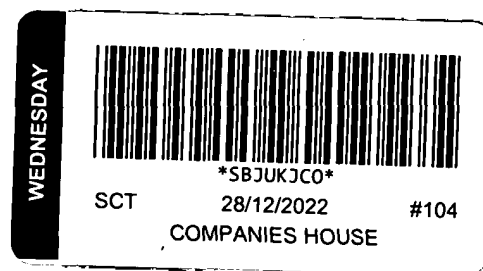


**Topaz Riws Limited  
(formerly River Till Shipping Limited)**

**Annual Report and Financial statements  
for the year ended 31 December 2021**



## **Topaz Riws Limited**

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**Topaz Riws Limited****Officers and Professional Advisors****DIRECTORS**

Narayana Prasad Narumanchi Venkata Lakshmi  
Martin Helweg

**COMPANY SECRETARY**

Narayana Prasad Narumanchi Venkata Lakshmi

**REGISTERED OFFICE**

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

**SOLICITOR**

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

**INDEPENDENT AUDITOR**

Just Audit & Assurance Ltd  
23 Station Road  
Gerrards Cross  
Buckinghamshire  
SL9 8ES  
United Kingdom

**Topaz Riws Limited**  
**(Registered No. SC 362012)**  
**Annual Report and Financial Statements - 2021**

**STRATEGIC REPORT**

The Directors present their strategic report for the year ended 31 December 2021.

***Review of activities and future development***

During the year, the Company performed its obligations under the contract with BUE Bulkers Limited for the management of vessels deployed for the Tengiz project. There are a total of 17 vessels as part of this agreement which the Company operates for BUE Bulkers Limited. The duration of this contract is three years, and it was scheduled to an end in December 2021. However, the company has succeeded in delivering the contractual mandate by July 2021. The Directors are currently engaged in sourcing opportunities for the Company after completion of the existing contract in 2021

***Results and dividends***

The profit for the year was USD 30,722 (2020: loss of USD 332,834). No dividend was paid during the current and prior year. The profit has been transferred to reserves. As at 31 December 2021 the Company had net current assets of USD 8,148,072 (2020: USD 8,117,349) and net assets of USD 8,148,072 (2020: USD 8,117,349).

***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 the Directors' report 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 exposed to risk where the vessels might breakdown and may not deliver as expected.

The Company has no operations within the United Kingdom or the European Union and therefore there isn't any impact of Brexit on its operations.

***Key performance indicators***

The key performance indicators monitored by the Group are revenue, earnings before income tax, depreciation and amortisation (EBITDA), EBITDA margin, return on assets and fleet utilisation. Owing to the way in which the Group companies interact during the normal course of business, these KPIs are measured at the Group level and not measured against each individual subsidiary of Topaz Energy and Marine Limited, hence are not further discussed in this report.

***Disclosure under Section 172 of the Companies Act 2006***

The directors welcome the new reporting requirement as an opportunity to explain how dialogue with stakeholders has informed and helped to shape their decisions.

**Topaz Riws Limited**  
**(Registered No. SC 362012)**  
**Annual Report and Financial Statements - 2021**

**STRATEGIC REPORT (continued)**

***Disclosure under Section 172 of the Companies Act 2006 (continued)***

Through working collaboratively with management and listening to feedback from the Company's stakeholders, the directors believe that Topaz RIWS Limited is well positioned to respond to increasing uncertainty. We are embarking on a period of change with the motto to deliver on our purpose and succeed over the long term. This means continuing to deliver our investor proposition, while responding to society's expectations and maintaining high standards of business conduct. Aside from the shareholder, the Directors consider the key stakeholders in the business to be its customers and suppliers.

The company does not have any employees and all operational and administrative work is handled by the parent company.

Following are the key issues, factors and stakeholders that the directors consider relevant in discharging their duties under Section 172:

**a. Business Relationships**

**i. Customers**

Topaz RIWS Limited has business interests and customer contracts restricted to one of its group companies BUE Bulkers Limited for the management of 17 vessels under the Tengiz project. The company has succeeded in delivering the contractual mandate and ensuring that the vessels are 100% utilised in the financial year 2021. The current year turnover is USD 32.1m (2020: USD 60.5m).

Keeping in view the ever-changing dynamics of the logistics business, the directors are working on deploying a robust logistics model that will result in considerable cost savings, thereby delivering value proposition to the customers. This logistics business model will form the core for winning future contracts and ensuring the vessels are gainfully deployed in the long term.

**ii. Suppliers**

Building strong relationships with suppliers enables the Company to obtain the best value, service and quality. The Company has only one contract for operational management with one of the group companies, Topaz Astrakhan LLC for operational management of vessels under the Tengiz contract.

**b. Community and Environment**

**i. Corporate Social Responsibility**

The Company takes great pride in being a responsible corporate citizen and positively influencing the communities in which we operate. While the company's operations is restricted to contract with a group company Topaz Astrakhan LLC operating in Russia, the Company has created shared values for local communities in Russia through employing locally and prioritising use of in-country supply-chains which would result in the long-term community development.

**Topaz Riws Limited**  
**(Registered No. SC 362012)**  
**Annual Report and Financial Statements - 2021**

**STRATEGIC REPORT (continued)**  
***Disclosure under Section 172 of the Companies Act 2006 (continued)***

**b. Community and Environment (continued)**

**ii. Environment**

The long-term success and growth of Topaz relies upon our continued ability to improve the quality of services and products we deliver, whilst fulfilling effective duties of care to operational safety, human health and environmental well-being. This includes our commitment to environmental performance and prevention of pollution, including targeting “Zero Spills” in all operations. Zero spills refer to no chemicals, fuel, gases, other environmental hazardous waste or pollutants discharged by the vessels resulting in a negative impact on the surrounding environment. The Company has ensured safe and environment friendly practices for disposing off waste coupled with stringent best safety practices in vessel operations to ensure zero impact on the environment.

**c. Business Conduct**

**i. Code of Conduct**

The Code of Business Conduct (COBC) sets the standards and clarifies the procedures and rules for running our day-to-day operations. It provides practical guidance for dealing professionally with business partners, customers, employees and the communities in which we operate, and includes the promotion of personal integrity and respect for the environment. Understanding the COBC is a mandatory part of our employee induction process and is accessible to all employees of the Group on the intranet. Topaz RIWS does not have employees of its own.

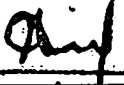
**ii. Health and Safety**

The Directors have focused relentlessly on ensuring the safety of our operations and contractors across our global organization. Our unwavering commitment to safety supported through operational excellence has delivered over 1 year of LTI and Serious Injuries -free operations.

Additionally, our fleet management teams continue to work beyond our robust Safety Management System (SMS). They focus on exceeding client expectations and industry standards such as ISO 9001, ISO 14001, ISO 45001, as well as those set by the Oil Companies International Marine Forum (OCIMF) and we ensure that all business locations are constantly monitored and verified against the POML Corporate Standards through our robust Corporate Assurance Program led by our Corporate Assurance Manager.

The company has received re-accreditation by ABS to the Quality Management Standard ISO 9001:2015, the Environmental Management Standard ISO 14001:2015 and the new Occupational Health and Safety Management Standard ISO 45001:2018, which demonstrate our continued commitment to providing the highest levels of quality and services.

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


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Narayana Prasad Narumanchi Venkata Lakshmi  
Director  
21<sup>st</sup> December 2022

**Topaz Riws Limited**  
**(Registered No. SC 362012)**  
**Annual Report and Financial Statements - 2021**

## **DIRECTORS' REPORT**

The Directors present their report and audited financial statements for the year ended 31 December 2021.

### ***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:

- Narayana Prasad Narumanchi Venkata Lakshmi
- Martin Helweg (appointed 18 August 2021)
- Robert Desai (resigned 18 August 2021)

### ***Future developments and dividends***

Please refer to "Strategic Report" for details on the future development of the Company and for information in respect of dividends.

### ***Financial instruments***

The Company's principal financial assets are amounts due from related parties. The Company's credit risk attributable to its amounts due from related parties is not material. The directors consider the credit risk associated with these balances to be acceptable as they are ultimately supported by the group parent. The Company does not enter into any derivative financial instruments. The Company's financial liabilities comprise amounts due to related parties. Amounts due to related parties are paid as and when needed.

### ***Going Concern***

The Company's business activities, together with the factors likely to affect its future development, its financial position and dividend are described in the Strategic Report on page 2.

The Company incurred loss in 2021 and is in a net current assets and a net assets position, funded by equity. Whilst the financial performance and position of the company do not raise doubts around its ability to continue as a going concern, the way in which the company's trading activities are integrated with those of the group, mean that in making their assessment, the Directors have deemed it appropriate nonetheless to seek assurance from the group of its intention to support the company in its operations, and financially if required, for the foreseeable future. The intermediate parent Company, Topaz Energy & Marine Limited, Bermuda has confirmed that it will provide such financial support as may be required to enable the Company to meet its debts and obligations for a period of at least 12 months following the date of signing of these financial statements.

In seeking this support, the Directors acknowledge that the emergence of Covid-19 in early 2020 and the business disruptions caused by the Russia-Ukraine war since February 2022, have resulted in economic uncertainty across the globe and volatility in all markets, including oil and gas, to which the Company's operation are closely linked. As such, the Directors have not only considered the intention of the Parent Company to provide this financial support, should the need arise, but also its ability to do so. They have reviewed the Group's liquidity and its forecasts for the period in question, as well as the assumptions that underpin them and are satisfied that owing to the long-term contracting nature of the Group's business and the blue chip make up of its client base, the Topaz Group's overall going concern position is assured.

**Topaz Riws Limited**  
**(Registered No. SC 362012)**  
**Annual Report and Financial Statements - 2021**

**DIRECTORS' REPORT (continued)**

***Going Concern (continued)***

Accordingly, despite the current economic uncertainty, these financial statements are prepared on a going concern basis.

***Independent auditor***

Just Audit & Assurance Ltd were appointed as independent auditors for the year ended 31 December 2021 in accordance with section 485 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.

***Events after the balance sheet date***

Subsequent to the year end, Russia launched a large-scale military invasion in Ukraine (Ukrainian crisis). The Company is continuously monitoring risks, uncertainties, and potential impacts on its operations in light of this event. As the situation is fast evolving, the effect of the crisis is subject to significant levels of uncertainty, with the full range of possible effects unknown. These uncertainties have been treated as a non-adjusting event as these events evolved after the reporting date. Accordingly, the financial position and results of operations as at and for the year ended 31 December 2021 have not been adjusted to reflect this impact.



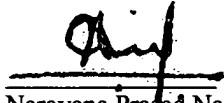
**Topaz Riws Limited**  
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**Annual Report and Financial Statements - 2021**

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**DIRECTORS' REPORT (continued)**

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



Narayana Prasad Narumanchi Venkata Lakshmi  
Director  
21<sup>st</sup> December 2022

**Topaz Riws Limited**  
**(Registered No. SC 362012)**

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual Report, the Strategic Report, 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 they have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOPAZ RIWS LIMITED****Opinion**

We have audited the financial statements of Topaz Riws Limited (the 'company') for the year ended 31 December 2021, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 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.

**Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

## **Independent Auditor's Report to the Members of Topaz Riws Limited (continued)**

### **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 this regard.

### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 5], 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.

## Independent Auditor's Report to the Members of Topaz Riws Limited (continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detect irregularities included, but was not limited to, the following:

- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit work over the risk of management override of controls including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing estimates for bias.

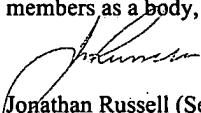
Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### 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.

  
Jonathan Russell (Senior Statutory Auditor)

For and on behalf of Just Audit & Assurance Ltd, Statutory Auditor  
23 Station Road  
Gerrards Cross  
Buckinghamshire  
SL9 8ES

21st December 2022

**Statement of profit or loss and other comprehensive income  
for the year ended 31 December 2021**

	Notes	2021 USD	2020 USD
Revenue	6	32,071,115	60,156,770
Cost of sales	7	(32,007,070)	(60,036,639)
<b>Gross profit</b>		<b>64,045</b>	<b>120,131</b>
General and administrative expenses	8	(25,748)	(530,231)
Finance costs		(251)	(689)
<b>Profit / (Loss) before income tax</b>		<b>38,046</b>	<b>(410,789)</b>
Income tax credit	9	(7,324)	77,955
<b>Profit / (Loss) for the year, representing total comprehensive profit for the year</b>		<b>30,722</b>	<b>(332,834)</b>

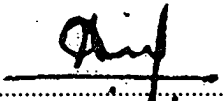
The accompanying notes from pages 15 to 28 form an integral part of these financial statements.

The independent auditors' report on financial statements is set out on pages 9 to 11.

**Balance Sheet**  
for the year ended 31 December 2021

	Notes	2021 USD	2020 USD
<b>ASSETS</b>			
<b>Current assets</b>			
Amounts due from related parties	10	145,330,173	118,280,161
Bank and cash in hand		974	225
<b>Total Assets</b>		<b>145,331,147</b>	<b>118,280,386</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	2	2
Retained earnings	12	8,148,070	8,117,347
<b>Total equity</b>		<b>8,148,072</b>	<b>8,117,349</b>
<b>Current liabilities</b>			
Amounts due to a related party	10	137,155,740	110,163,037
Income Tax Payable		7,324	-
Account payables & accruals		20,011	-
<b>Total liabilities</b>		<b>137,183,075</b>	<b>110,163,037</b>
<b>Total Equity and Liabilities</b>		<b>145,331,147</b>	<b>118,280,386</b>

The financial statements of Topaz Riws Limited [formerly River Till Shipping Limited] (registered number: SC 362012) were approved by the board of directors on 21<sup>st</sup> December 2022 and were signed on its behalf by:

  
.....  
Narayana Prasad Narumanchi Venkata Lakshmi  
Director

  
.....  
Martin Helweg  
Director

The accompanying notes from pages 15 to 28 form an integral part of these financial statements.

The independent auditors' report on financial statements is set out on pages 9 to 11.

**Statement of changes in equity  
for the year ended 31 December 2021**

	<b>Share capital USD</b>	<b>Retained earnings USD</b>	<b>Total USD</b>
Balance at 1 January 2020	2	8,450,181	8,450,183
Loss for the year and total comprehensive loss	-	(332,834)	(332,834)
Balance at 31 December 2020	2	8,117,347	8,117,349
Loss for the year and total comprehensive loss	-	30,722	30,722
<b>Balance at 31 December 2021</b>	<b>2</b>	<b>8,148,070</b>	<b>8,148,072</b>

The accompanying notes from pages 15 to 28 form an integral part of these financial statements.

The independent auditors' report on financial statements is set out on pages 9 to 11.



**Notes to the financial statements  
for the year ended 31 December 2021 (continued)**

**1. Establishment and operations**

Topaz Riws 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, Scotland, United Kingdom, EH3 8EH.

The Company is a wholly owned subsidiary of BUE Marine Limited, a company registered in Scotland. The Company's ultimate parent undertaking was Renaissance Services SAOG, a Company registered in the Sultanate of Oman. On 19 September 2019, DP World FZE completed the acquisition of the sub-group headed by Topaz Energy and Marine Limited (the "Intermediate Parent Company"). Accordingly, as at 31 December 2020 and 31 December 2021, the Company is fully owned by DP World FZE (the "Parent Company"). Dubai World Corporation, registered in Dubai, is the Ultimate Parent Company.

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

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

**2.1 New and amended IFRS Standards that are effective for the current year**

During the current year, the company adopted the below amended International Financial Reporting Standards ("IFRS") that are effective for the financial year ended 31 December 2021:

	<b>Effective date</b>
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
IFRS 16 Leases – COVID 19 Rent Concessions – Relief for Lessees	1 January 2021
COVID-19-Related Rent Concessions – (Amendment to IFRS 16)	1 January 2021

**Phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – interest rate benchmark (IBOR) reform**

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to IBORs on its financial instruments that will be reformed as part of these market-wide initiatives. The Group has put in place a plan to oversee the approach to LIBOR transition in coordination with international developments. The transition has implications for the Group's borrowing and its stakeholders ranging from legal, financial, technical and operational considerations. The Group has undertaken IBOR transition and have applied the Phase 2 amendments in 2021.

Other amendments to IAS 39, IFRS 7, IFRS 4 and IFRS 16 which are effective from 1 January 2021 did not result in any change to Group's accounting policies or accounting adjustments.

**2.2 New and amended IFRS applied with no material effect on the financial statements**

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted in annual period beginning on 1 January 2021. However, the company has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the company's financial statements:

**Notes to the financial statements  
for the year ended 31 December 2021 (continued)**

	<b>Effective for annual periods <u>beginning on or after</u></b>
Onerous Contracts – Cost of Fulfilling a Contract (Amendment to IAS 37)	1 January 2022
Annual improvements to IFRS Standards 2018-2020	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 January 2023
Classification of Liabilities as Current and Non-current (Amendments to IAS 1)	1 January 2023
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
Definition of Accounting Estimate (Amendments to IAS 8)	1 January 2023

Management does not expect that the adoption of the above new and amended standards will have a significant impact on the company's financial statements.

### **3. Basis of preparation**

#### **Basis of accounting**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of Topaz Energy and Marine Limited.

The financial statements have been prepared under the historical cost convention, except for financial instruments which are measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

**Notes to the financial statements  
for the year ended 31 December 2021 (continued)**

**3. Basis of preparation (continued)**

**Going concern**

The Company is at net current asset position, however, the Company posted a profit after taxation amounting to USD 30,722 (2020: loss of USD 332,834). Whilst the financial performance and position of the company do not raise doubts around its ability to continue as a going concern, the way in which the company's trading activities are integrated with those of the group, mean that in making their assessment, the Directors have deemed it appropriate nonetheless to seek assurance from the group of its intention to support the company in its operations, and financially if required, for the foreseeable future. The intermediate parent Company, Topaz Energy & Marine Limited, Bermuda has confirmed that it will provide such financial support as may be required to enable the Company to meet its debts and obligations for a period of at least 12 months following the date of signing of these financial statements.

In seeking this support, the Directors acknowledge that the emergence of Covid-19 in early 2020 has resulted in economic uncertainty across the globe and volatility in all markets, including within the oil and gas market to which the Topaz Marine Group's operations in the Middle East are closely linked. A reduction in the demand for oil has suppressed oil prices and reduced activity for the Group's customers. As such, the Directors have not only considered the intention of the Parent Company to provide this financial support, should the need arise, but also its ability to do so. They have reviewed the Group's liquidity and its forecasts for the period in question, as well as the assumptions that underpin them and are satisfied that owing to the long-term contracting nature of the Group's business and the blue chip make up of its client base, the Topaz Group's overall going concern position is assured.

Accordingly, despite the current economic uncertainty, these financial statements are prepared on a going concern basis

**Functional currency and presentation currency**

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

**4. Significant accounting policies**

**Revenue recognition**

The company recognises revenue from its major source, operational management services in accordance with IFRS 15. Revenue is measured based on the consideration to which the company expects to be entitled in a contract with a customer. The company recognises revenue when the services are rendered, by reference to the stage of completion of specific transactions assessed on the basis of the actual services performed as a percentage of the total services to be performed. It is considered to be a distinct service as it is available for customers from other providers in the market. The contract contains one performance obligation and the transaction price allocated to these services is recognised over the period based on percentage of completion.

In determining the transfer price, a promised amount of consideration is adjusted for the effects of the time value of money if the timing of payments agreed to by the parties to the contract provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer.

**Finance costs**

Finance costs comprises interest expense on borrowings. All borrowing costs are recognised in the statement of profit or loss 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

**Notes to the financial statements  
for the year ended 31 December 2021 (continued)**

**4. Significant accounting policies (continued)**

necessary to prepare the asset for its intended use or sale are complete.

**Financial instruments**

Financial assets and financial liabilities are recognised in the Company's Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit or loss and other comprehensive income.

***Financial assets***

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

***Financial assets (continued)***

**Classification of financial assets**

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

***Amortised cost and effective interest rate method***

(i) The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss

**Notes to the financial statements  
for the year ended 31 December 2021 (continued)**

**4. Significant accounting policies (continued)**

**Financial instruments (continued)**

*Financial assets (continued)*

allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in the statement of profit or loss and other comprehensive income and is included in the "finance income - interest income" line item.

*Amortised cost and effective interest rate method (continued)*

*Foreign exchange gains and losses*

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item.

*Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI and trade and other receivables (excluding prepaid expenses). The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade and other receivables (excluding prepaid expenses). The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should

**Notes to the financial statements  
for the year ended 31 December 2021 (continued)**

**4. Significant accounting policies (continued)**

**Financial instruments (continued)**

***Financial assets (continued)***

***Impairment of financial assets (continued)***

be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

***(i) Significant increase in credit risk***

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

***(i) Significant increase in credit risk (continued)***

- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

**Notes to the financial statements  
for the year ended 31 December 2021 (continued)**

**4. Significant accounting policies (continued)**

**Financial instruments (continued)**

***Financial assets (continued)***

***Impairment of financial assets (continued)***

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- 1) The financial instrument has a low risk of default,
- 2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- 3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

**(ii) Definition of default**

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

**(ii) Definition of default (continued)**

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

**(iii) Credit-impaired financial assets**

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event (see (ii) above);
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

**Notes to the financial statements  
for the year ended 31 December 2021 (continued)**

**4. Significant accounting policies (continued)**

**Financial instruments (continued)**

***Financial assets (continued)***

***Impairment of financial assets (continued)***

- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the statement of profit or loss and other comprehensive income.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IAS 17 *Leases*.

(v) Measurement and recognition of expected credit losses (continued)

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the Balance Sheet.



**Notes to the financial statements  
for the year ended 31 December 2021 (continued)**

**4. Significant accounting policies (continued)**

**Financial instruments (continued)**

***Financial assets (continued)***

***Impairment of financial assets (continued)***

***Derecognition of financial assets***

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

***Financial liabilities***

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

***Financial liabilities measured subsequently at amortised cost***

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

**Notes to the financial statements  
for the year ended 31 December 2021 (continued)**

**4. Significant accounting policies (continued)**

**Financial instruments (continued)**

***Financial liabilities (continued)***

***Financial liabilities measured subsequently at amortised cost (continued)***

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and 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 liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

***Foreign exchange gains and losses***

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses' line item in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

***Derecognition of financial liabilities***

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit or loss and other comprehensive income.

Financial assets and financial liabilities are recognised on the Company's Balance Sheet when the Company has become a party to the contractual provisions of the instrument.

**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 rates 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 statement of profit or loss and other comprehensive income.

**Notes to the financial statements  
for the year ended 31 December 2021 (continued)**

**4. Significant accounting policies (continued)**

**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.

**Provisions**

A provision is recognised if, as a result of past event, the Company 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 a finance cost.

**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 in applying the accounting policies during the financial year.

*Key sources of estimation uncertainty*

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

**6. Revenue**

	2021 USD	2020 USD
<i>Revenue – over time</i>		
Operational management income	<u>32,071,115</u>	<u>60,156,770</u>

The Company has entered into a contract with BUE Bulkera (a related party), under which it manages the performance of certain transportation services that BUE Bulkera has undertaken to perform in consortium with Blue Water Logistic UK Limited toward Tengizchevroil LLP ("Client") under an offshore marine module transport contract ("Main Service Contract"). Such services involve the transportation of certain modules and equipment from Baltic and Black Sea through the Russian Inland Riverways Systems into Kazakhstan with the use of the special purpose built vessels.

The operational management income is accounted for as a single performance obligation recognising revenue over time. The Company has unsatisfied performance obligations of USD Nil as 31 December

**Notes to the financial statements  
for the year ended 31 December 2021 (continued)**

2021 (31 December 2020: USD Nil). There are no amounts included within the Balance Sheet in respect of revenue recognition under IFRS 15 in either year.

**7. Cost of sales**

	2021 USD	2020 USD
Operational management expense	<u>32,007,070</u>	<u>60,036,639</u>

The Company has entered into a contract with Topaz Astrakhan LLC, a related party, to sub-contract the transportation services provide to Tengizchevroil LLP (refer Note 6). The entirety of the cost of sales balance relates to operational management fees paid to Topaz Astrakhan LLC. Topaz Astrakhan LLC provides the safe and timely marine transportation of cargo from Tengizchevroil LLP designated transshipment base to the CaTRo Cargo Offloading Facility at Prorva in the Republic of Kazakhstan. The service requires the contractor to provide vessels, personnel and associated support equipment.

**8. General and administrative expenses**

	2021 USD	2020 USD
Management fee, Legal & Professional fee	25,748	530,231
	<u>25,748</u>	<u>530,231</u>
<b>Auditor's Fee</b>	<u>7,500</u>	<u>11,250</u>

The auditor did not provide any non-audit services to the Company during the year.

**Staff costs**

The Company had two directors in 2021 (2020: two directors). The directors are remunerated for their service by the related party.

**9. Income tax**

	2021 USD	2020 USD
Group relief surrendered and paid for	-	(77,955)
Tax liabilities	-	(77,955)

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

	2021 USD	2020 USD
Loss before income tax	<u>38,046</u>	<u>(410,789)</u>
Tax at the UK corporation tax rate 19.00% (2020:19.00%)	7,229	(78,050)
Tax effect of expenses that are not deductible in determining taxable profit	95	95

**Notes to the financial statements  
for the year ended 31 December 2021 (continued)**

Tax credit and effective tax rate for the year

**7,324**

**(77,955)**

**10. Related party transactions**

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24 *Related Party Disclosures*. Related parties comprise companies and entities under common ownership and/or common management and control, shareholders and key management personnel. The terms and conditions of such transactions are decided by management.

**a) Amounts due from related parties**

	2021 USD	2020 USD
<b><i>Company under common ownership and management control</i></b>		
BUE Bulkers Limited, Scotland	145,205,570	118,162,881
Topaz Marine NIG Ltd, Nigeria	117,280	117,280
	<b>145,322,850</b>	<b>118,280,161</b>

Amounts due from related parties at the year-end arise in the normal course of business. It is not the practice of the Company to obtain collateral over inter-company receivables and the balances are therefore, unsecured.

The Group has determined that the amounts due from related parties do not carry a material credit risk and hence no expected or specific loss allowance is required on these balances. In the process of making this determination, the Group has considered the terms underlying these balances, the ability of the related parties to settle these balances when due and the right of set off on a Group basis. The balances due from related parties are repayable on demand and there is no historical default rate. The settlement of the related party balances are guaranteed by Topaz Energy & Marine Limited, Bermuda, the Parent Company.

**b) Amounts due to related parties**

	2021 USD	2020 USD
<b><i>Immediate parent company</i></b>		
BUE Marine Limited, Scotland	22,250,509	21,022,956
<b><i>Company under common ownership and management control</i></b>		
Topaz Astrakhan LLC (Note 10(i))	114,529,681	88,764,531
BUE Caspian Limited, Scotland	375,550	375,550
	<b>137,155,740</b>	<b>110,163,037</b>

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

- (i) The Company has entered into a contract with Topaz Astrakhan LLC, a related party, to sub-contract the transportation services provide to Tengizchevroil. Refer to note 7 for further details.

**Notes to the financial statements  
for the year ended 31 December 2021 (continued)**

**11. Share capital**

	2021 USD	2020 USD
<i>Authorised</i>		
1,000 (2020: 1,000) Ordinary shares of £1 (2020: £1) each	1,750	1,750
<i>Allotted, called up and fully paid</i>		
1 (2020: 1) Ordinary share of £1 (2020: £1)	2	2

**12. Retained earnings**

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

**13. Ultimate parent company**

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

**14. SUBSEQUENT EVENTS**

***Impact of the Ukrainian crisis and Russian sanctions***

Subsequent to the year end, Russia launched a large-scale military invasion in Ukraine (Ukrainian crisis). The Company is continuously monitoring risks, uncertainties, and potential impacts on its operations in light of this event. As the situation is fast evolving, the effect of the crisis is subject to significant levels of uncertainty, with the full range of possible effects unknown. These uncertainties have been treated as a non-adjusting event as these events evolved after the reporting date. Accordingly, the financial position and results of operations as at and for the year ended 31 December 2021 have not been adjusted to reflect this impact.

**15. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved for issuance and signed by the management on behalf of the shareholders on 21<sup>st</sup> December 2022