Baltic Exchange

The Baltic Exchange Limited

Annual Report and Financial Statements

Registered Number 64795

30 June 2019

Contents

Company Information

Directors

The directors of the company who were in office during the year and up to the date of signing were:

Mr. Syn Hsien-Min Michael (resigned 01/11/19)
Mr. Chng Lay Chew
Mr. Lee Beng Hong (appointed 01/11/19)

Secretary

C. Weston (resigned 31/7/18)

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Bankers

The Royal Bank of Scotland
Shipping Business Centre
1 Princes Street
London
EC2R 8BP

Registered office

The Baltic Exchange
St Mary Axe
London
EC3A 8BH

Directors' Report

The Directors of The Baltic Exchange Limited present their Annual Report, prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption, together with the audited financial statements and auditors' report for the year ended 30 June 2019.

Results

The Company made a profit before taxation for the year ended 30 June 2019 of £138,298 (2018: profit £150,549).

Review of the business

The Company's principal activities are the sale of membership to the Baltic Exchange and property income. Performance of the underlying for the year ended 30 June 2019 has been satisfactory and the Directors expect to see an improvement during the next financial year.

Future developments

The Company continues to look for new products and sources of revenue to help expand and diversify its present offering.

Dividends

No dividend is recommended for the year (2018: £0.00)

Directors

The Directors of the Company at 30 June 2019 are shown on page 1.

Political contributions

The Company made no political donations or incurred any political expenditure in the year.

Directors' indemnities

The Company arranges third party indemnity insurance for the benefit of its directors; and this remains in force at the date of this report.

Going concern

The Directors of The Baltic Exchange Limited, having made appropriate enquiries, consider that adequate resources exist to continue in operational existence for the foreseeable future and, therefore, it is appropriate to adopt the going concern basis in preparing the financial statements for the year ended 30 June 2019.

Disclosure of information to auditors

Each of the persons who is a Director at the date of the approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Directors' Report (continued)

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be resigning as auditors of Baltic Exchange Limited after the signing of these accounts. KPMG will be appointed as the new auditors.

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 101. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exceptions and has no objections.

Domicile

The company is domiciled in England.

Legal form

The company is a private limited company.

Country of registration

The company is registered in England and Wales.

By Order of the Board

Chng Lay Chew
Director
The Baltic Exchange Limited
St. Mary Axe
London EC3A 8BH
16 December 2019

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 101 "Reduced Disclosure Framework", 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 101, 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.

Chng Lay Chew
Director
16 December 2019

Independent auditors' report to the members of The Baltic Exchange Limited

Report on the audit of the financial statements

Opinion

In our opinion, The Baltic Exchange Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 30 June 2019; the Profit and Loss Account and 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

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

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.

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 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.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 June 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 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 4, 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.

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.

Independent Auditors' Report to the members of The Baltic Exchange Limited

Other required reporting

Companies Act 2006 exception 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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Alison Morris

Alison Morris (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 December 2019

Profit and Loss Account

For the year ended 30 June 2019

	Note	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Turnover	3	6,438,343	5,683,115
Other Operating expenses		(6,174,783)	(5,415,746)
Operating profit	4	**263,560**	**267,369**
Income and returns from investments	5	(6,623)	2,184
Interest payable and similar expenses		(118,639)	(119,004)
Profit before taxation		**138,298**	**150,549**
Taxation	7	(57,645)	(26,944)
Profit for the financial year		**80,653**	**123,605**

There are no items of other comprehensive income in the current year or prior year therefore no separate statement of comprehensive income has been prepared.

There are no discontinued or acquired operations.

Balance Sheet

As at 30 June 2019

	Note	As at 30 June 2019 £	As at 30 June 2018 £
Fixed assets			
Investment properties	8	5,401,381	5,580,943
Tangible assets	9	3,015,396	3,144,302
Intangible assets	10	52,874	190,269
Investments	11	53,158	95,863
Investment in subsidiaries	12	83,925	83,925
		8,606,734	**9,095,302**
Current assets			
Debtors	13	2,064,096	1,830,654
Cash at bank and in hand		1,030,234	1,440,626
		3,094,330	**3,271,280**
Creditors: amounts falling due within one year	14	(3,102,442)	(3,040,642)
Net current (liabilities)/assets		**(8,112)**	**230,638**
Total assets less current liabilities		**8,598,621**	**9,325,939**
Creditors: amounts falling due after more than one year	15	(2,650,000)	(3,400,000)
Provisions for liabilities	16	(9,649)	(67,620)
Net assets		**5,938,972**	**5,858,319**
Capital and reserves			
Called up share capital	17	241,930	241,930
Share premium account	17	5,030	5,030
Capital redemption reserve	17	28,070	28,070
Profit and loss account	17	5,663,942	5,583,289
Total Shareholders' funds		**5,938,972**	**5,858,319**

The financial statements on pages 8 to 22 were approved by the Board of Directors on 16 December 2019.

Signed on behalf of the Board of Directors

Chng Lay Chew

Director

16 December 2019

Statement of Changes in Equity

For the year ended 30 June 2019

	Called up Share capital £	Share premium £	Capital redemption reserve fund £	Profit and loss account £	Total £
Balance at 1 July 2017	241,930	5,030	28,070	5,459,684	5,734,714
Profit for year ended 30 June 2018	-	-	-	123,605	123,605
Balance at 30 June 2018	241,930	5,030	28,070	5,583,289	5,858,319
Balance at 1 July 2018	241,930	5,030	28,070	5,583,289	5,858,319
Profit for year ended 30 June 2019	-	-	-	80,653	80,653
Balance at 30 June 2019	**241,930**	**5,030**	**28,070**	**5,663,942**	**5,938,972**

Notes to the Financial Statements

As at 30 June 2019

1. Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and in accordance with the Companies Act on a going concern basis. The amounts presented in the financial statements are for the year ended 30 June 2019 with comparative figures for the year ended 30 June 2018. The principal accounting policies adopted are described below.

a) Basis of accounting

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - i. paragraph 73 (e) of IAS 16 Property, Plant and Equipment;
  - ii. paragraphs 76 and 79(d) of IAS 40 Investment Property; and
  - iii. paragraph 118 (e) of IAS 38 Intangible Assets.
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Parties Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more wholly owned members of the group.

b) Functional currency

The functional currency is considered to be Pounds Sterling, being the currency of the primary economic environment in which the Company operates.

c) Exemption from the preparation of consolidated financial statements

The Company is a wholly-owned subsidiary of Singapore Exchange Limited (SGX) and is included in the consolidated financial statements of SGX which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of Companies Act 2006.

d) Going concern

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate without any future borrowings and the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

e) Fixed assets

i. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost net of depreciation. The annual rate of depreciation used for freehold buildings is 2%. No depreciation is provided on freehold land. The Company revised its depreciation policy for freehold buildings from 1% to 2% with effect from November 2016 following a review of the useful life of its building. Revisions are accounted for prospectively as they arise from a change in accounting estimates.

ii. Tangible assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is calculated to write off the assets to their residual value on a straight-line basis during their expected normal useful lives at varying rates depending on the type of asset.

The principal annual rates of depreciation used for this purpose are freehold buildings 2%, building plant 4%, other plant and equipment 25%, fittings 10% and furniture 25%. As noted above the Company revised its depreciation policy for freehold buildings from 1% to 2% with effect from November 2016.

iii. Intangible assets

Expenditure on bespoke software applications is capitalised and stated at cost less amortisation and any provision for impairment. Amortisation is calculated to write off the assets on a straight-line basis over the period during which the company is expected to benefit, typically over four years. The amortisation period and the amortisation method are reviewed at least at each financial year end.

The carrying values of fixed assets are reviewed for impairment and, if events or changes in circumstances indicate the carrying value may not be recoverable, are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

f) Financial instruments

i. Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (normally the transaction price excluding transaction costs).

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the debtor, the ageing profile of receivables and historical experience. The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers substantially all of the risks and rewards of ownership of the financial asset to another party, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

ii. Fixed asset investments

Long-term investment in portfolios managed by third party fund managers, where investments are in publicly traded shares or instruments where fair value can be reliably measured, are carried at fair value. Fixed asset investments include short-term deposits held for future reinvestment.

iii. Investments in subsidiaries

Investments in subsidiaries are measured at cost less any impairment.

iv. Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

v. Derivative financial instruments

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes. Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Company had no hedging instruments as at 30 June 2019.

g) Equity instruments

Ordinary shares issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

h) Foreign currency

The Company's financial statements are presented in sterling, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

i) Turnover

Turnover represents amounts receivable for the sale of membership to the Baltic Exchange and property income at invoiced amounts excluding value added tax. Turnover from memberships is recognised on a straight-line basis over the period to which it pertains. Property income is recognised in the Profit and Loss Account on a straight-line basis over the term of the lease. Amounts received in advance are included in deferred income.

j) Employee benefits

The Company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

k) Taxation

i. Current tax

Current tax, comprising UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

ii. Deferred tax

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are not discounted.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of any revisions is recognised in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the debtor, the ageing profile of receivables and historical experience. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. See note 13 for the net carrying amount of the receivables and associated impairment provision.

3. Turnover

Turnover comprises amounts receivable excluding Value Added Tax by the Company for services provided. All the turnover shown below was invoiced in the United Kingdom. Property income represents rent and service charges receivable from tenants at 38 St Mary Axe, London.

Analysis of turnover by category:

	Turnover	
	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Membership activities	**4,881,409**	4,058,349
Property income	**1,556,934**	1,624,766
	6,438,343	5,683,115

4. Operating profit

	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Operating profit of £263,560 (2018: £267,369 profit) is stated after charging:		
Depreciation of investment properties (Note 8)	**77,150**	95,032
Depreciation of tangible fixed assets (Note 9)	**261,706**	355,848
Amortisation of intangible fixed assets (Note 10)	**181,674**	94,490
Foreign Exchange losses	**-**	21,541
Fees payable to the Company's auditors for the audit of the Company's annual report and financial statements	**48,526**	43,532

5. Income and returns from investments

	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Income from fixed asset investments (see Note 11):		
Interest on listed investments	**-**	1,936
Interest on bank deposits	**2,413**	248
Total investment yield	**2,413**	2,184
Loss on fair value movement of investments (Note 11)	**(9,036)**	-
Total net capital loss on investment	**(9,036)**	-
Total income and returns from investments	**(6,623)**	2,184

6. Employees and directors

Employees

The average number of people employed by the Company during the year was 20 (2018: 19). At the year end there were 20 staff (2018: 21).

Employment costs of all employees included above (which includes Directors) comprised:

	2019 £	2018 £
Gross wages and salaries	**1,512,289**	1,341,133
Discretionary bonuses	**442,975**	279,400
Employer's national insurance contributions	**186,943**	206,216
Employer's pension contributions	**161,241**	134,975
	2,303,448	1,961,724

All directors are either non-executive or are executives of other companies within the SGX group. None of the directors is remunerated for their services as directors of Company in the financial year (2018: £nil).

7. Taxation

The tax charge on profit for the year is calculated as follows:

	Year ended 30 June 2019 £	Year ended 30 June 2018 £
UK corporation tax:		
Current year	**124,158**	85,401
Adjustments in respect of prior years	**(8,542)**	(28,179)
Total current tax	**115,616**	57,222
Total deferred tax (Note 16)	**(57,971)**	(30,278)
Tax on profit	**57,645**	26,944

Tax expense for the year is higher (2018: lower) than the standard rate of corporation tax applied in the UK for the year ended 30 June 2019 of 19% (2018: 19%). The differences are explained below:

	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Profit before taxation	**138,298**	150,549
Tax on profit before taxation at the standard UK corporation tax rate 19% (2018: 19%)	**26,277**	28,604
Effects of:		
Expenses not deductible for tax purposes	**85,150**	52,145
Remeasurement of deferred tax – change in UK tax rate	-	(6,400)
Group relief	**1,340**	(12,841)
Adjustments to tax charge in respect of previous years	**(55,122)**	(34,564)
Total tax charge for the year	**57,645**	26,944

The tax rate for the current year is the same as the prior year, which has been 19% since from 1 April 2018.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2017 (on 6 September 2017). These include reductions to the main rate, to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

8. Investment properties

	Freehold land and buildings	Total
Cost	£	£
At 1 July 2018	7,026,478	7,026,478
Reclassified	(103,613)	(103,613)
At 30 June 2019	6,922,865	6,922,865
Accumulated Depreciation		
At 1 July 2018	1,445,535	1,445,535
Reclassified	(1,201)	(1,201)
Charged to profit and loss account	77,150	77,150
At 30 June 2019	1,521,484	1,521,484
Net book value		
At 30 June 2018	5,580,943	5,580,943
At 30 June 2019	**5,401,381**	**5,401,381**

In January 2019 the tenant occupied part of the freehold property was valued at £17.8 million by an external valuer, JLL, Chartered Surveyors, 30 Warwick Street, London, W1B 5NH. The valuation was prepared in accordance with the current RICS Valuation – Global Standards 2017, which incorporates the IVS, published by the Royal Institution of Chartered Surveyors and the RICS Valuation – Professional Standards UK January 2014 (revised April 2015) (the RICS Red Book as applicable) on the basis of the IFRS 13 definition of Fair Value. As at the year end the Company's valuation was not materially different to the JLL valuation. If the financial statements reflected the increase, there would be a revaluation gain of £12.4 million.

Notes to the Financial Statements

As at 30 June 2019

9.Tangible assets

	Freehold land and buildings	Building Plant	Other plant and equipment	Furniture and fittings	Total
Cost	£	£	£	£	£
At 1 July 2018	3,105,916	4,575,322	823,807	615,570	9,120,615
Reclassified	(45,800)	(163,554)	-	312,967	103,613
Additions	-	12,197	18,192	-	30,389
At 30 June 2019	3,060,116	4,423,965	841,999	928,537	9,254,617
Accumulated depreciation					
At 1 July 2018	631,315	3,982,467	785,938	576,593	5,976,313
Reclassified	(531)	(10,068)	-	11,800	1,201
Charged to profit and loss account	41,758	120,242	11,297	88,409	261,706
At 30 June 2019	672,542	4,092,641	797,235	676,803	6,239,221
Net book value					
At 30 June 2018	2,474,601	592,855	37,869	38,977	3,144,302
At 30 June 2019	**2,387,574**	**331,324**	**44,764**	**251,734**	**3,015,396**

The freehold land and building is the owner occupied part of the freehold property.

10. Intangible assets

	I.P.P.	Total
Cost	£	£
At 1 July 2018	485,212	485,212
Additions	44,279	44,279
At 30 June 2019	529,491	529,491
Accumulated amortisation		
At 1 July 2018	294,943	294,943
Charged to profit and loss account	181,674	181,674
At 30 June 2019	476,617	476,617
Net book value		
At 30 June 2018	190,269	190,269
At 30 June 2019	**52,874**	**52,874**

The Index Productions Platform (IPP) was created for the Company's specific requirements. The asset is carried at £52,874 (2018: £190,269) and has a remaining amortisation period of 0.5 years (2018: 2.1 years) on a straight line basis. There are no other individually material intangible assets.

11. Investments

	£
Carrying value	
At 1 July 2018	95,863
Additions	-
Disposals	(33,669)
Movement in the fair value of listed investments	(9,036)
At 30 June 2019	**53,158**

	2019	2018
	£	£
Carrying value		
Investments quoted on other exchanges	**53,158**	95,863
	53,158	95,863

12. Investment in subsidiaries

Particulars of subsidiary undertakings are as follows:

	2019	2018
	£	£
Name of Company (all wholly owned by The Baltic Exchange Limited):		
Baltic Exchange Derivatives Trading Limited (see below)	**83,424**	83,424
Baltic Exchange Information Services Limited	**1**	1
The Baltic Exchange (Asia) Pte. Ltd.	**500**	500
	83,925	83,925

Baltic Exchange Derivatives Trading Limited ("BEDT") ceased trade in December 2017 and is now a dormant company. In the period ended 30 June 2017 the investment carrying values was written down to £83,424 being the net anticipated asset value of BEDT after the settlement of all its post closure costs and it remains at £83,424.

Baltic Exchange Information Services Limited produces and distributes bulk freight market information to members and subscribers with distribution in the Asia region handled by The Baltic Exchange (Asia) Pte. Ltd.

13. Debtors

	2019	2018
	£	£
Gross trade receivables	**161,435**	511,848
Less: Allowance for membership cancellations	**(74,187)**	(62,614)
	87,248	449,234
Other debtors	**526,512**	443,746
Prepayments and accrued income	**264,083**	281,545
Amount due from subsidiaries	**1,186,253**	656,129
	2,064,096	1,830,654

14. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	**419,774**	342,954
Amounts due to Parent Company	**73,299**	73,660
Amounts due to subsidiaries	-	420,033
Other creditors	**1,331,639**	941,485
Accruals and deferred income	**952,195**	929,631
Taxation	**48,216**	66,844
Unclaimed dividends	**195,252**	201,042
Derivative financial instruments	**82,067**	64,993
	3,102,442	3,040,642

15 Creditors: Amounts falling due after more than one year

	2019	2018
	£	£
Loan due to Parent Company	**2,650,000**	3,400,000
	2,650,000	3,400,000

The Parent Company provided a loan of £3,400,000 in November 2016 bearing interest at 3.5% per annum and repayable within five years; during the year £750,000 was repaid. Outstanding accumulated interest at 30 June 2019 of £73,299 (2018: £73,660) is included under creditors falling due within one year (Note 14).

Notes to the Financial Statements

As at 30 June 2019

16. Provisions for liabilities

	2019	2018
	£	£
Deferred tax	**9,649**	67,620
At 30 June	**9,649**	67,620

Deferred tax	Fixed assets £	Short term timing difference £	Tax losses £	Total £
At 1 July 2018	69,831	(2,999)	788	67,620
Prior year adjustment	(16,836)	643	(30,387)	(46,580)
Current year movement	(42,149)	-	29,418	(12,731)
Change in rates	843	316	181	1,340
At 30 June 2019	**11,689**	**(2,040)**	**-**	**9,649**

Deferred tax	Fixed assets £	Short term timing difference £	Tax losses £	Total £
At 1 July 2017	44,311	53,587	-	97,898
Prior year adjustment	54,446	(5,179)	(55,652)	(6,385)
Current year movement	(28,351)	(51,341)	62,199	(17,493)
Change in rates	(575)	(66)	(5,759)	(6,400)
At 30 June 2018	**69,831**	**(2,999)**	**788**	**67,620**

Deferred taxation: Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2017 (on 6 September 2017). These include reductions to the main rate, to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

17. Called up share capital and reserves

	Number	£
Authorised ordinary shares of 50p each		
At 30 June 2018 and 30 June 2019	540,000	270,000
Allotted and fully paid ordinary shares of 50p each		
At 30 June 2018 and 30 June 2019	483,860	**241,930**

The Company's other reserves are as follows:

- Share premium of £5,030 arising on the original issue of shares net of any issue expenses.

- Capital redemption reserve fund of £28,070 arising from a scheme approved by shareholders in 2006 under which the Company purchased 5,614 of its own shares with a nominal value of £5.00 per share. The reserve may only be used in future for the issue of bonus shares.
- Profit and loss reserve of £5,663,972 (2018: £5,583,289) representing cumulative profits or losses, including unrealised net profit on the uplift of investments to fair value, net of dividends paid.

18. Controlling parties

The immediate parent undertaking is SGX Baltic Investment Pte Limited.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Singapore Exchange Limited. Copies of the Singapore Exchange Limited consolidated financial statements can be obtained from the Company Secretary at 2 Shenton Way, #02-02 SGX Centre 1, Singapore, 068804.