

BUE Cygnet Limited

**Annual report and financial statements
for the year ended 31 December 2018**



BUE Cygnet Limited

Table of contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of financial position	3
Notes to the financial statements	4 - 8

BUE Cygnet Limited**Officers and Professional Advisers****DIRECTORS**

Rene Kofod-Olsen
Jay Daga
Robert Desai

COMPANY 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 Cygnet Limited
(Registered No. SC 227668)

DIRECTORS' REPORT

The Directors present their annual report and the financial statements for the year ended 31 December 2018.

Principal activities

The Company did not trade in the year, was dormant in the current and prior years and therefore did not prepare a profit and loss statement but continues to seek management, lease and charter of maritime vessels opportunities together with related marine services.

Directors and their interest

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
Jay Daga
Robert Desai

Going Concern

The Company did not trade during the year, however it is in a net current assets and net assets position and has access to 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. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

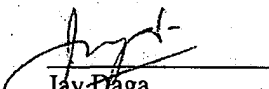
Directors' indemnity

As permitted by the Articles of Association, each of the Directors has the benefit of an indemnity, which is a qualifying third-party indemnity as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the tenure of each Director during the last financial year, and is currently in force. The Company also purchased and maintained Directors' and Officers' liability insurance in respect of itself and its Directors throughout the financial year. No indemnity is provided for the Company's auditor.

Events after the balance sheet date

No significant events have occurred after the balance sheet date.

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


Jay Daga
Director

16 September 2019

**Statement of financial position
as at 31 December 2018**

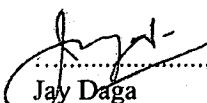
	Note	2018 USD	2017 USD
ASSET			
Current asset			
Due from related parties	5	5,348,034	5,348,034
Total Asset		5,348,034	5,348,034
EQUITY AND LIABILITY			
Equity			
Share capital	6	2	2
Retained earnings	7	3,306,782	3,306,782
Total equity		3,306,784	3,306,784
Current liability			
Due to related parties	5	2,041,250	2,041,250
Total liability		2,041,250	2,041,250
Total Equity and Liability		5,348,034	5,348,034

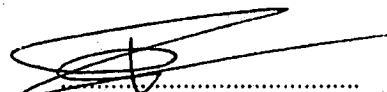
The company did not trade during the year or preceding year, and has made neither profit or loss, nor recognized gain or loss.

For the year ended 31 December 2018, 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 Cygnet Limited (registered number: SC 227668) were approved by the board of directors on 16 September 2019 and were signed on its behalf by:


Jay Daga
Director


Robert Desai
Director

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

**Notes to the financial statements
for the year ended 31 December 2018 (continued)****1. Establishment and operations**

BUE Cygnet 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 Marine Limited, a Company registered in Scotland, United Kingdom. The Company's ultimate parent undertaking is Renaissance Services SAOG, a Company registered in the Sultanate of Oman, for which consolidated financial statements are available from Renaissance Services SAOG, P.O. Box 1676, Muttrah, Postal Code 114, Sultanate of Oman.

The Company's principal activities are the management, lease and charter of maritime vessels together with related marine services, however during the years ended 31 December 2018 and 2017 the Company had no ongoing contracts therefore has remained dormant during this period.

The Company has not presented statement of profit or loss and other comprehensive income or statement of changes in equity since it has not received any income, incurred any expenditure or recognised any gains or losses during the year under review or in the preceding financial year. There has been no movement in equity during the year under review or in the preceding financial year.

2. Basis of preparation**Statement of compliance**

The financial statements have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

Basis of measurement

The financial statements are prepared on a going concern basis under the historical cost convention, unless otherwise stated.

Functional currency 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 years ended 31 December 2018 and 2017, 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 Company was dormant in the current and prior years and is in a net current assets position. However, Company's management has confirmed that a plan has already been put in place to enable the Company to continue to operate as a going concern for the foreseeable future and to discharge its liabilities to other parties, as they fall due. 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. Accordingly, these financial statements are prepared on a going concern basis.

**Notes to the financial statements
for the year ended 31 December 2018 (continued)**

3. 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, and have been applied consistently by the Company.

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.

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.

**Notes to the financial statements
for the year ended 31 December 2018 (continued)**

3. Significant accounting policies (continued)

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.

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.

4. 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.

Key sources of estimation uncertainty

There are no estimates 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.

**Notes to the financial statements
for the year ended 31 December 2018 (continued)**

5. Related party transactions

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, 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

	2018 USD	2017 USD
Immediate parent company:		
BUE Marine Limited, Scotland	1,165,534	1,165,534
Companies under common ownership and management control:		
BUE Aktau LLP, Kazakhstan	3,844,220	3,844,220
Roosalka Shipping Limited, Scotland	322,215	322,215
BUE Caspian Limited, Scotland	16,065	16,065
	<u>5,348,034</u>	<u>5,348,034</u>

Outstanding balances at the year-end are non-interest bearing and arise in the normal course of business. As at 31 December 2018, amounts due from related parties are 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

	2018 USD	2017 USD
Companies under common ownership and management control:		
BUE Kazakhstan Limited, Scotland	1,944,986	1,944,986
BUE Bulkera Limited, Scotland	96,264	96,264
	<u>2,041,250</u>	<u>2,041,250</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 (2017: three), the directors are not remunerated for their service to the Company.

6. Share capital

	2018 USD	2017 USD
Authorised		
1,000 (2017: 1,000) Ordinary shares of £1 (2017: £1) each	<u>1,750</u>	<u>1,750</u>
Allotted, called up and fully paid		
1 (2017: 1) Ordinary share of £1 (2017: £1)	<u>2</u>	<u>2</u>

**Notes to the financial statements
for the year ended 31 December 2018 (continued)****7. Retained earnings**

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

8. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a positive capital ratio in order to support its business model by securing funding from related parties.

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 2018 and 31 December 2017. Capital comprises share capital, and retained earnings and is measured at USD 3,306,784 as at 31 December 2018 (2017: USD 3,306,784).

9. Ultimate parent company

The immediate parent company is BUE Marine Limited, a company incorporated in Scotland. 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. Copies of that company's accounts can be obtained from Level 58, Almas Tower, Jumeirah Lakes Towers, Dubai, UAE. The largest group for which consolidated accounts are prepared are Renaissance Services SOAG of which company is also a member, copies of that company's accounts can be obtained from 114, Muttrah, Sultanate of Oman.