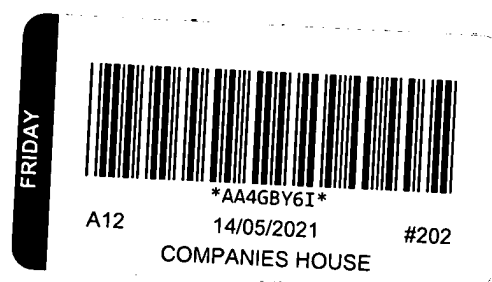


Braemar Shipbrokers Limited

Director's Report and Financial Statements

Registered number 01674710

29 February 2020



Contents

Directors and Advisors	1
Directors' Report	2
Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements	3
Income Statement and Statement of Comprehensive Income.....	4
Balance Sheet	5
Statement of Changes in Equity.....	6
Notes to the Financial Statements.....	7

Directors and Advisors

Directors

A T Borthwick
N P Stone

Company 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

Directors' Report

The Directors present their Report and the Financial Statements for the year ended 29 February 2020.

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 £588,252 for the financial year (2019: £1,493,399). Details of dividends paid are set out in Note 4 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)

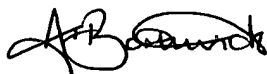
Company Secretary

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. No. 01674710)

One Strand, Trafalgar Square, London, WC2N 5HR

9th December 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 29 February 2020

	Note	2020	2019
		£	£
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Investment income	3	-	1,493,399
Profit before taxation		-	1,493,399
Taxation	5	588,252	-
Profit for the financial year		588,252	1,493,399
Total comprehensive income for the year		588,252	1,493,399

The notes on pages 8 to 12 form part of these Financial Statements

Balance Sheet

As at 29 February 2020

		2020	2019
Assets	Note	£	£
Current assets			
Other debtors	6	11,079,581	11,079,581
Total assets		11,079,581	11,079,581
Creditors: Amounts falling due within one year			
Other creditors	7	5,005,100	1,005,100
Corporation tax payable	5	-	588,252
Total liabilities		5,005,100	1,593,352
NET ASSETS		6,074,481	9,486,229
Capital and Reserves			
Share capital	8	14,135	14,135
Share premium	9	2,734,434	2,734,434
Capital redemption reserve		3,441	3,441
Retained earnings		3,322,471	6,734,219
TOTAL EQUITY		6,074,481	9,486,229

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

For the year ending 29 February 2020 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 on pages 4 to 12 were approved by the Board of Directors on 9th December 2020 and were signed on its behalf by:



A T Borthwick

Director

Braemar Shipbrokers Limited (Reg. No. 01674710)
 One Strand, Trafalgar Square, London, WC2N 5HR

The notes on pages 8 to 12 form part of these Financial Statements

Statement of Changes in Equity
 for the year ended 29 February 2020

	Share capital	Share premium	Capital redemption reserve	Retained earnings	Total equity
	£	£	£	£	£
Balance at 1 March 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	-	-	-	(2,493,399)	(2,493,399)
As at 28 February 2019	14,135	2,734,434	3,441	6,734,219	9,486,229
Total comprehensive income for the period	-	-	-	588,252	588,252
Dividends to equity shareholders (Note 5)	-	-	-	(4,000,000)	(4,000,000)
At 29 February 2020	14,135	2,734,434	3,441	3,322,471	6,074,481

Notes to the Financial Statements

1. Accounting Policies

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.

Accounting Policies (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, 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 has resulted no material impact on the Company's Financial Statements.

New standards, amendments and interpretations issued but not yet effective for the financial year beginning 1 March 2020 and not early adopted

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. The most significant of these are as follows:

Effective for the period beginning 1 March 2020

- IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (Amendment – Definition of Material)
- IFRS 3 "Business Combinations" (Amendment – Definition of Business)
- revised Conceptual Framework for Financial Reporting

The adoption of these standards and amendments is not expected to have a material impact on the Financial Statements of the Company in future periods.

Effective for the period beginning 1 March 2021

- amendments to IFRS 16: COVID-19-related rent concessions

Effective for the period beginning 1 March 2022

- amendments to IAS 1: Classification of liabilities as current or non-current
- amendments to IAS 37: Onerous contracts – costs of fulfilling a contract

The Company is currently assessing the impact of these new accounting standards and amendments.

Accounting Policies (continued)

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.

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.

2. 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 29 February 2020 (2019: nil).

3. Investment Income

	2020	2019
	£	£
Dividend income from fixed asset investments (unlisted shares)	<u>-</u>	<u>1,493,399</u>

4. Dividends

	2020	2019
	£	£
Declared and paid during the year		
Interim dividend for 2020: £282.98 per share (2019: 176.40 per share)	<u>4,000,000</u>	<u>2,493,399</u>

5. Taxation

Recognised in the profit and loss account

	2020	2019
	£	£
UK corporation tax		
Release of prior year tax provision	<u>(588,252)</u>	<u>-</u>
Total current tax	<u>(588,252)</u>	<u>-</u>

Reconciliation of effective tax rate

	2020	2019
	£	£
Profit for the year	-	1,493,399
Total tax expense	<u>-</u>	<u>-</u>
Profit excluding taxation	-	1,493,399
Release of prior year tax provision	<u>(588,252)</u>	<u>-</u>
Tax using the UK corporation tax rate of 19% (2019: 19%)	-	283,746
Dividends received not taxable	<u>-</u>	<u>(283,746)</u>
Total tax expense	<u>(588,252)</u>	<u>-</u>

At 28 February 2019 an amount of £588,252 was held as a provision for tax payable in relation to a 2006 settlement that was ongoing with HMRC. The Company has received confirmation from HMRC that the settlement was closed and that no tax was due. As a result, the entire provision was released to profit and loss in the year ended 29 February 2020.

6. Other Debtors

	2020	2019
	£	£
Amounts due from group undertakings	<u>11,079,581</u>	<u>11,079,581</u>

The Directors consider the carrying amounts of group undertakings appropriate to their fair value. Amounts due from group undertakings are interest free, unsecured and repayable on demand.

7. Other Creditors

	2020	2019
	£	£
Amounts due to group undertakings	<u>5,005,100</u>	<u>1,005,100</u>

The Directors consider the carrying amounts of group undertakings appropriate to their fair value. Amounts due to group undertakings are interest free, unsecured and repayable on demand.

8. Share Capital

	2020	2019
	£	£
Authorised and issued 14,135 ordinary shares of £1 each	<u>14,135</u>	<u>14,135</u>

9. Share Premium

	2020	2019
	£	£
At 29 February 2020 and 28 February 2019	<u>2,734,434</u>	<u>2,734,434</u>

10. 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

11. 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.