

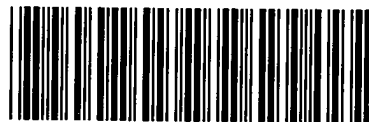
BR Ships Limited

Report and Financial Statements

31 December 2014

Company Registered No. 06012453

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BR Ships Limited

Registered No: 06012453

Directors

Alan Bekhor
Sunil Malhotra
Peter Johnson

Secretary

Peter Johnson (appointed 21 February 2015)
Harish Chikhliia (resigned 20 February 2015)

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Registered Office

11 Manchester Square
London
W1U 3PW

Registered No: 06012453

Directors' report

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2014. All amounts are shown in U.S. Dollars, unless otherwise stated.

Results and dividends

The Company made a profit on ordinary activities before taxation of \$54,132 for the year (31 December 2013: \$352,269).

The Directors approved a dividend of \$1,390,300 during the year but do not recommend the payment of a final dividend (31 December 2013: \$10,000,000).

Review of activities and review of the business

In November 2013, the Company sold the M.V. Britannia to Volumnia Shipping Limited, a wholly owned subsidiary of British Marine plc, the immediate parent undertaking of the Company. The vessel was employed on a long term time charter to British Marine (Asia) Pte Ltd at the prevailing market rate until such time it was sold. British Marine (Asia) Pte Ltd is a wholly owned subsidiary of British Marine plc. The Company discontinued its activities subsequent to the sale of the vessel. During the year it carried out residual transactions in respect of the discontinued activities.

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

	31 Dec 2014 \$'000	31 Dec 2013 \$'000	Change %
Turnover	-	3,086	(100.0)
Total operating (loss)/profit	(3)	352	(100.9)

The Company made a profit for the year, after taxation, of \$42,494 (31 December 2013: \$344,858).

Principal risks and uncertainties

Since the sale of M.V. Britannia, there are no principal risks and uncertainties for the directors to manage.

Going Concern

The business operations of the Company were discontinued in November 2013. It is the Directors' intention to dissolve the Company. These financial statements have, therefore, been prepared on the break up basis.

Directors' report

Directors of the company

Alan Bekhor, Sunil Malhotra, and Peter Johnson served as directors throughout the year.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the Directors have taken all the steps that they are obliged to take as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditors

A resolution to re-appoint BDO LLP as the Company's auditors will be put to the forthcoming annual general meeting.



By Order of the Board

P. JOHNSON

Secretary

Date: 30 September 2015

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 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;
- 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.

Independent auditor's report to the members of BR Ships Limited

We have audited the financial statements of BR Ships Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than of a going concern.

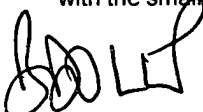
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period 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; or
- the directors were not entitled to prepare the financial statements and the Director's report in accordance with the small companies' regime and to the exemption from the requirement to prepare a strategic report.



Matthew White (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
Date

Profit and loss account

for the period ended 31 December 2014

	Note	31 Dec 2014 \$	31 Dec 2013 \$
Turnover	1(b)	-	3,086,280
Cost of sales		-	(2,635,355)
Gross profit		-	450,925
Administrative expenses		(2,750)	(98,656)
Operating profit	2	(2,750)	352,269
Other income		56,882	-
Profit on ordinary activities before taxation		54,132	352,269
Taxation on profit on ordinary activities	4	(11,638)	(7,411)
Profit on ordinary activities after taxation	8,9	42,494	344,858

All activities are discontinued activities.

There are no recognised gains and losses other than those shown in the profit and loss account above.

Balance sheet

at 31 December 2014

	Note	31 Dec 2014 \$	31 Dec 2013 \$
Current assets			
Debtors	5	<u>64,222</u>	<u>1,486,642</u>
		64,222	1,486,642
Creditors: amounts falling due within one year	6	<u>(64,302)</u>	<u>(138,916)</u>
Net current (liabilities)/assets		<u>(80)</u>	<u>1,347,726</u>
Net (liabilities)/assets		<u>(6,993)</u>	<u>1,347,726</u>
Capital and reserves			
Called up share capital	7	1,906	1,906
Profit and loss account	8	<u>(1,986)</u>	<u>1,345,820</u>
Shareholders' (deficit) funds	9	<u>(80)</u>	<u>1,347,726</u>

The financial statements were approved and authorised by the Board on 30 September 2015 and signed on its behalf by:



P G Johnson
Chief Financial Officer

Notes to financial statements

at 31 December 2014

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

The financial statements are stated in U.S. Dollars, being the functional and presentational currency of the Company.

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

(b) Going concern

After discussing the future of the Company the directors intend to strike off the Company in the foreseeable future. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the Company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

(c) Turnover

Revenues are recorded when services are rendered, the Company has a charter agreement or other evidence of an arrangement, the price is fixed or determinable, and collection is reasonably assured. The Company primarily generates revenues from the transportation of cargo and the time charter of vessels. Estimated losses on voyages are provided for in full at the time such losses become evident. Voyages in progress at the period end are accounted for on a percentage completion basis.

Deferred voyage or charter revenues relate to amounts received prior to being earned. These amounts are recognised as revenues over the related voyage or charter period and include both amounts received from charterers and compensation for acquiring a vessel with an existing charter at below market rate.

Where the Company employs its vessels on time charters, for which it receives a fixed hire rate per day, the hire income is recognised on an accruals basis in line with the provision of the vessel to the charterer. Due allowance is made for off-hire when the vessel is unavailable to the charterer.

(d) 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

at 31 December 2014

1. Accounting policies (continued)

(e) Taxation

The Company is resident in the United Kingdom and pays a flat rate tax based on the net tonnage of the vessel operated (tonnage tax). Any income and profits that the Company earns in the United Kingdom outside the tonnage tax regime are taxed under normal corporation tax rules.

Deferred tax (on non tonnage tax activities) 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.

(f) Cash flow statement

Under FRS1 (Revised) the Company is exempt from the requirement to prepare a Statement of Cash Flows on the grounds that the ultimate parent undertaking includes the Company in its own publicly reported Consolidated Financial Statements.

(g) Related parties

The Company claims exemption under FRS8 in respect of transactions with wholly owned subsidiaries of the Britmar (UK) Limited group.

2. Operating profit

Operating profit is stated after charging:	<i>31 Dec</i> <u>2014</u> \$	<i>31 Dec</i> <u>2013</u> \$
Depreciation of tangible fixed assets	-	689,358
Foreign exchange differences	2,798	(11,846)
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Fees payable to the Company's auditor for the audit of the company accounts is \$1,560 (2013: \$1,650) and was borne by another group company. No other services were provided by the Company's auditor (2013: nil)

Notes to financial statements

at 31 December 2014

3. Directors and staff costs

The directors received no remuneration in respect of their services as directors of the Company during the year (31 December 2013: Nil).

Staff costs during the year were as follows:

	<i>31 Dec</i> <u>2014</u> \$	<i>31 Dec</i> <u>2013</u> \$
Wages and salaries	-	444,914

The average monthly number of employees during the year was nil (31 December 2013: 23), all employed in an operations capacity.

4. Taxation on profit on ordinary activities

	<i>31 Dec</i> <u>2014</u> \$	<i>31 Dec</i> <u>2013</u> \$
UK corporation tax	<u>11,638</u>	<u>7,411</u>
Total tax charge	<u>11,638</u>	<u>7,411</u>

Factors affecting the taxation charge for the year:

The standard rate of corporation tax in the UK reduced from 23% to 21% on 1 April 2014 (2013: 23%). The effective rate of tax is lower than the standard rate of corporation tax in the UK.

The differences are explained below:

	<i>31 Dec</i> <u>2014</u> \$	<i>31 Dec</i> <u>2013</u> \$
Profit on ordinary activities before tax	<u>54,132</u>	<u>352,269</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK	11,638	81,903
Profits attributable to tonnage tax	<u>-</u>	<u>(74,492)</u>
Current tax charge	<u>11,638</u>	<u>7,411</u>

Notes to financial statements

at 31 December 2014

5. Debtors

	<i>31 Dec</i> <u>2014</u> \$	<i>31 Dec</i> <u>2013</u> \$
Amount owed by parent company	-	1,424,496
Other debtors	64,222	62,146
	<u>64,222</u>	<u>1,486,642</u>

6. Creditors: amounts falling due within one year

	<i>31 Dec</i> <u>2014</u> \$	<i>31 Dec</i> <u>2013</u> \$
Trade creditors	14,679	95,056
Amounts due to related undertakings	37,985	-
Corporation tax	11,638	7,411
Accruals and deferred income	-	36,449
	<u>64,302</u>	<u>138,916</u>

7. Issued share capital

	<i>31 Dec</i> <u>2014</u> \$	<i>31 Dec</i> <u>2013</u> \$
Allotted, called-up and fully paid		
1,000 ordinary shares of £1 each	1,906	1,906
	<u>1,906</u>	<u>1,906</u>

8. Profit and loss account

	<i>31 Dec</i> <u>2014</u> \$	<i>31 Dec</i> <u>2013</u> \$
At 1 January	1,345,820	11,000,962
Profit for the year	42,494	344,858
Dividends paid	(1,390,300)	(10,000,000)
At 31 December	<u>(1,986)</u>	<u>1,345,820</u>

Notes to financial statements

at 31 December 2014

9. Movement in shareholder's funds

	31 Dec 2014 \$	31 Dec 2013 \$
At 1 January	1,347,726	11,002,868
Profit for the year	42,494	344,858
Dividends paid	<u>(1,390,300)</u>	<u>(10,000,000)</u>
At 31 December	<u>(80)</u>	<u>1,347,726</u>

10. Related party transactions

As a wholly owned subsidiary of Britmar (UK) Limited, the Company is exempt from the requirements of Financial Reporting Standard No. 8 (FRS8) to disclose transactions with other group members of the group headed by Britmar (UK) Limited.

11. Ultimate parent undertaking

The Company is a wholly-owned subsidiary of British Marine plc, a company incorporated in England, which is the immediate parent undertaking and the parent company of the smallest group in which the results of the company are consolidated.

The Company's ultimate parent undertaking is Britmar (UK) Limited, a company incorporated in England, which is the holding company of the largest group in which the results of the company are consolidated.

The individual company financial statements and the consolidated financial statements of British Marine plc and Britmar (UK) Limited may be requested from the registered office at 11 Manchester Square, London W1U 3PW.

12. Ultimate controlling party

Mr Alan Bekhor is the ultimate controlling party of the Company as a result of controlling 100% of the issued share capital of the Company.