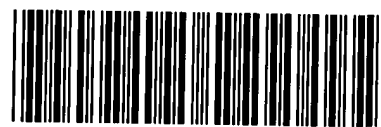


XT Shipping Limited

**Annual report and financial statements
for the year ended 31 December 2017**

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XT Shipping Limited

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XT Shipping Limited

Officers and Professional Advisers

DIRECTORS

Rene Kofod-Olsen
Jay Daga
Robert Desai

SECRETARY

Addleshaw Goddard (Scotland) Secretarial Limited

REGISTERED OFFICE

Exchange Tower
19 Canning Street
Edinburgh
EH3 8EH
United Kingdom

SOLICITORS

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

INDEPENDENT AUDITOR

Deloitte LLP
Statutory Auditor
1 New Street Square
London
EC4A 3HQ
United Kingdom

XT Shipping Limited
(Registered No. SC320140)
Annual Report and Financial Statements - 2017

STRATEGIC REPORT

The Directors present their strategic report for the year ended 31 December 2017.

Review of activities and future development

The Directors are satisfied with the results for the period keeping in view the challenges faced by the sector. The Directors continue to seek appropriate trading opportunities to improve performance and the net asset position of the Company in the coming years.

The performance of the company was below par as the OSV market struggled to recover. We continued to face headwinds in the sector and thus our profitability has been impacted significantly.

Results and dividends

The loss for the year after taxation was USD 469,116 (2016: loss of USD 358,434). No dividend was paid during the period (2016: Nil). The loss of USD 469,116 (2016: loss of USD 358,434) has been transferred to reserves.

The primary driver for the loss as explained above was the lack of opportunities in our operating sector which resulted in none of the vessels being on-hire during the year (2016: one vessel).

Principal risks and uncertainties

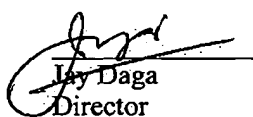
A summary of the Company's policies and objectives relating to financial risk management, including exposure to associated risks, is included in Note 15 to the financial statements.

The company is also exposed to operational risk which may arise due to a downturn in economic activity. The company is directly impacted by a decrease in the demand of the offshore support vessels, which results in lower deployment of the vessels and thereby impacting the company negatively.

Key performance indicators

The key performance indicators used by the Company are the value of revenue, earnings before income tax, depreciation and amortisation (EBITDA), EBITDA margin, return on assets and fleet utilisation. These KPIs are measured at the group company level and not at individual company basis.

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


Jay Daga
Director

29 November 2018

XT Shipping Limited
(Registered No. SC320140)

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2017.

Principal activities

The Company's principal activities continued to be management, lease and charter of maritime vessels 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
- Jay Daga
- Robert Desai

Financial risk management policies and objectives

The Company's principal financial assets are amounts due from related parties. The Company's credit risk is primarily attributable to its intercompany debtors. The concentration of credit risks on these intercompany debtors is monitored on an ongoing basis by the management. The Company does not enter into any derivative financial instruments. The Company's financial liabilities comprise accounts payables and accruals and amounts due to related parties. Accounts payables and accruals are paid on the standard terms of payment and are interest free.

Independent auditor

Deloitte LLP were appointed as independent auditors for the year ended 31 December 2017 in accordance with section 487 of the Companies Act 2006.

Disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this report confirms that so far as the Director is aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

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.

XT Shipping Limited
(Registered No. SC320140)

DIRECTORS' REPORT (continued)

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 2017, the Company generated a net loss of USD 469,116 (2015: net loss of USD 358,434). The continuation of the Company's operation is dependent upon future profitable operations and the continued financial support of the shareholder.

These conditions raise doubts whether the Company will be able to continue as a going concern. 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.

Branch offices

In Azerbaijan, the Company operates through a branch which is located at 69 Nizami Street, Baku, Azerbaijan.

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

29 November 2018

XT Shipping Limited
(Registered No. SC320140)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XT SHIPPING LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of XT Shipping Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss 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.

We have audited the financial statements which comprise:

- the statement of profit or loss and other comprehensive income;
- the statement of financial position;
- the statement of cash flows;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XT SHIPPING LIMITED (continued)

Responsibilities of 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

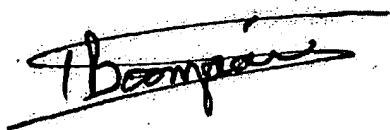
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XT SHIPPING LIMITED
(continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'I Boonzaaier', is written over a horizontal line.

Ivan Boonzaaier, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
29 November 2018

**Statement of profit or loss and other comprehensive income
for the year ended 31 December 2017**

	Notes	2017 USD	2016 USD
Revenue	6	-	89,937
Cost of revenue		-	(13,988)
Gross profit		-	75,949
General and administrative expenses	7	(471,484)	(432,879)
Finance costs		(3)	39
Other income		-	4,668
Loss before income tax		(471,487)	(352,223)
Income tax benefit/(expense)	8	2,371	(6,211)
Total comprehensive loss for the year		(469,116)	(358,434)

All activities arise in respect of continuing activities.

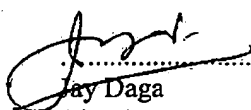
There were no items of other comprehensive income other than those stated above for either period and consequently no statement of other comprehensive income is presented.

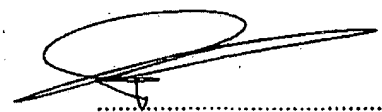
The accompanying notes form an integral part of these financial statements.

**Statement of financial position
as at 31 December 2017**

	Notes	2017 USD	2016 USD
ASSETS			
Non-current asset			
Property, plant and equipment	9	229,192	243,141
Current asset			
Due from related parties	11	15,505,459	15,505,459
Total Assets		15,734,651	15,748,600
EQUITY AND LIABILITIES			
Equity			
Share capital	12	2	2
Retained earnings	13	3,010,138	3,479,254
Total equity		3,010,140	3,479,256
Non-current liability			
Deferred tax liability	10	2,129	4,500
Current liabilities			
Other payables and accruals	14	35,475	35,475
Due to related parties	11	12,686,907	12,229,369
Total liabilities		12,724,511	12,269,344
Total Equity and Liabilities		15,734,651	15,748,600

The financial statements of XT Shipping Limited (registered number: SC320140) were approved by the board of directors on 29 November 2018 and were signed on its behalf by:


Jay Daga
Director


Robert Desai
Director

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

**Statement of cash flows
for the year ended 31 December 2017**

	2017 USD	2016 USD
Cash flows from operating activities		
Loss for the year	(469,116)	(358,434)
Adjustments for:		
Depreciation of property, plant and equipment	13,949	13,988
Income tax (benefit)/expense	(2,371)	6,211
Operating loss before changes in operating assets and liabilities	(457,538)	(338,235)
Increase in other payable and accruals	-	325
Increase in due from related parties	-	(94,605)
Increase in due to related parties	457,538	441,509
Cash generated from operations	-	8,994
Income tax paid	-	(8,994)
Net cash generated from operating activities	-	-
 Cash and cash equivalents at the beginning of the year	 -	 -
 Cash and cash equivalents at the end of the year	 -	 -

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

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

	Share capital USD	Retained earnings USD	Total USD
Balance at 1 January 2016	2	3,837,688	3,837,690
Total comprehensive loss for the year	-	(358,434)	(358,434)
Balance at 31 December 2016	2	3,479,254	3,479,256
Total comprehensive loss for the year	-	(469,116)	(469,116)
Balance at 31 December 2017	2	3,010,138	3,010,140

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

**Notes to the financial statements
for the year ended 31 December 2017**

1. Establishment and operations

XT Shipping 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. 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 Company's ultimate parent undertaking is Renaissance Services SAOG, a Company registered in the Sultanate of Oman. Group consolidated financial statements are prepared for Renaissance Services SAOG, which is the largest group for which the Company is also a member, and 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. The Company does not operate a bank account. All transactions are done through related parties.

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 2017, have been adopted in these financial statements.

Amendments to IAS 12 Income Taxes Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilise a deductible temporary difference.

The application of these amendments has had no significant impact on the Company's financial statements.

Amendments to IAS 7 Disclosure Initiative

The Company has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes.

The application of these amendments has had no impact on the Company's financial statements.

**Notes to the financial statements
for the year ended 31 December 2017 (continued)**

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

2.2 New and revised IFRSs in issue but not yet effective

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

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Annual Improvements to IFRS Standards 2014 - 2016 Cycle amending IFRS 1 and IAS 28.	1 January 2018
Annual Improvements to IFRS Standards 2015 - 2017 Cycle amending IFRS 3, IFRS 11, IAS 12 and IAS 23.	1 January 2019
IFRIC 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
The interpretation addresses foreign currency transactions or parts of transactions where:	
<ul style="list-style-type: none"> • there is consideration that is denominated or priced in a foreign currency; • the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and 	
the prepayment asset or deferred income liability is non-monetary.	
IFRIC 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 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:	
<ul style="list-style-type: none"> • 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. 	
Amendments to IFRS 2 <i>Share Based Payment</i> regarding classification and measurement of share based payment transactions.	1 January 2018
Amendments to IFRS 4 <i>Insurance Contracts</i> : Relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard.	1 January 2018
Amendments to IAS 40 <i>Investment Property</i> : Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	1 January 2018

**Notes to the financial statements
for the year ended 31 December 2017 (continued)**

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

2.2 New and revised IFRSs in issue but not yet effective (continued)

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 7 <i>Financial Instruments: Disclosures</i> relating to disclosures about the initial application of IFRS 9.	When IFRS 9 is first applied
IFRS 7 <i>Financial Instruments: Disclosures</i> relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9.	When IFRS 9 is first applied
IFRS 9 <i>Financial Instruments</i> (revised versions in 2009, 2010, 2013 and 2014) (a)	1 January 2018
<p>IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.</p> <p>A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 <i>Financial Instruments: Recognition and Measurement</i>. The standard contains requirements in the following areas:</p> <ul style="list-style-type: none"> • Classification and measurement: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of a Company's own credit risk. • Impairment: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised. • Hedge accounting: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. • Derecognition: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. 	

**Notes to the financial statements
for the year ended 31 December 2017 (continued)**

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

2.2 New and revised IFRSs in issue but not yet effective (continued)

New and revised IFRSs

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

Amendments to IFRS 9 *Financial Instruments*: Relating to prepayment features with negative compensation. This amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

1 January 2019

Impact assessment of IFRS 9 Financial Instruments

Based on an analysis of the Company's financial assets and financial liabilities as at 31 December 2017 on the basis of the facts and circumstances that exist at that date, the directors of the Company have assessed the impact of IFRS 9 to the Company's financial statements as follows:

Classification and measurement:

All financial assets and financial liabilities will continue to be measured on the same bases as is currently adopted under IAS 39.

Impairment:

Financial assets measured at amortised cost will be subject to the impairment provisions of IFRS 9. The Company expects to apply the simplified approach to recognise lifetime expected credit losses for its balances due from related parties as required or permitted by IFRS 9. In relation to the balances due from related parties (Note 11), the Management have assessed that there has not been a significant increase in the credit risk from initial recognition to 31 December 2017. Accordingly, the Management expect to recognise lifetime and 12-month expected credit losses for these items respectively.

In general, the Management anticipates that the application of the expected credit loss model of IFRS 9 will not result in earlier recognition of credit losses for balances due from related parties and will not increase the amount of loss allowance recognised for these items.

IFRS 15 Revenue from Contracts with Customers

1 January 2018

In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

**Notes to the financial statements
for the year ended 31 December 2017 (continued)**

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

2.2 New and revised IFRSs in issue but not yet effective (continued)

New and revised IFRSs

IFRS 15 Revenue from Contracts with Customers (continued)

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

1 January 2018

The core principle of IFRS 15 is that a company should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, a company recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

Impact assessment of IFRS 15 Revenue from Contracts with Customers

The application of IFRS 15 from the annual period beginning 1 January 2018 will have an impact on the Company's financial statements in respect of revenue from contracts with customers. Based on preliminary analysis of the Company's revenues from contracts with customers as at 31 December, management intends to use the modified transition approach of transition to IFRS 15. Other than providing more extensive disclosures on the Company's revenue transactions, management do not anticipate that the application of IFRS 15 will have a significant impact on the financial position and/or financial performance of the Company for the majority of its existing revenue streams. The directors are still in the process of assessing the impact of IFRS 15.

Amendments to IFRS 15 Revenue from Contracts with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

1 January 2018

**Notes to the financial statements
for the year ended 31 December 2017 (continued)**

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

2.2 New and revised IFRSs in issue but not yet effective (continued)

New and revised IFRSs

IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

Impact assessment of IFRS 16 Leases

IAS 17 does not require the recognition of any right-of-use asset or liability for future payments for these leases; instead, certain information is disclosed as operating lease commitments. For arrangements which meet the definition of a lease under IFRS 16, the Company will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of IFRS 16. The new requirement to recognise a right-of-use asset and a related lease liability is not expected to have an impact on the amounts recognised in the Company's financial statements as the Company is a lessor.

IFRS 17 Insurance Contracts

IFRS 17 requires insurance liabilities to be measured at a current fulfillment 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 of 1 January 2021.

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 9 as highlighted in previous paragraphs, may have no material impact on the financial statements of the Company in the period of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Company's financial statements for the annual period beginning 1 January 2018 and that IFRS 16 will be adopted in the Company's financial statements for the annual period beginning 1 January 2019.

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

1 January 2019

1 January 2021

**Notes to the financial statements
for the year ended 31 December 2017 (continued)**

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.

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 year ended 31 December 2017, the Company generated a net loss of USD 469,116 (2016: net loss of USD 358,434). The continuation of the Company's operation is dependent upon future profitable operations and the continued financial support of the shareholder.

These conditions raise doubts whether the Company will be able to continue as a going concern. 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.

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, and have been applied consistently by the Company.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Company; and when specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Marine charter

Revenue comprises operating lease rent from charter of marine vessels, mobilisation income, and revenue from provision of on-board accommodation, catering services and sale of fuel and other consumables.

Lease rental income is recognised on a straight line basis over the period of the lease. Revenue from provision of on-board accommodation and catering services is recognised over the period of hire of such accommodation while revenue from sale of fuel and other consumables is recognised when delivered.

Income generated from the mobilisation or demobilisation of the vessel to or from the location of charter under the vessel charter agreement is recognised over the period of the related charter party contract.

**Notes to the financial statements
for the year ended 31 December 2017 (continued)**

4. Significant accounting policies (continued)

Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised in the statement of profit or loss and other 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 profit or loss and other 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 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 and other payables and accruals. 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.

**Notes to the financial statements
for the year ended 31 December 2017 (continued)**

4. Significant accounting policies (continued)

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.

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.

**Notes to the financial statements
for the year ended 31 December 2017 (continued)**

4. Significant accounting policies (continued)

Property, plant and equipment

Items of property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Cost of marine vessels includes purchase price paid to third parties including registration and legal documentation costs, all directly attributable costs incurred to bring the vessel into working condition at the area of planned use, mobilisation costs to the operating location, sea trial costs, significant rebuild expenditure incurred during the life of the asset and financing costs incurred during the construction period of vessels. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Capital work in progress is not depreciated. Assets in the course of construction are depreciated from the date that the related assets are ready for commercial use. Depreciation method, useful lives and residual values are reviewed at each reporting date.

Depreciation is provided on a straight-line basis at rates calculated to write off the cost or valuation, less any estimated residual value, of each asset, excluding vessels under construction, over its expected useful life as follows:

Marine vessels

Over 25 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the income statement as the expense is incurred.

Dry docking costs

The expenditure incurred on vessel dry docking, a component of property, plant and equipment, is amortised over the period from the date of dry docking, to the date on which the management estimates that the next dry docking is due, which ordinarily is within 2 to 3 years.

Vessel refurbishment costs

Owned assets

Cost incurred to refurbish owned assets are capitalised within property, plant and equipment and then depreciated over the shorter of the estimated economic life of the related refurbishment or the remaining life of the vessel.

**Notes to the financial statements
for the year ended 31 December 2017 (continued)**

4. Significant accounting policies (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.

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.

Leases

Company as a lessor

Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as lease rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**Notes to the financial statements
for the year ended 31 December 2017 (continued)**

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 judgements 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

The following is the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of marine vessel

The Company determines whether its vessel is impaired when there are indicators of impairment as defined in IAS 36 *Impairment of Assets*. This requires an estimation of the value in use of the cash-generating unit which is the vessel owning and chartering segment. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from this cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying value of the vessel as at 31 December 2017 was USD 229,192 (2016: USD 243,141) [Note 9].

The recoverable amount of the marine vessel has been determined based on value in use calculations where the fair value less cost to sell was lower than the carrying amount. These calculations use pre-tax cash flow projections based on the financial budgets approved by the management covering a period of 5 years based on the expected utilisation rates of the individual vessels using a discount rate of 12.00 % (2016: 11.80%). Cash flows beyond five years were estimated using a nil growth rate.

6. Revenue

	2017 USD	2016 USD
Bareboat income from charter of marine vessels (Note 11)	<u>89,937</u>	<u>89,937</u>

7. General and administrative expenses

	2017 USD	2016 USD
Management fee (Note 11)	430,000	430,000
Depreciation	13,949	-
Legal fees	4,687	2,879
Other	22,848	-
	<u>471,484</u>	<u>432,879</u>

**Notes to the financial statements
for the year ended 31 December 2017 (continued)**

8. Income tax (benefit)/expense

	2017 USD	2016 USD
<i>Current taxation</i>		
Foreign tax	-	8,994
<i>Deferred tax</i>		
Current year	(2,371)	(2,378)
Prior period	-	(405)
Total deferred tax	(2,371)	(2,783)
Tax (benefit)/expense for the year	(2,371)	6,211

UK corporation tax is calculated at 19.25% (2016: 20.00%) of the estimated assessable profit 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 loss can be explained as follows:

	2017 USD	2016 USD
Loss before income tax	(471,487)	(352,223)
Tax at the UK corporation tax rate	(90,761)	(70,444)
Tax effect of expenses that are not deductible in determining taxable profit	385	400
Group relief not paid for	87,691	69,045
Prior year adjustment	-	(405)
Difference in foreign tax claimed by deduction	-	7,195
Difference in closing DT tax rate	314	420
Tax (benefit)/expense and effective tax rate for the year	(2,371)	6,211

**Notes to the financial statements
for the year ended 31 December 2017 (continued)**

9. Property, plant and equipment

	Marine Vessels USD
Cost	
At 31 December 2016 and 2017	360,370
Accumulated depreciation	
At 31 December 2015	103,241
Depreciation charge for the year	13,988
At 31 December 2016	117,229
Depreciation charge for the year	13,949
At 31 December 2017	131,178
Net carrying amount	
At 31 December 2017	229,192
At 31 December 2016	243,141

Depreciation charge has been allocated in the income statement as follows:

	2017 USD	2016 USD
Cost of revenue		13,988
General and administrative expenses	13,949	

As at 31 December 2017, the Company's assets and undertaking including bareboat charter's rights, title and interest, present and future in the bareboat charterer's assigned property are charged as security for bank facilities obtained by related parties.

10. Deferred tax liability

	2017 USD	2016 USD
As at 1 January	(4,500)	(7,283)
Credit to profit or loss	2,371	2,378
Prior year charge		405
As at 31 December	(2,129)	(4,500)

Deferred tax liability comprises short-term temporary differences due to depreciation of marine vessels.

**Notes to the financial statements
for the year ended 31 December 2017 (continued)**

11. 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) Transactions with related parties

	2017 USD	2016 USD
Other related parties – revenue (Note 6)	-	89,937
Other related parties - fees charged for management services (Note 7)	430,000	430,000

In both years, the auditor's remuneration for audit services was borne by Topaz Energy and Marine Limited, the immediate parent undertaking of BUE Marine Limited.

The Company has no employees other than three directors (2016: three), the directors are not remunerated for their service to the Company.

b) Due from related parties

	2017 USD	2016 USD
Company under common ownership and management control		
BUE Marine Turkmenistan Limited, Scotland	9,651,030	9,651,030
BUE Caspian Limited, Scotland	3,289,904	3,289,904
BUE Aktau LLP, Kazakhstan	2,085,216	2,085,216
Bautino LLP, Kazakhstan	479,309	479,309
	<u>15,505,459</u>	<u>15,505,459</u>

Outstanding balances at the year-end are non-interest bearing and arise in the normal course of business. As at 31 December 2017, 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.

c) Due to related parties

	2017 USD	2016 USD
Immediate parent company		
BUE Marine Limited, Scotland	11,143,278	10,685,740
Company under common ownership and management control		
BUE Kazakhstan Limited, Scotland	1,523,913	1,523,913
BUE Bulkera Limited, Scotland	19,716	19,716
	<u>12,686,907</u>	<u>12,229,369</u>

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

**Notes to the financial statements
for the year ended 31 December 2017 (continued)**

12. Share capital

	2017 USD	2016 USD
<i>Authorised</i>		
1,000 (2016: 1,000) Ordinary shares of £1 (2016: £1) each	1,750	1,750
<i>Allotted, called up and fully paid</i>		
1 (2016: 1) Ordinary share of £1 (2016: £1)	2	2

13. Retained earnings

The reserve comprises accumulated profits and losses to the company less any dividends paid.

14. Other payables and accruals

	2017 USD	2016 USD
Sundry creditors	4,311	4,311
Accruals	31,164	31,164
	35,475	35,475

15. Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 4 to the financial statements.

(b) Categories of financial instruments

	2017 USD	2016 USD
<i>Financial assets</i>		
Loans and receivables	15,505,459	15,505,459
<i>Financial liabilities</i>		
At amortised cost	12,722,382	12,264,844

(c) Fair value of financial instruments

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

(d) Risk management framework

The management of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's management are responsible for developing and monitoring the Company's risk management policies. The Company's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management practices in others.

**Notes to the financial statements
for the year ended 31 December 2017 (continued)**

15. Financial instruments (continued)

(d) Risk management framework (continued)

The Company's risk management policies (both formal and informal) are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk; and
- Liquidity risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises from related parties. The credit risk is considered low as the parent company has provided a letter of support to provide the necessary funding, where applicable, to enable group companies to settle their outstanding amounts as they fall due.

Liquidity risk

Financial assets and liabilities largely comprise intercompany balances. These are interest free and repayable on demand. Liquidity risk is not considered to be relevant as all cash transactions are undertaken on the company's behalf by related Group companies. Refer to the going concern disclosure in note 3 for further details.

16. 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 2017 and 31 December 2016. Capital comprises share capital and retained earnings and is measured at USD 3,010,140 as at 31 December 2017 (2016: USD 3,479,256).

17. 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.

**Notes to the financial statements
for the year ended 31 December 2017 (continued)**

18. Reclassification

Comparative figures for the following line items in the statement of financial position have been reclassified in the prior year to conform with the current year's presentation:

	As previously reported USD	Reclassification USD	As reclassified USD
<u>For the year ended 31 December 2016</u>			
<u>Statement of financial position</u>			
Non-current liability			
Deferred tax liability		4,500	4,500
Current liabilities			
Deferred tax liability	4,500	(4,500)	

The above reclassifications had no effect on the loss reported in the statement of profit or loss and other comprehensive income for the year ended 31 December 2016. Therefore, the statement of financial position as of the beginning of year ended 31 December 2016 was not presented in these financial statements.