

BUE Marine Turkmenistan Limited

**Annual report and financial statements
for the year ended 31 December 2019**



BUE Marine Turkmenistan Limited

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BUE Marine Turkmenistan Limited**Officers and Professional Advisers****DIRECTORS**

Narayana Prasad Narumanchi Venkata Lakshmi
Robert Desai

SECRETARY

Addleshaw Goddard (Scotland) Secretarial Limited

REGISTERED OFFICE

Exchange Tower
19 Canning Street
Edinburgh
Scotland
EH3 8EH
United Kingdom

SOLICITORS

Addleshaw Goddard (Scotland) Secretarial Limited
Exchange Tower
19 Canning Street
Edinburgh
Scotland
EH3 8EH
United Kingdom

BUE Marine Turkmenistan Limited
(Registered No. SC 167536)
Annual Report and Financial Statements - 2019

DIRECTORS' REPORT

The Directors present their report and financial statements for the year ended 31 December 2019.

Principal activities

The Company did not have revenue generating activities during the year but continues to seek management, lease and charter of maritime vessels opportunities together with related marine services.

Directors and their interests

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

- Rene Kofod-Olsen (resigned 15 March 2020)
- Jay Daga (resigned 22 January 2020)
- Robert Desai
- Narayana Prasad Narumanchi Venkata Lakshmi (appointed 11 February 2020)

Going Concern

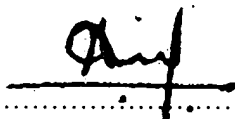
The Company did not have revenue generating activities during the year and is in a net current liability and net deficit position as at 31 December 2019.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Results and dividends

The company did not trade and accordingly no profit or loss has been recognised. No dividend was paid during the period (2018: Nil).

Approved by the Board of Directors
and signed on behalf of the Board



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Narayana Prasad Narumanchi Venkata Lakshmi
Director

28 December 2020

The accompanying notes form an integral part of these financial statements.

BUE Marine Turkmenistan Limited
Statement of financial position
as at 31 December 2019

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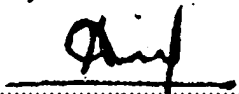
	Notes	2019 USD	2018 USD
ASSETS			
Current assets			
Due from related parties	6	28,311,935	28,311,935
Total current assets		<u>28,311,935</u>	<u>28,311,935</u>
Total Assets		<u><u>28,311,935</u></u>	<u><u>28,311,935</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	8	175	175
Retained deficit	7	(15,302)	(15,302)
Total deficit		<u>(15,127)</u>	<u>(15,127)</u>
Liabilities			
Current liabilities			
Due to related parties	6	28,327,062	28,327,062
Total liabilities		<u>28,327,062</u>	<u>28,327,062</u>
Total Equity and Liabilities		<u><u>28,311,935</u></u>	<u><u>28,311,935</u></u>

The company did not trade during the year or preceding year, and has made neither profit or loss, nor recognized gain or loss.

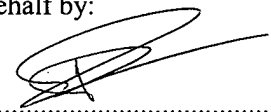
For the year ended 31 December 2019, the company was entitled to an exemption from audit under section 480 of the Companies Act 2006. The Directors have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to the accounting records and the preparation of the financial statements.

The financial statements of BUE Marine Turkmenistan Limited (registered number: SC 167536) were approved by the board of directors on 28th Dec 2020 and were signed on its behalf by:



 Narayana Prasad Narumanchi Venkata Lakshmi
 Director



 Robert Desai
 Director

The accompanying notes form an integral part of these financial statements.

1. Establishment and operations

BUE Marine Turkmenistan Limited (the “Company”) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in Scotland. The address of the registered office of the Company is Exchange Tower, 19 Canning Street, Edinburgh EH3 8EH.

The Company is a wholly-owned subsidiary of BUE Caspian Limited, which is wholly owned by BUE Marine Limited, a Company registered in Scotland, United Kingdom.

The Company is a wholly owned subsidiary of BUE Marine Limited, a company registered in Scotland. The Company’s ultimate parent undertaking was Renaissance Services SAOG, a Company registered in the Sultanate of Oman. On 19 September 2019, DP World FZE completed the acquisition of the sub-group headed by Topaz Energy and Marine Limited and Dubai World Corporation became the ultimate holding company.

The Company’s principal activities are the management, lease and charter of maritime vessels together with related marine services, however during the year ended 31 December 2019 the Company had no ongoing contracts.

2. Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 New and revised IFRSs applied with no material effect on the financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2019, have been adopted in these financial statements.

In the current year, the Company, for the first time, has adopted IFRS 16 Leases (as issued by the IASB in January 2016). The standard replaces the existing guidance on leases, including IAS 17 ‘Leases’, IFRIC 4 ‘Determining whether an Arrangement contains a Lease’, SIC 15 “Operating Leases – Incentives” and SIC 27 “Evaluating the Substance of Transactions in the Legal Form of a Lease”.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Therefore, IFRS 16 does not have an impact for leases where the Company is the lessor. Details of these new requirements are described in Note 3.

The impact of the adoption of IFRS 16 on the Company’s financial statements is not significant.

2.2 New and revised IFRSs applied with no material effect on the financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2019, have been adopted in these financial statements.

New and revised IFRSs

Effective for annual periods beginning on or after

Amendments to IFRS 9 <i>Prepayment Features with Negative Compensation and Modification of financial liabilities</i>	January 1, 2019
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The accompanying notes form an integral part of these financial statements.

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised IFRSs applied with no material effect on the financial statements (continued)

The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI.

The amendment applies to annual periods beginning on or after January 1, 2019, with earlier application permitted. There are specific transition provisions depending on when the amendments are first applied, relative to the initial application of IFRS 9.

Amendments to IAS 28 *Investment in Associates and Joint Ventures*: Relating to long-term interests in associates and joint ventures. January 1, 2019

These amendments clarify that an entity applies IFRS 9 *Financial Instruments* to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

Annual Improvements to IFRSs 2015-2017 Cycle Amendments to IFRS 3 *Business Combinations*, IFRS 11 *Joint Arrangements*, IAS 12 *Income Taxes* and IAS 23 *Borrowing Costs* January 1, 2019

Annual Improvements to IFRSs 2015-2017 Cycle Amendments to IFRS 3 *Business Combinations*, IFRS 11 *Joint Arrangements*, IAS 12 *Income Taxes* and IAS 23 *Borrowing Costs* January 1, 2019

The Annual Improvements include amendments to four Standards.

IAS 12 *Income Taxes* January 1, 2019

The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

IAS 23 *Borrowing costs* January 1, 2019

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

IFRS 3 *Business Combinations* January 1, 2019

The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including re-measuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be re-measured includes any unrecognised assets, liabilities and goodwill relating to the joint operation.

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised IFRSs applied with no material effect on the financial statements (continued)

IFRS 11 Joint Arrangements January 1, 2019

The amendments to IFRS 11 clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not re-measure its PHI in the joint operation.

Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement. January 1, 2019

The amendments to IAS 19 Employee Benefits clarify the accounting for defined benefit plan amendments, curtailments and settlements.

IFRIC 23 Uncertainty over Income Tax Treatments January 1, 2019

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- Whether tax treatments should be considered collectively;
- Assumptions for taxation authorities' examinations;
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and

The effect of changes in facts and circumstances.

The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

2.3 New and amended IFRSs in issue but not yet effective and not early adopted

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

New and revised IFRSs

**Effective for
annual periods
beginning on or after**

Definition of Material - Amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* January 1, 2019

The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The accompanying notes form an integral part of these financial statements.

2. Application of new and revised International Financial Reporting Standards (“IFRSs”) (continued)

2.3 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

Definition of a Business – Amendments to IFRS 3 *Business Combinations* January 1, 2020

The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. IASB also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have ‘the ability to contribute to the creation of outputs’ rather than ‘the ability to create outputs’.

Amendments to *References to the Conceptual Framework in IFRS Standards* January 1, 2020

Amendments to References to the Conceptual Framework in IFRS Standards related IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.

IFRS 7 Financial Instruments: Disclosures and IFRS 9 — Financial Instruments January 1, 2020

Amendments regarding pre-replacement issues in the context of the IBOR reform

IFRS 17 Insurance Contracts January 1, 2022

IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 *Insurance Contracts* as at January 1, 2022.

Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture. Effective date deferred indefinitely. Adoption is still permitted.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company’s financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 16 as highlighted in previous paragraphs, may have no material impact on the consolidated financial statements of the Company in the period of initial application.

3. Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRSs.

Basis of measurement

The financial statements are prepared on a basis other than going concern and the assets and liabilities are measured at net realisable value. There was no adjustments required on adoption of a basis other than going concern.

Functional and presentation currency

The financial statements are presented in United States Dollars (USD), which is the Company's functional and presentation currency.

Going concern

The financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. For the year ended 31 December 2019, the Company had no revenue generating activities. The continuation of the Company's operation is dependent upon future profitable operations and the continued financial support of the shareholder. The Parent Company has resolved to provide such financial support as may be required to enable the Company to meet its debts and obligations as they fall due.

The Company did not have revenue generating activities during the year and is reliant on funds from related parties. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors continue to seek further contract awards and accordingly, they continue to adopt the going concern basis in preparing the financial statements.

4. Significant accounting policies

The accounting policies set out below, which comply with IFRS, have been applied consistently to all periods presented in these financial statements.

Financial instruments

Non-derivative financial assets

The Company classifies its financial assets, which comprises amounts due from related parties, as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Recognition and measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

The accompanying notes form an integral part of these financial statements.

4. Significant accounting policies (continued)

Financial instruments (continued)

Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company's non-derivative financial liabilities comprise of balances due to related parties. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in payment status of borrowers or issuer and economic conditions that correlate with defaults.

The Company considers evidence of impairment of financial assets at both a specific asset and collective level.

All individually significant financial assets are assessed for specific impairment. All individually significant financial assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Financial assets that are not individually significant are collectively assessed for impairment by grouping together financial assets with similar risk characteristics.

The accompanying notes form an integral part of these financial statements.

4. Significant accounting policies (continued)

Impairment (continued)

Financial assets (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of profit or loss and other comprehensive income and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through statement of profit or loss and other comprehensive income.

5. Critical accounting judgements and key sources of estimation uncertainty

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying Company's accounting policies

There are no critical judgements made by the management that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

6. Related party transactions

Related parties represent associated companies, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

a) Due from related parties

	2019	2018
	USD	USD
<i>Companies under common ownership and management control:</i>		
BUE Marine Limited, Scotland	26,957,177	26,957,177
BUE Bautino LLP, Kazakhstan	1,261,638	1,261,638
BUE Aktau LLP, Kazakhstan	93,120	93,120
	<u>28,311,935</u>	<u>28,311,935</u>

Outstanding balances at the year-end are interest-free and arise in the normal course of business. As at 31 December 2019, amounts due from related parties is not impaired. Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Company to obtain collateral over inter-company receivables and the balances are therefore, unsecured.

b) Due to related parties

	2019	2018
	USD	USD
<i>Companies under common ownership and management control:</i>		
XT Shipping Limited, Scotland	9,651,030	9,651,030

The accompanying notes form an integral part of these financial statements.

BUE Marine Turkmenistan Limited
Notes to the financial statements
for the year ended 31 December 2019 (continued)

11

BUE Bulkera Limited, Scotland	7,131,611	7,131,611
BUE Caspian Limited, Scotland	6,499,166	6,499,166
Doha Marine Service WLL, State of Qatar	3,522,023	3,522,023
BUE Kyran Limited, Scotland	1,261,327	1,261,327
BUE Kazakhstan Limited, Scotland	261,905	261,905
	<u>28,327,062</u>	<u>28,327,062</u>

Amounts due to related parties are non-interest bearing, unsecured and repayable on demand.

c) Staff costs

The Company has no employees other than three directors (2018: three), the directors are not remunerated for their service to the Company.

The accompanying notes form an integral part of these financial statements.

7. Retained deficit

The reserve comprises accumulated profits and losses of the Company less any dividends paid.

8. Share capital

	2019	2018
	USD	USD
<i>Authorised</i>		
100 (2018: 100) Ordinary shares of £1 (2018: £1) each	175	175
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
100 (2018: 100) Ordinary shares of £1 (2018: £1) each	175	175
	<hr/>	<hr/>

9. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2019 and 31 December 2018. Capital comprises share capital and retained losses and is measured at USD 15,127 deficit as at 31 December 2019 (2018: USD 15,127 deficit).

10. Ultimate parent company

The immediate parent company is BUE Marine Limited, a company incorporated in Scotland, the registered address of the immediate parent company is Exchange Tower, 19 Canning Street, Edinburgh, Scotland, EH3 8EH. Group financial statements are prepared for Topaz Energy and Marine Limited, which is the smallest group for which consolidated accounts are prepared of which the company is a member. The address of the registered office of the Company is P.O. Box 1022, Clarendon House, Church Street - West, Hamilton HM DX, Bermuda. Copies of that company's accounts can be obtained from Level 58, Almas Tower, Jumeirah Lake Towers, Dubai, UAE. The largest group for which consolidated accounts are prepared is DP World PLC. The address of the registered office of the Company is P.O. Box 17000, Dubai, United Arab Emirates. Copies of that company's accounts can be obtained from the same address.