

Braemar Shipbrokers Limited

Directors Report and Financial Statements

Registered number 01674710

28 February 2019

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Directors and Advisors

Directors

A T Borthwick
N P Stone

Secretary

P T J Mason

Registered Office

One Strand
Trafalgar Square
London WC2N 5HR

Bankers

HSBC Bank Plc
Surrey and Sussex Corporate Banking Centre
Ground Floor
1 London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

Director's Report

The Directors present their Report and the Financial Statements for the year ended 28 February 2019.

Principal Activity

The principal activity of Braemar Shipbrokers Limited (the 'Company') is that of a holding company.

Results and dividends

The Company made a profit of £1,493,399 for the financial year (2018: £nil). Details of dividends paid are set out in Note 5 of the Financial Statements.

Political contributions

No political donations were made by the Company in the current and past financial year.

Directors

Directors who have held office during the year were as follows:

A T Borthwick (appointed 26 July 2019)
N P Stone (appointed 8 July 2019)
J R D Kidwell (resigned 26 July 2019)
L M Evans (resigned 29 June 2018)
C E S Morrison (resigned 14 June 2018)

Company Secretary

P T J Mason

Small Companies Note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The Directors' Report is approved by the Board and signed on its behalf by:



A T Borthwick

Director

Braemar Shipbrokers Limited (reg. number 01674710)
One Strand, Trafalgar Square, London, WC2N 5HR
29 July 2020

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

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 they have elected to prepare the Financial Statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Income Statement and Statement of Comprehensive Income
for the year ended 28 February 2019

	Note	2019 £'000	2018 £'000
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Investment income	4	<u>1,493,399</u>	-
Profit before taxation		<u>1,493,399</u>	-
Tax on profit	6	-	-
Profit for the financial year		<u>1,493,399</u>	-
Total comprehensive income for the year		<u>1,493,399</u>	-

The notes on pages 7 to 11 form part of the Financial Statements

Balance Sheet
As at 28 February 2019

Assets	Note	2019 £	2018 £
Current assets			
Trade and other debtors	7	11,079,581	11,079,581
Total assets		11,079,581	11,079,581
Creditors: Amounts falling due within one year			
Trade and other creditors	8	1,005,100	5,100
Corporation tax payable	6	588,252	588,252
Total liabilities		1,593,352	593,352
Net assets		9,486,229	10,486,229
Capital and Reserves			
Share capital	9	14,135	14,135
Share premium	10	2,734,434	2,734,434
Capital redemption reserve		3,441	3,441
Retained earnings		6,734,219	7,734,219
Shareholders Funds		9,486,229	10,486,229

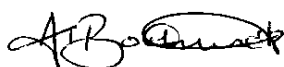
These Financial Statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

For the year ending 28 February 2019 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These Financial Statements were approved by the Board of Directors on 29 July 2020 and were signed on its behalf by:



A T Borthwick
 Director
 Braemar Shipbrokers Limited
 Reg. No 01674710

The notes on pages 7 to 11 form part of the Financial Statements

Statement of Changes in Equity
for the year ended 28 February 2019

	Share capital £	Share premium £	Capital redemption reserve £	Retained earnings £	Total equity £
Balance at 1 March 2017	14,135	2,734,434	3,441	6,784,280	9,536,290
Credit in respect of share option schemes	-	-	-	949,939	949,939
As at 28 February 2018	14,135	2,734,434	3,441	7,734,219	10,486,229
Total comprehensive income for the period	-	-	-	1,493,399	1,493,399
Dividends to equity shareholders (Note 5)	-	-	-	(2,493,399)	(2,493,399)
At 28 February 2019	14,135	2,734,434	3,441	6,734,219	9,486,229

The notes on pages 7 to 11 form part of the Financial Statements

Notes

(forming part of the Financial Statements)

1 Basis of Preparation

a) General Information

Braemar Shipbrokers Limited (the "Company") is a private Company incorporated, domiciled and registered in England and Wales. The registered number is 01674710 and the registered address is One Strand, Trafalgar Square, London, WC2N 5HR.

b) Basis of Preparation

The Financial Statements are prepared on the historical cost basis.

The Company's financial information is presented in pounds sterling and all values are rounded to the nearest pound (£) except where indicated.

The functional currency of the Company is pounds sterling. Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the Income Statement.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements.

These Financial Statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101 from Adopted IFRS, the Company has made no measurement and recognition adjustments.

In these Financial Statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash flow Statement and related notes;
- Comparative period reconciliations for share capital
- Disclosures in respect of transactions with wholly owned subsidiaries
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- Certain disclosures in respect of IFRS 9 Financial Instruments

As the consolidated Financial Statements of Braemar Shipping Services PLC include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

Notes (continued)

c) Going Concern

These Financial Statements have been prepared on a going concern basis. In reaching this conclusion regarding the going concern assumptions the Directors have considered cash flow forecasts for twelve months from the date of signing these Financial Statements.

d) New and Amended Standards Adopted by the Company

New standards impacting the Company that have been adopted in the annual Financial Statements for the year ended 28 February 2019.

- IFRS 9 "Financial Instruments"
- IFRS 15 "Revenue from Contracts with Customers"

IFRS 9 "Financial Instruments" was effective for accounting periods commencing on or after 1 January 2018. The standard addresses the classification, measurement and recognition of financial assets and liabilities. IFRS 9 retains and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. A revised expected credit loss model replaces the incurred loss impairment model using in IAS 39.

IFRS 15, "Revenue from contracts with customers", was effective for accounting periods commencing on or after 1 January 2018. This standard deals with revenue recognition and establish principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The Company performed an impact assessment on each of its revenue streams in order to identify the performance obligations in its customer contracts and establish an appropriate method for recognising revenue on satisfaction of those performance obligations.

The adoption IFRS 9 and IFRS 15 did not result in any adjustments to the Company's Financial Statements.

New standards, amendments and interpretations issued but not yet effective for the financial year beginning 1 March 2019 and not early adopted:

As at the date of authorisation of these Financial Statements, the following standards and interpretations were in issue but not yet effective. The Group has not applied these standards and interpretations in the preparation of these Financial Statements:

- IFRS 16 *Leases*
- IFRIC 23 *Uncertainty over Income Tax Treatments*

IFRS 16, "Leases", effective from 1 January 2019. This standard requires lessees to recognise a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The Company has no leases falling under IFRS 16.

IFRIC 23 "Uncertainty over income tax treatments", effective from 1 January 2019. IFRIC 23 clarifies how to recognise and measure current and deferred income tax assets and liabilities when there is uncertainty over income tax treatments. IFRIC 23 is not expected to have a material impact on the Company's Financial Statements.

e) Estimates and Judgements

The preparation of Financial Statements in conformity with IFRSs requires the use of estimates and assumptions that affect the Reported amounts of assets and liabilities at the date of the Financial Statements and the Reported amounts of revenues and expenses during the Reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

Notes (continued)

f) Taxation

The taxation expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using rates that have been enacted or substantively enacted by the Balance Sheet date.

Full provision is made for deferred taxation on all taxable temporary differences. Deferred tax assets and liabilities are recognised separately on the Balance Sheet. Deferred tax assets are recognised only to the extent that they are expected to be recoverable. Deferred taxation is recognised in the Income Statement unless it relates to taxable transactions taken directly to equity, in which case the deferred tax is also recognised in equity. The deferred tax is released to the Income Statement at the same time as the taxable transaction is recognised in the Income Statement.

g) Trade and Other Debtors

Trade and other debtors are recognised and carried at the lower of their original value and recoverable amount. Impairment is made where there is evidence that the balances will not be recovered in full.

h) Trade and Other Creditors

Creditors are recognised and carried at the lower of their original value and payable amount. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

i) Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's Financial Statements in the period in which the dividends are approved by the Company's shareholders.

j) Investment Income

Investment income consists of dividends received from subsidiaries. The income is recognised when the Company's legal right to receive payment has been established.

k) Investments

Investments in wholly owned subsidiaries are held at cost less accumulated impairment.

2 Auditor Remuneration

	2019	2018
	£	£
Audit of these Financial Statements	-	5,000

There were no other fees were paid to the auditors.

Notes (continued)

3 Directors and Employees

None of the Directors received any emoluments during the year or the previous years in respect of services to the Company.

There are no other key management employees other than the Directors of the Company.

All Directors who served during the year were employed by other Group companies and were remunerated for the qualifying services they provided to them.

The Company did not employ any staff during the year ended 28 February 2019 (2018: nil).

4 Investment Income

	2019 £	2018 £
Dividend income from fixed asset investments (unlisted shares)	<u>1,493,399</u>	<u>-</u>

5 Dividends

	2019 £	2018 £
Declared and paid during the year		
Interim dividend for 2019: £176.40 per share (2018: 0.00 per share)	<u>2,493,399</u>	<u>-</u>

6 Taxation

Recognised in the profit and loss account

	2019 £	2018 £
UK corporation tax		
Current tax on income for the period	-	-
Total current tax	<u>-</u>	<u>-</u>

Reconciliation of effective tax rate

	2019 £	2018 £
Profit for the year	1,493,399	-
Total tax expense	<u>-</u>	<u>-</u>
Profit excluding taxation	1,493,399	3,467,958
Tax using the UK corporation tax rate of 19% (2018: 19%)	283,746	-
Dividends received not taxable	(283,746)	-
Total tax expense	<u>-</u>	<u>-</u>

Current tax payable represents an amount payable to the HMRC in relation to an assessment for corporation tax and interest totalling £2.2 million received during the year ended 28 February 2006 which is still under appeal £1.6 million was settled following receipt of the assessment in order to prevent interest accruing and £588,252 remains outstanding pending the appeal result this amount has been included in the Balance Sheet as corporation tax payable. The amount that has been paid would become repayable in the event the appeal is successful and would ultimately be repayable to the previous shareholders of the Company if this occurred.

Notes (continued)

7 Trade and Other Debtors

	2019	2018
	£	£
Amounts due from group undertakings	<u>11,079,581</u>	<u>11,079,581</u>

The Directors consider the carrying amounts of trade and other debtors approximate to their fair value.
 Amounts due from subsidiaries are interest free, unsecured and repayable on demand.

8 Trade and Other Creditors

	2019	2018
	£	£
Amounts due to group undertakings	<u>1,005,100</u>	<u>5,100</u>

The Directors consider the carrying amounts of trade and other payables approximate to their fair value.
 Amounts due to subsidiaries are interest free, unsecured and repayable on demand.

9 Share Capital

	2019	2018
	£	£
Authorised and issued		
14,135 ordinary shares of £1 each	<u>14,135</u>	<u>14,135</u>

10 Share Premium

	2019	2018
	£	£
At 28 February 2019 and 28 February 2018	<u>2,734,434</u>	<u>2,734,434</u>

11 Contingencies

Under the terms of its banking arrangements the Company, its ultimate parent, Braemar Shipping Services Plc and its fellow trading subsidiaries have provided cross guarantees and fixed and floating rate charges over their assets to secure Group borrowing facilities and other financial instruments

12 Ultimate Parent Undertaking and Controlling Party

The Company is a wholly owned subsidiary of Braemar Shipping Services Plc, a Company registered in England & Wales. Braemar Shipping Services Plc is the ultimate parent undertaking and controlling party and is the smallest and largest Company to consolidate these Financial Statements. Copies of the consolidated Financial Statements are publicly available and may be obtained from One Strand, Trafalgar Square, London WC2N 5HR.