent auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

On behalf of the Board



D W Lang
Director
24 September 2020

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Independent auditors' report to the members of Anglo-Eastern (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Anglo-Eastern (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2019; the profit and loss account, the cash flow statement, 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a 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.

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

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 Strategic Report and 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.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 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 Strategic Report and Directors' Report.

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 in respect of the financial statements set out on page 5, 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. This description forms part of our auditors' report.

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

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

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.



Kenneth Wilson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
24 September 2020

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Profit and loss account

For the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	1	5,461,308	7,167,070
Cost of Sales		(4,519,120)	(5,942,550)
Gross profit		942,188	1,224,520
Administrative expenses		(1,149,132)	(1,567,144)
Other operating (expenses)/income	2	(133,600)	95,266
Operating loss	3	(340,544)	(247,358)
Income from shares in group undertakings		198,626	348,629
Other interest receivable and similar income	6	21,217	14,767
Exceptional income	8	-	560,912
(Loss)/profit before taxation		(120,701)	676,950
Tax on (loss)/profit	7	3,118	42,830
(Loss)/profit for the financial year		(117,583)	719,780

All items dealt with in arriving at the operating loss above relate to continuing operations.

The result reported above includes all income and expenses for the year and therefore no statement of comprehensive income has been presented.

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

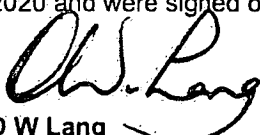
Balance sheet

As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	9	17,919	14,025
Tangible assets	10	51,205	118,669
Investments	11	41,923	41,923
		111,047	174,617
Current assets			
Inventories	12	622	1,105
Debtors	13	2,824,938	805,489
Ships' cash balances	14	3,355,066	5,573,976
Cash at bank and in hand		712,461	1,554,132
		6,893,087	7,934,702
Creditors - amounts falling due within one year	15	(6,491,916)	(7,280,892)
Net current assets		401,171	653,810
Total assets less current liabilities		512,218	828,427
Net assets		512,218	828,427
Capital and reserves			
Called up share capital	17	2	2
Retained earnings		512,216	828,425
Total equity		512,218	828,427

The accounting policies and notes on pages 14 to 28 are an integral part of these financial statements.

The financial statements on pages 10 to 28 were approved by the board of directors on 24 September 2020 and were signed on its behalf by:


D W Lang
Director

Anglo-Eastern (UK) Limited
Registered no. SC153841

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Statement of changes in equity

	Note	Called-up share capital	Retained earnings	Total equity
		£	£	£
Balance as at 1 January 2018		2	942,295	942,297
Profit for the year		-	719,780	719,780
Total comprehensive income for the year		-	719,780	719,780
Dividends	19	-	(833,650)	(833,650)
Total transactions with owners, recognised directly in equity		-	(833,650)	(833,650)
Balance as at 31 December 2018		2	828,425	828,427
Balance as at 1 January 2019		2	828,425	828,427
Loss for the year		-	(117,583)	(117,583)
Total comprehensive loss for the year		-	(117,583)	(117,583)
Dividends	19	-	(198,626)	(198,626)
Total transactions with owners, recognised directly in equity		-	(198,626)	(198,626)
Balance as at 31 December 2019		2	512,216	512,218

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Cash flow statement For the year ended 31 December 2019

	Note	2019 £	2018 £
Net cash (outflow)/inflow from operating activities	20	(848,058)	253,088
Tax paid		-	(37,041)
Net cash (used in)/generated from operating activities		(848,058)	216,047
Cash flow from investing activities			
Purchase of intangible assets		(12,814)	(13,787)
Purchase of tangible assets		(2,016)	(22,391)
Proceeds from disposal of tangible assets		-	2,660
Interest received		21,217	14,767
Dividends received		198,626	348,629
Net cash from investing activities		205,013	329,878
Cash flow from financing activities			
Dividends paid		(198,626)	(833,650)
Recovery of loan		-	560,912
Net cash used in financing activities		(198,626)	(272,738)
Net (decrease)/increase in cash and cash equivalents	21	(841,671)	273,187
Cash and cash equivalents at the beginning of the year		1,554,132	1,280,945
Cash and cash equivalents at the end of the year		712,461	1,554,132
Cash and cash equivalents consist of:			
Cash at bank and in hand		712,461	1,554,132
Cash and cash equivalents		712,461	1,554,132

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Accounting policies

Anglo-Eastern (UK) Limited provides technical ship management and marine consultancy services. The company is a private limited company limited by shares, incorporated and domiciled in Scotland. The address of its registered office is listed on page 1.

The individual financial statements of Anglo-Eastern (UK) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below.

The financial statements are presented in Sterling (£).

Basis of preparation

These financial statements are prepared on a going concern basis, under the historic cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. These assumptions and judgements are detailed on page 17.

Going concern

After reviewing the company's projected budget, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Consolidated financial statements

The company is exempt under section s401 of the Companies Act 2006 from preparing, and delivering to the registrar of companies, consolidated financial statements.

Foreign currencies

The company's functional and presentation currency is the pound sterling.

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date or at the agreed contractual rate. Transactions in foreign currency are translated at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Accounting policies (continued)

Turnover

Turnover represents the invoiced value in respect of marketing, management and other fees, at the point the service is provided, excluding value added tax. If these services are not invoiced at the end of the year the income is accrued and included within debtors.

Employee benefits

The company operates a defined contribution pension scheme, the assets of which are held in a separate trust fund. Contributions are determined with due regard to industry norms and local practice, and are charged to the profit and loss account as incurred.

The company recognises a liability for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The liability is measured at the salary cost payable for the period of absence.

Leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Rentals in respect of operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Under FRS 102 (s35.10), a first-time adopter of this standard was not required to apply paragraphs 20.15A and 20.25A to lease incentives provided the term of the lease commenced before the date of transition to this FRS. The first-time adopter shall continue to recognise any residual benefit or cost associated with these lease incentives on the same basis as that applied at the date of transition. The company now spreads incentives received over the shorter period of the length of the lease and the period to the first rent review to market rates on a straight-line basis.

Inventories

Inventories are valued at the lower of cost on a first in first out basis and net realisable value.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred taxation

Deferred tax arises from timing differences as a result of the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Accounting policies (continued)

Deferred taxation (continued)

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Deferred tax is measured on a non-discounted basis.

Intangible Assets and Amortisation

Computer software is stated at cost less accumulated amortisation. Software is amortised over its estimated useful life of three years, on a straight-line basis.

Where factors indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are recorded at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis to write off the cost, less estimated residual value, of tangible fixed assets over their anticipated useful lives as follows:

Computer equipment	-	over 3 years
Motor vehicles	-	over 4 years
Fixtures and fittings	-	over 5 years
Leasehold Improvements	-	over 5 years

Fixed asset investments

This comprises investments in shares that the company intends to hold on a continuing basis. The investments are stated at cost, less provisions for impairment. The Company carries out a review for the potential impairment of an investment if events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. Such impairment reviews are performed in accordance with FRS 102 s 27. Any impairment is recorded in the profit and loss account.

Provisions

Provisions are recognised when the company has a present legal or constructive 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 of the obligation can be measured reliably.

These provisions are estimates and the actual cost and timing of future cash flows are dependent on future events. The provisions are reassessed at each balance sheet date to ensure that they are measured at the current best estimate required to settle the obligation at the balance sheet date.

Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Critical accounting judgements and estimation uncertainty

Critical judgements in applying the entity's accounting policies

Lease incentives

The company has operating lease incentives relating to the rental of the building. The company makes use of the exemption under FRS 102 section 35 and continues to recognise the residual benefit associated with these lease incentives on the same basis as that applied at the date of transition. The company continues to spread incentives received over the shorter period of the length of the lease and the period to the first rent review to market rates on a straight-line basis.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. 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 addressed below:

Useful economic lives of intangible assets

The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates. See note 8 for the carrying amount of computer software.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates. See note 9 for the carrying amount of tangible assets and the accounting policies on page 16 for the useful economic lives for each class of assets.

Impairment of inventory

The company makes an estimate of the recoverable value of inventory. When assessing impairment of inventory, management considers factors including the ageing profile of the inventory and historical experience. See note 11 for the carrying amount of inventory.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 12 for the carrying amount of the debtors.

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Notes to the financial statements

1 Turnover

The company's turnover and operating loss relate entirely to its principal activity.

The geographical analysis is commercially sensitive and has therefore been excluded.

2 Other operating (expenses)/income

	2019	2018
	£	£
Foreign exchange (loss)/gain	(133,600)	95,266

3 Operating loss

	2019	2018
	£	£
Operating loss is stated after charging/(crediting):		
Depreciation of tangible assets - owned	69,480	71,193
Amortisation of intangible assets - owned	8,920	18,709
Operating lease rentals		
- land and buildings	338,721	317,988
- computer equipment	11,744	14,096
Auditors' remuneration		
- audit services	32,803	21,285
Foreign exchange gain	(133,600)	(95,266)

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Notes to the financial statements (continued)

4 Directors' emoluments

	2019 £	2018 £
Aggregate emoluments	378,045	413,139
Pension contributions	11,629	12,950
	389,674	426,089

Retirement benefits are accruing to 3 directors under a defined contribution scheme (2018: 2).

Highest paid director	2019 £	2018 £
The above amounts for remuneration include the following:		
Aggregate emoluments	162,662	158,999
Pension contributions	-	-

The emoluments of P Cremers and J B Hojgaard are paid by a non UK group company. Their services to this company (and to a number of fellow subsidiaries) are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the non UK group company. Accordingly, the above details include no emoluments in respect of P Cremers and J B Hojgaard.

5 Employee costs

Employee costs include executive directors.

	2019 £	2018 £
Wages and salaries	2,774,741	3,777,151
Social security costs	368,191	452,533
Other pensions costs (note 23)	200,745	262,299
	3,343,677	4,491,983

The average monthly number of persons (including executive directors) employed by the company during the year was:

By activity	2019 Number	2018 Number
Management	2	2
Administrative	71	82
	73	84

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Notes to the financial statements (continued)

6 Other interest receivable and similar income

	2019 £	2018 £
Interest receivable	21,231	17,519
Loan interest	(14)	(2,752)
	21,217	14,767

7 Tax on loss

	2019 £	2018 £
Current tax:		
UK corporation tax on loss for the year	-	-
Adjustments in respect of previous years	(3,118)	(42,830)
Total current tax	(3,118)	(42,830)
Tax on loss	(3,118)	(42,830)

The tax assessed for the year is lower (2018: lower) than the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
(Loss)/profit before taxation	(120,701)	676,950
(Loss)/profit before taxation multiplied by the standard rate of tax in the UK 19% (2018: 19%)	(22,933)	128,621
Effects of:		
Non-taxable income	(37,739)	(172,813)
Losses carried back	-	47,215
Expenses not deductible for tax purposes and other permanent differences	2,716	1,538
Transfer pricing differences	-	(2,444)
Deferred tax not recognised	57,956	(2,117)
Adjustments in respect of previous years	(3,118)	(42,830)
Tax charge for the year	(3,118)	(42,830)

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Notes to the financial statements (continued)

Deferred tax

The company has an un-provided deferred tax asset of £81,119 arising as a result of timing differences between capital allowances and depreciation (2018: £29,715). This has not been recognised as there is insufficient evidence to show 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.

Factors affecting current and future tax charges

The Government announced that the Corporation Tax rate would remain at 19% for the years starting April 2020 and 2021.

8 Exceptional income

A loan was provided to our subsidiary company Anglo-Eastern (Germany) GmbH, the original value of the which was £712,174, management provided £558,773 in 2009 against this loan as a result of the uncertainty in the ability of Anglo-Eastern (Germany) GmbH to repay. Subsequently the loan has been repaid in full in 2018 and the provision released in full.

9 Intangible assets

	Computer Software
	£
Cost or valuation	
At 1 January 2019	382,717
Additions	12,814
Disposals	(161,386)
At 31 December 2019	234,145
Accumulated amortisation	
At 1 January 2019	368,692
Amortisation for the year	8,920
Disposals	(161,386)
At 31 December 2019	216,226
Net book value	
At 31 December 2019	17,919
At 31 December 2018	14,025

There are no individually material intangible assets.

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Notes to the financial statements (continued)

10 Tangible assets

	Leasehold Improvements	Fixtures and fittings	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2019	644,962	265,034	588,353	29,855	1,528,204
Additions	-	499	1,517	-	2,016
Disposals	-	-	(145,631)	-	(145,631)
At 31 December 2019	644,962	265,533	444,239	29,855	1,384,589
Accumulated depreciation					
At 1 January 2019	644,962	263,753	485,269	15,551	1,409,535
Charge for the year	-	510	61,506	7,464	69,480
Disposals	-	-	(145,631)	-	(145,631)
At 31 December 2019	644,962	264,263	401,144	23,015	1,333,384
Net book value					
At 31 December 2019	-	1,270	43,095	6,840	51,205
At 31 December 2018	-	1,281	103,084	14,304	118,669

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Notes to the financial statements (continued)

11 Investments

			Interest in group undertakings
			£
Cost			
At 1 January 2019 and 31 December 2019			60,999
Amounts provided			
At 1 January 2019 and 31 December 2019			(19,076)
Net Book Value			
At 1 January 2019 and 31 December 2019			41,923
Name of subsidiary	County of incorporation	Description of shares held	Registered Address
Anglo-Eastern (Antwerp) NV	Belgium	Ordinary	Sneeuwbeslaan 14, Wilrijk B-2610, Antwerp, Belgium
Anglo-Eastern (Germany) GmbH	Germany	Ordinary	Raboisen 28, 20095 Hamburg Germany

All subsidiary companies are 100% owned by Anglo-Eastern (UK) Limited and the principal activity is Ship Management.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

All related undertakings are disclosed within this note.

12 Inventories

	2019	2018
	£	£
Inventories	622	1,105

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Notes to the financial statements (continued)

13 Debtors

	2019	2018
	£	£
Amounts falling due within one year		
Trade debtors	3,559	34,197
Amounts owed by group undertakings	2,433,560	357,201
Other debtors	19,477	73,546
Taxation and social security	127,425	165,315
Prepayments	238,861	174,684
Accrued income	2,056	546
	2,824,938	805,489

Balances with related companies were unsecured, interest free and had no fixed repayment terms.

14 Ships' cash balances

At 31 December 2019 £3,355,066 (2018: £5,573,976) was held in bank accounts on behalf of clients. £3,250,602 (2018: £5,573,976) is included within Ships' cash balances within creditors (note 15).

15 Creditors – amounts falling due within one year

	2019	2018
	£	£
Trade creditors	72,363	16,268
Amounts owed to group undertakings	1,479,177	276,103
Ships' cash balances (note 14)	3,250,602	5,573,976
Other creditors	1,151,450	568,787
Accruals and deferred income	538,324	845,758
	6,491,916	7,280,892

Amounts owed to group undertakings were unsecured, interest free and had no fixed repayment terms with the exception of loans from Anglo-Eastern (Germany) GmbH, which charges interest at 5.5% per annum and has a loan repayment date of the 31st December 2020, £912,169, and Anglo-Eastern (Antwerp) nv which charges interest at 6.74% per annum with no repayment date, £444,580.

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Notes to the financial statements (continued)

16 Financial instruments

The company has the following financial instruments:

	2019 £	2018 £
Financial assets that are debt instruments measured at amortised cost:		
- Trade receivables	3,559	34,197
- Amounts owed by group undertakings	2,433,560	357,201
- Other receivables	19,477	73,546
- Cash at bank and in hand	712,461	1,554,132
- Accrued income	2,056	546
	3,171,113	2,019,622
Financial liabilities measured at amortised cost:		
- Trade creditors	72,363	16,268
- Amounts owed to group undertakings	1,479,177	276,103
- Other creditors	1,151,450	568,787
- Accruals	538,324	845,758
	3,241,314	1,706,916

17 Called up share capital

	2019 £	2018 £
Authorised		
100 (2018: 100) ordinary shares of £1 each	100	100
Issued and fully paid		
2 (2018: 2) ordinary shares of £1 each	2	2

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of cash.

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Notes to the financial statements (continued)

18 Financial commitments

At 31 December the company had annual commitments under non-cancellable operating leases expiring as follows:

	Other operating leases		Land and buildings	
	2019	2018	2019	2018
	£	£	£	£
Payments due				
Not later than one year	20,899	14,096	338,639	338,639
Between two and five years	28,297	11,747	-	461,180

19 Dividends

	2019	2018
	£	£
1 st Interim 2019 (2018: 1 st Interim) paid	-	214,665
2 nd Interim 2019 (2018: 2 nd Interim) paid	-	348,629
Final 2019 (2018: Final) paid	198,626	270,356
Total dividends paid	198,626	833,650

20 Reconciliation of operating loss to net cash (outflow)/inflow from operating activities

	2019	2018
	£	£
Operating loss	(340,544)	(247,358)
Amortisation charge	8,920	18,709
Depreciation charge	69,480	71,193
Decrease in stock and work in progress	483	11,695
Increase in debtors	(2,016,331)	(140,697)
Increase in creditors	1,429,934	539,546
Net cash (outflow)/inflow from operating activities	(848,058)	253,088

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Notes to the financial statements (continued)

21 Analysis of net funds

	At 1 January 2019	Cash flow	At 31 December 2019
	£	£	£
Cash at bank and in hand	1,554,132	841,671	712,461

22 Related party transactions

- a) The company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the Group.
- b) During the year the company incurred management recharges and other service from related companies. These transactions and the outstanding balances are as follows:

	2019 Transaction value	2019 Year-end balance	2018 Transaction value	2018 Year-end balance
	£	£	£	£
J & J Denholm Ltd	10,038	6,335	13,038	1,233

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

J & J Denholm Ltd is a shareholder in the ultimate parent undertaking.

23 Pension commitment

The company contributes to a defined contribution pension scheme on behalf of certain directors and employees.

The contributions amounted to £200,745 (2018: £262,299). There were no contributions outstanding at the year end (2018: nil).

24 Capital commitments

The capital commitments contracted for but not provided as at 31 December 2019 was £nil (2018: £nil).

Anglo-Eastern (UK) Limited

Annual report and financial statements for the year ended 31 December 2019

Notes to the financial statements (continued)

25 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Anglo-Eastern Management Group Limited and the ultimate parent undertaking and controlling party is Anglo-Eastern Univan Group Limited (formerly known as Anglo-Eastern Management Holdings Limited). Both the immediate and ultimate parent companies are incorporated in the British Virgin Islands. Anglo-Eastern Univan Group Limited is the smallest and largest group to consolidate these financial statements.

26 COVID-19

Anglo-Eastern (UK) Limited is impacted by public health crises such as the global pandemic associated with COVID-19. The COVID-19 pandemic has significantly increased global economic and demand uncertainty. The financial impact of the COVID-19 pandemic cannot be reasonably estimated at this time but may materially affect Anglo-Eastern (UK) Limited's financial condition, results of operations and cash flows. The extent of such impact depends on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the scope, severity and duration of the COVID-19 pandemic and actions to contain its spread or treat its impact, among others.