

Company Registration No: SC297845

BUE Shipping Limited

Annual Report and Financial Statements
For the year 31 December 2015

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BUE Shipping Limited
Annual Report and Financial statements
For the year ended 31 December 2015

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BUE Shipping Limited

REPORT AND FINANCIAL STATEMENTS 2015

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

Rene Kofod-Olsen (appointed 6 April 2015)

Jay Daga

Robert Desai (appointed 6 April 2015)

Stephen Rowland Thomas (resigned 6 April 2015)

Roy Donaldson (resigned 2 February 2015)

SECRETARY

HBJG Secretarial Limited

REGISTERED OFFICE

Exchange Tower
19 Canning Street
Edinburgh
EH3 8EH

SOLICITORS

HBJ Gateley Wareing
Exchange Tower
19 Canning Street
Edinburgh
EH3 8EH

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

BUE SHIPPING LIMITED
(Registered No. SC297845)
ANNUAL REPORT AND FINANCIAL STATEMENTS- 2015

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 31 December 2015.

Principal activities and future development

During the year the Company did not trade but will continue to seek management, lease and charter of maritime vessels opportunities together with related marine services.

Results and dividends

The result for the year after taxation was USD Nil (2014: USD 13,821). No dividend was paid during the period. The result of USD nil (2014: USD 13,821) has been transferred to reserves.

Directors

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 (appointed 6 April 2015)

Jay Daga

Robert Desai (appointed 6 April 2015)

Stephen Rowland Thomas (resigned 6 April 2015)

Roy Donaldson (resigned 2 February 2015)

Financial Instruments

The Company's principal financial assets are due from related parties. The Company's credit risk is primarily attributable to due from related parties. The amounts presented in the balance sheet are net of provisions for doubtful debts. The Company does not enter into any derivative financial instruments. The Company's financial liabilities comprise accounts payables and accruals and due to related parties. Due to related parties and accounts payables and accruals are paid on the standard terms of payment. Operations are generally financed through intercompany.

Employment of disabled persons

Full and fair consideration is given to application for employment made by disabled persons having regard to their particular aptitudes and abilities. Appropriate training is arranged for disabled persons, including retraining for alternative work of employees who became disabled, to promote their career development within the organisation.

BUE SHIPPING LIMITED

REPORT OF THE DIRECTORS (continued)

Supplier payment policy

The Company's policy, which is also applied by the group, is to settle terms of payments when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

Independent auditors

PricewaterhouseCoopers LLP were appointed independent auditors for the year ended 31 December 2015 and are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 year.

In preparing those 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 IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

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 throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors. No indemnity is provided for the Company's auditor.

BUE SHIPPING LIMITED

REPORT OF THE DIRECTORS (continued)

Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Branch offices

In certain jurisdictions, the Company operates through a branch.

Political donations

The company has not made any political donations during the year and intends to continue its policy of not doing so for the foreseeable future.

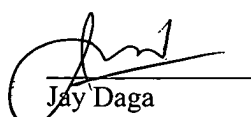
Financial risk policies

A summary of the Company's policies and objectives relating to financial risk management, including exposure to associated risks, is on pages 17 to 18.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

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


Jay Daga
Director

30 Sep 2016

Independent auditors' report to the members of BUE Shipping Limited

Report on the financial statements

Our opinion

In our opinion, BUE Shipping Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its result and cash flows for the year then ended;
 - have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 31 December 2015;
- the statement of comprehensive income for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Report of the directors; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of BUE Shipping Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Paul Cheshire (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

30 September 2016

BUE Shipping Limited

Statement of comprehensive income For the year ended 31 December 2015

| | Notes | 2015 USD | 2014 USD |
|--|-------|-------------|-------------|
| Revenue | 4 | - | - |
| Cost of sales | | - | - |
| | | <hr/> | <hr/> |
| GROSS RESULT | | - | - |
| Administrative expenses | | - | 13,832 |
| Finance costs | 5 | - | (11) |
| | | <hr/> | <hr/> |
| RESULT/PROFIT BEFORE INCOME TAX | | - | 13,821 |
| Income tax expenses | 7 | - | - |
| | | <hr/> | <hr/> |
| RESULT/PROFIT FOR THE YEAR | 6 | - | 13,821 |
| Other comprehensive income | | - | - |
| | | <hr/> | <hr/> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <hr/> <hr/> | <hr/> <hr/> |

The independent auditors' report is set out on pages 5 and 6.

The attached notes on pages 11 to 19 form part of these financial statements.

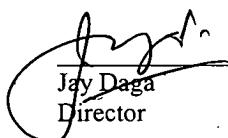
BUE Shipping Limited


Statement of financial position As at 31 December 2015

| | Notes | 2015 USD | 2014 USD |
|-------------------------------------|-------|-------------------|-------------------|
| ASSETS | | | |
| Current assets | | | |
| Due from related parties | 9 | 80,304,593 | 81,004,593 |
| TOTAL ASSETS | | 80,304,593 | 81,004,593 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 10 | 2 | 2 |
| Retained earnings | | 36,202,237 | 36,202,237 |
| TOTAL EQUITY | | 36,202,239 | 36,202,239 |
| Current liabilities | | | |
| Accounts payable and accruals | 12 | 347,447 | 347,447 |
| Due to related parties | 9 | 43,754,907 | 43,754,907 |
| Income tax payable | | - | 700,000 |
| | | 44,102,354 | 44,802,354 |
| Total liabilities | | 44,102,354 | 44,802,354 |
| TOTAL EQUITY AND LIABILITIES | | 80,304,593 | 81,004,593 |

30 Sep 2016

The financial statements on pages 7 to 19 were approved by the Board of Directors on and signed on its behalf by:


Jay Daga
Director


Robert Desai
Director

The independent auditors' report is set out on pages 5 and 6.

The attached notes on pages 11 to 19 form part of these financial statements.

Company Registration No: SC297845

BUE Shipping Limited

Statement of cash flows

For the year ended 31 December 2015

| | <i>Notes</i> | 2015 USD | 2014 USD |
|--|--------------|---------------------|---------------------|
| OPERATING ACTIVITIES | | | |
| Profit for the year | | - | 13,821 |
| Adjustments for: | | | |
| Depreciation | 8 | - | - |
| Finance costs | 5 | - | 11 |
| Profit on sale of assets | | - | - |
| Income tax expenses | 7 | - | - |
| | | <hr/> | <hr/> |
| | | - | 13,832 |
| Working capital changes: | | | |
| Accounts payable and accruals | | (700,000) | (1,209,459) |
| Due from related parties | 9 | 700,000 | (13,651,612) |
| Due to related parties | 9 | - | 14,847,250 |
| | | <hr/> | <hr/> |
| Cash generated from operations | | - | 11 |
| Finance costs paid | | - | (11) |
| | | <hr/> | <hr/> |
| Net cash generated from operating activities | | - | - |
| | | <hr/> | <hr/> |
| INVESTING ACTIVITIES | | | |
| Transfer of property, plant and equipment from related party | | - | - |
| | | <hr/> | <hr/> |
| FINANCING ACTIVITIES | | | |
| Term loans | | - | - |
| Decrease in cash and cash equivalents | | - | - |
| Cash and Cash equivalents at the beginning of the year | | - | - |
| | | <hr/> | <hr/> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | | - | - |
| | | <hr/> | <hr/> |

The independent auditors' report is set out on pages 5 and 6.

The attached notes on pages 11 to 19 form part of these financial statements.

BUE Shipping Limited

Statement of changes in equity For the year ended 31 December 2015

| | Share Capital USD | Retained earnings USD | Total Equity USD |
|--|-------------------------|-----------------------------|------------------------|
| Balance at 1 January 2014 | 2 | 36,188,416 | 36,188,418 |
| <i>Total comprehensive income for the year</i> | | | |
| Profit for the year | - | 13,821 | 13,821 |
| Total comprehensive income for the year | - | 13,821 | 13,821 |
| Balance at 31 December 2014 | 2 | 36,202,237 | 36,202,239 |
| Balance at 1 January 2015 | 2 | 36,202,237 | 36,202,239 |
| <i>Total comprehensive income for the year</i> | | | |
| Profit for the year | - | - | - |
| Total comprehensive income for the year | - | - | - |
| Balance at 31 December 2015 | 2 | 36,202,237 | 36,202,239 |

The independent auditors' report is set out on pages 5 and 6.

The attached notes on pages 11 to 19 form part of these financial statements.

BUE Shipping Limited

Notes to the financial statements

For the year ended 31 December 2015 (continued)

1 GENERAL INFORMATION

BUE Shipping Limited ("the Company") is a private company limited by shares incorporated in the United Kingdom where it is domiciled. The address of the registered office of the Company is Exchange Tower, 19 Canning Street, Edinburgh, EH3 8EH.

The Company's principal activity is the management, lease and charter of maritime vessels together with related marine services.

2 BASIS OF PREPARATION

Statement of compliance

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

Basis of preparation

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 currency rather than in the currency of the Company's country of incorporation as a significant proportion of the transactions of the Company are undertaken in USD.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 18.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest rate method.

Finance expense comprises interest expense on borrowings. All borrowing costs are recognised in the statement of comprehensive income using the effective interest rate method. However, borrowing costs that are directly attributable to the acquisition or construction of property, plant and equipment are capitalised as part of the cost of that asset. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete.

Financial instruments

Non-derivative financial assets

The Company initially recognises its non-derivative financial assets on the date that they are originated. The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company's non-derivative financial assets include due from related parties.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise accounts and other receivables and amounts due from related parties.

BUE Shipping Limited

Notes to the financial statements

For the year ended 31 December 2015 (continued)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Subsequent to initial recognition the financial assets are recognised at amortised cost.

Non-derivative financial liabilities

The Company initially recognises its financial liabilities 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 include account payables and accruals and amount due to related parties. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

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.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rate ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate ruling at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in functional currency at the beginning of the year, adjusted for effective interest and payments during the year and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except items that are recognised directly in equity or in other comprehensive income.

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is provided in respect of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the temporary differences reverse, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

BUE Shipping Limited

Notes to the financial statements

For the year ended 31 December 2015 (continued)

Impairment

Financial assets

A financial asset not carried at fair value through profit or loss 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 and indications that a debtor will enter bankruptcy.

The Company considers evidence of impairment for receivables both at specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables 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 profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or its cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of time value of money and risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Provisions

A provision is recognised if, as a result of past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

BUE Shipping Limited

Notes to the financial statements

For the year ended 31 December 2015 (continued)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Term loans

Term loans are carried on the reporting date at the fair value of the consideration received plus directly attributable transaction costs. Instalments due within one year are shown as a current liability. Interest expense is accrued on a time-proportion basis with unpaid amounts included in accounts payable and accruals.

New standards, amendments and interpretations adopted by the Company

The following standards have been adopted by the group for the first time for the financial year beginning on or after 1 January 2015 and have an impact on the Company:

- IAS 9 (amendment), 'Employee Benefits' (effective 1 July 2014);

The adoption of the amended standards did not have a material impact on the Company. Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2015 are not material to the Company.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2015 and not yet early adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these consolidated financial statements. Management is currently assessing the following standards and amendments which are likely to have an impact on the Group's financial statements:

- IFRS 9, 'Financial instruments' (effective from 1 January 2018); and
- IFRS 15, 'Revenue from contracts with customers' (effective from 1 January 2017)
- IAS 1 (amendment) 'Presentation of Financial Statements' (effective from 1 January 2016);
- IFRS 11 (amendment), 'Joint arrangements' (effective from 1 January 2016);
- IAS 16 'Property, plant and equipment' and IAS 38 'Intangible assets' (amendment) (effective 1 January 2016);
- IFRS 10 'Consolidated financial statements' and IAS 28 'Investment in associates' (amendment) (effective from 1 January 2016);
- IAS 27 (amendment) 'Separate financial statements' (effective from 1 January 2016);
- IFRS 14, 'Regulatory deferral accounts' (effective from 1 January 2016); and

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

The Company is in the process of assessing the impact of the new standards and amendments and intends to adopt these no earlier than their respective effective dates. These standards and amendments are not expected to have significant impact on the Group's accounting policies and are expected to result in additional disclosures only.

4 REVENUE

| | 2015 USD | 2014 USD |
|---|-------------|-------------|
| Lease rent from charter of marine vessels | - | - |
| Sale of marine vessels | - | - |
| | ===== | ===== |

5 FINANCE COSTS

| | 2015 USD | 2014 USD |
|--------------------------------|-------------|-------------|
| Interest charges on term loans | - | 11 |
| | ===== | ===== |

BUE Shipping Limited

Notes to the financial statements

For the year ended 31 December 2015 (continued)

6 INCOME TAX EXPENSES

| | 2015 USD | 2014 USD |
|--------------------------|-------------|-------------|
| <i>Current taxation</i> | | |
| Foreign tax | - | - |
| Total current tax | - | - |
| <i>Deferred tax</i> | | |
| Current year | - | - |
| Prior period | - | - |
| Total deferred tax | - | - |
| Tax expense for the year | - | - |

No corporation tax for the financial year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The relationship between the tax expense and the accounting profit can be explained as follows:

| | 2015 USD | 2014 USD |
|--|-------------|-------------|
| Profit before income tax | - | 13,821 |
| Tax at the UK corporation tax rate | - | 2,970 |
| Tax effect of expenses that are not deductible in determining taxable profit | - | 430 |
| Difference in closing DT tax rate | - | - |
| Prior year adjustment | - | - |
| Foreign tax provided but not paid for | - | - |
| Group relief not paid for | - | (3,400) |
| Tax expense and effective tax rate for the year | - | - |

BUE Shipping Limited

Notes to the financial statements

For the year ended 31 December 2015 (continued)

7 RELATED PARTY TRANSACTIONS

Pricing policies and terms of these transactions are approved by the Company's management.

a) Transactions with related parties included in the income statement are as follows:

| | 2015 USD | 2014 USD |
|--|-------------|-------------|
| Other related parties – Revenue | - | - |
| Other related parties – Fees charged for Management Services | - | - |

b) Due from related parties

| | 2015 USD | 2014 USD |
|-------------------------------|-------------------|-------------------|
| <i>Other related parties</i> | | |
| BUE Caspian Limited | 61,911,248 | 62,611,248 |
| BH Islay Limited | 199,292 | 199,292 |
| BH Jura Limited | 190,655 | 190,655 |
| BUE Roosalka Shipping Limited | 1,843,335 | 1,843,335 |
| BUE Standby | 302,197 | 302,197 |
| Caspian Islay Limited | 7,928,933 | 7,928,933 |
| Caspian Jura Limited | 7,928,933 | 7,928,933 |
| | <u>80,304,593</u> | <u>81,004,593</u> |

c) Due to related parties

| | 2015 USD | 2014 USD |
|------------------------------|-------------------|-------------------|
| <i>Parent company:</i> | | |
| BUE Marine Limited | 39,727,364 | 39,727,364 |
| <i>Other related parties</i> | | |
| BUE Kazakhstan Limited | 4,027,543 | 4,027,543 |
| | <u>43,754,907</u> | <u>43,754,907</u> |

Above balances are interest free and payable on demand.

Outstanding balances at the year-end arise in the normal course of business, including movement of funds for best use of Group borrowing and liquidity. For the year ended 31 December 2015, the Company has not recorded any impairment of amounts owed by related parties (2014: Nil).

The directors received no emoluments from the Company during the current year (2014: Nil). All emoluments paid to the directors in respect of their services to the Group are disclosed in the financial statements of Topaz Energy and Marine Limited (formerly Nico Middle East Limited).

BUE Shipping Limited

Notes to the financial statements

For the year ended 31 December 2015 (continued)

8 SHARE CAPITAL

| | 2015 USD | 2014 USD |
|--|-------------|-------------|
| Authorised | | |
| 1,000 (2014: 1,000) Ordinary shares £1 (2014: £1) each | 1,750 | 1,750 |
| | ===== | ===== |
| Allotted, called up and fully paid | | |
| 1 (2014: 1) Ordinary shares £1 (2014: £1) each | 2 | 2 |
| | ===== | ===== |

9 ACCOUNTS PAYABLE AND ACCRUALS

| | 2015 USD | 2014 USD |
|------------------|-------------|-------------|
| Sundry creditors | 347,447 | 347,447 |
| | ----- | ----- |
| | 347,447 | 347,447 |
| | ===== | ===== |

10 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitment

There are no capital commitments as at 31 December 2015 (2014: USD Nil).

11 RISK MANAGEMENT

Interest rate risk

The Company is not exposed to any significant interest rate risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

With respect to credit risk arising from the other financial assets of the Company, including cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company limits its liquidity risk by ensuring funding from related parties are available as it is part of a Group with central cash and borrowings pooling. The Company's credit terms require the amounts to be paid within 30 days from the date of invoice.

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2015, based on contractual undiscounted payments.

BUE Shipping Limited

Notes to the financial statements

For the year ended 31 December 2015 (continued)

11 RISK MANAGEMENT (continued)

Liquidity risk

| Particulars | Carrying amount | Total | Contractual cash flows | | |
|-------------------------------|-------------------|---------------------|------------------------|--------------|-------------------|
| | | | Less than 12 months | 1 to 5 years | more than 5 years |
| 31 December 2015 | | | | | |
| Accounts payable and accruals | 347,447 | (347,447) | (347,447) | - | - |
| Due to related parties | 43,754,907 | (43,754,907) | (43,754,907) | - | - |
| Total | 44,102,354 | (44,102,354) | (44,102,354) | - | - |
| 31 December 2014 | | | | | |
| Accounts payable and accruals | 347,447 | (347,447) | (347,447) | - | - |
| Due to related parties | 43,754,907 | (43,754,907) | (43,754,907) | - | - |
| Total | 44,102,354 | (44,102,354) | (44,102,354) | - | - |

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The company is not exposed to any significant currency risk during the year.

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 2015 and 31 December 2014. Capital comprises share capital, and retained earnings and is measured at USD 36,202,239 as at 31 December 2015 (2014: USD 36,202,239).

12 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of due from related parties. Financial liabilities consist of accounts payables and accruals, due to related parties.

The fair values of financial instruments are not materially different from their carrying values.

13 KEY SOURCES OF ESTIMATION UNCERTAINTY

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. Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Provision for tax

The Company reviews the provision for tax on a regular basis. In determining the provision for tax, laws of particular jurisdictions (where applicable entity is registered) are taken into account. The management considers the provision for tax to be a reasonable estimate of potential tax liability after considering the applicable laws and past experience.

BUE Shipping Limited

Notes to the financial statements

For the year ended 31 December 2015 (continued)

14 ULTIMATE PARENT COMPANY

The Company's immediate parent undertaking is BUE Marine Limited, a Company registered in Scotland,. Copies of the financial statements are available from BUE Marine Limited, P.O. Box 282800, Level 58, Almas Tower, Jumairah Lakes Towers, Sheikh Zayed Road, Dubai, UAE.

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, PO Box 1676, Muttrah Post Code 114, Sultanate of Oman.