Pride Shipping Limited

Report and Financial Statements

31 December 2017

Company Registered No. 05070280

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Contents

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Directors

Alan Bekhor

Registered Office

Millbank Tower
21-24 Millbank
London
SW1P 3QP

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Directors' report

The directors present their report together with the audited financial statements of the Company for the year ended 31 December 2017. The report has been prepared in accordance with the provision applicable to companies entitled to the small companies exemptions, including the exemption to produce a strategic report.

Principal activities and business model

The Company ceased trading on 12 January 2015. Accordingly, these financial statements are not prepared on a going concern basis.

The principal activity of the Company was that of vessel owning and operation.

The Company was a lessee of the vessel M.V. Gwendolen under a finance lease agreement with Gwendolen Shipping Limited. Gwendolen Shipping Limited is a wholly owned subsidiary of British Marine plc, the immediate parent undertaking of the Company.

The vessel, M.V. Gwendolen, was employed on a long term time charter to British Marine (Asia) Pte Ltd at the prevailing market rate until 30 June 2014. British Marine (Asia) Pte Ltd is a wholly owned subsidiary of British Marine Limited (formerly British Marine plc), the immediate parent undertaking of the Company. From 1 July 2014, until its disposal, it was chartered directly to customers.

On 12 January 2015, the Company sold the vessel Gwendolen for $13.9m and ceased trading.

Financial review

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

	31 Dec 2017 $'000	*31 Dec 2016 $'000*
Turnover	-	-
Total operating (loss) / profit	-	(9)

The Company made a loss for the year, after taxation, of $5,369 (31 December 2016: loss of $11,008,993).

Directors of the company

Alan Bekhor served as a director throughout the year. Peter Johnson served as a director until he resigned on 20 December 2017.

Qualifying third party indemnity provisions

The Company has put in place qualifying third party indemnity provisions for all the directors of the Company which was in force at the date the date of approval of this report.

Dividends

The directors do not recommend the payment of a dividend (31 December 2016: $ni).

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Directors' report

Going Concern

As explained in note 1, the company has ceased trading on 12 January 2015. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's net assets to net realisable value.

During the year ended 31 December 2016 the company became dormant.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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), including FRS 101 "Reduced Disclosure Framework" ("FRS 101") 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Approval

This directors' report was approved by order of the Board on 31/8/2018.

A Bekhor
Director

Statement of comprehensive income
for the year ended 31 December 2017

	Note	31 Dec 2017 $	31 Dec 2016 $
Turnover	3	-	-
Cost of sales	4	-	(4,647)
Gross loss		-	(4,647)
Administrative expenses	4	-	(4,137)
Operating loss		-	(8,784)
Other losses		(5,369)	(11,000,209)
Finance expense		-	-
Loss before taxation		(5,369)	(11,008,993)
Taxation on loss on ordinary activities	7	-	-
Loss after taxation		(5,369)	(11,008,993)
Other comprehensive income		-	-
Total comprehensive loss for the year		(5,369)	(11,008,993)

The total comprehensive loss for both years was wholly attributable to owners of the company.

The notes on pages 8 to 12 form part of these financial statements.

Balance sheet
at 31 December 2017

	Note	31 Dec 2017 $	31 Dec 2016 $
Current assets			
Debtors due within one year	8	-	5,369
		-	5,369
Creditors: amounts falling due within one year	9	-	-
Net current assets		-	5,369
Net assets		-	5,369
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	(2)	5,367
Shareholders' funds		-	5,369

For the year ending 31 December 2017, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The financial statements were approved by the Board on 31/8/2018 and signed on its behalf by:

A R Bekhor
Director

The notes on pages 8 to 12 form part of these financial statements.

Statement of changes in equity
for the year ended 31 December 2017

	Share capital	Retained earnings	Total
	$	$	$
Balance at 1 January 2017	2	5,367	5,369
Loss for the financial year	-	(5,369)	(5369)
Balance at 31 December 2017	2	(2)	-
Balance at 1 January 2016	2	11,014,360	11,014,362
Profit for the financial year	-	(11,008,993)	(11,008,993)
Balance at 31 December 2016	2	5,367	5,369

There was no other comprehensive income during the period.

The notes on pages 8 to 12 form part of these financial statements

Notes to financial statements
for the year ended 31 December 2017

1. Accounting policies

The Company is a private company limited by shares and is incorporated in England. The address of its registered office is disclosed on page 2.

(a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 100 *Application of Financial Reporting Requirements* and Financial *Reporting Standard 101 Reduced Disclosure Framework.* The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared under the historical cost convention. The financial statements are stated in U.S. Dollars, being the functional and presentational currency of the Company.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel;

Judgements and key areas of estimation uncertainty

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires the Company's directors to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

Going concern

The company has ceased trading during the year ended 31 December 2015 and became dormant during the year ended 31 December 2016. The financial statements have been prepared on a basis other than that of a going concern.

The principal effects of the preparing the financial statements on a basis other than that of a going concern are as follows:

- Forgiveness of debt by related party British Marine Limited with the value of $11,005,951 during the year ended 31 December 2016. This is a related party transaction.

No other material adjustments arose as a result of ceasing to apply the going concern basis.

Notes to financial statements
for the year ended 31 December 2017

(b) Financial instruments

<u>*Financial assets*</u>

Initial recognition and measurement

The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value.

The fair value of financial assets that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and trade and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or finance costs in the income statement. The Company does not have financial assets falling under this category.

Loans and receivables

Trade and other receivables which have fixed or determinable payments that are not quoted in active market are classified as loans and receivables. Loans and receivables are measured at amortised cost, using the effective interest rate method (EIR), less impairment. Interest is recognised by applying the EIR method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each financial period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets, carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Notes to financial statements
for the year ended 31 December 2017

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

(c) 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.

(d) Taxation

The Company is resident in the United Kingdom and pays a flat rate tax based on the net income and profits that the Company earns in the United Kingdom under normal corporation tax rules.

2. Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Judgements

In the process of applying the accounting policies, the management is of the opinion that there are no critical judgments involved that have a significant effect on the amounts recognised in the financial statements.

Estimates and assumptions

Allowance for trade receivables

Management establishes allowance for trade receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur, whether due to disputes, inability to pay or age. In establishing these allowances, the management considers its

Notes to financial statements
for the year ended 31 December 2017

historical experience and changes to its customers' financial position. If the financial conditions of customers were to deteriorate, resulting in impairment of their ability to make the required payments, additional allowances may be required. The carrying amounts of the trade receivables as at 31 December 2016 were $nil.

3. Expenses by nature

	31 Dec 2016 $	*31 Dec 2015 $*
Repairs and maintenance on vessels	-	4,647
Other costs	5,369	4,137
	5,369	8,784

4. Taxation on profit on ordinary activities

During the year ended 31 December 2017 the Company operated within the normal UK corporation tax rules.

	31 Dec 2017 $	*31 Dec 2016 $*
UK corporation tax	-	-
Net losses to carry forward	(3)	(608)
	-	(608)

Factors affecting the taxation charge for the year:

The standard rate of corporation tax in the UK is 19.25% during the period.

The differences are explained below:

	31 Dec 2017 $	*31 Dec 2016 $*
(Loss) / profit of ordinary activities before tax	(5,369)	(11,008,993)
(Loss) / profit on ordinary activities multiplied by the standard rate of corporation tax in the UK	(1,074)	(2,201,799)
Expenses not deductible for tax purposes	1,071	2,201,190
(Net loss to carry forward) / current tax charge	(3)	(608)

The company has cumulative losses of $3,056 to carry forward (31 December 2016: $3,040)

Notes to financial statements
for the year ended 31 December 2017

5. Debtors due within one year

	31 Dec 2017 $	31 Dec 2016 $
Other debtors	-	5,369
	-	5,369

6. Share capital

	31 Dec 2017 $	31 Dec 2016 $
Authorised		
1 ordinary shares of £1 each	2	2
Allotted, called-up and fully paid		
1 ordinary shares of £1 each	2	2

7. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	**Description and purpose**
Share capital	Nominal value of share capital subscribed for.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

8. Related party transactions

During the year, the company forgave debt to related parties of $5,353.

9. Ultimate parent company and control

The Company was a wholly-owned subsidiary of British Marine Limited, a company incorporated in England, until it was sold to Alan Bekhor on 13 December 2017.

The company is controlled by Mr Alan Bekhor.