

Howe Robinson Partners (UK) Limited

Annual Report and Financial Statements

For the year ended 31 March 2017



Howe Robinson Partners (UK) Limited

Company Information

Directors

H. Liddell
G. Hulse
J. Ngoh
G. Hindley
P. Newman
D. J. L. F. Anderson (Appointed 1 October 2016)

Company number

09449021

Registered office

3rd Floor
40 Gracechurch Street
London
EC3V 0BT

Auditors

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
United Kingdom
EC1M 7AD

Howe Robinson Partners (UK) Limited

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Howe Robinson Partners (UK) Limited

Strategic Report

For the year ended 31 March 2017

The directors present the strategic report and financial statements for the year ended 31 March 2017.

Fair review of business

The company's principal business is Shipbroking.

The company commenced trading on 1st April 2015. It was established as the principal subsidiary of Howe Robinson Partners PTE Ltd of Singapore, primarily to conduct its activities in Europe.

Its main source of income during the year was brokerage from shipping business transacted, as brokers, for the charter, sale and purchase, and contracting of newbuilding merchant ships.

Its secondary source of income has been brokerage received from its shareholders, Howe Robinson Group PTE Ltd, and ICAP PLC, which, under the shareholders' agreement is due to the company's incentive scheme in relation to the run off of business concluded prior to 1st April 2015.

The company operates from offices in London, Hamburg, Copenhagen, Hong Kong, Tokyo and Houston.

Principal risks and uncertainties

The company's business is sensitive to the level of markets in its key operating areas. These markets can be both volatile and unpredictable. Key drivers of rates are the supply of ships and the quantum of world trade both being factors over which the company has no control.

In the year to 31 March 2017 all the markets in which the company operates saw difficult and challenging conditions. In Tankers the Baltic Dirty Index, which charts an average of crude oil freight rates, averaged 741 for the year, a decline of 9 per cent on the average for the previous year. The comparable figure for the Baltic Clean Tanker Index was 510, a 17% decrease on the previous year. Fleet growth is continuing with stronger growth in certain sectors of the market.

Container chartering was also a difficult market with the Howe Robinson Container Charter Index averaging 428 over the year to 31 March 2017, a decrease of 28% on the previous year average of 595.

The Baltic Dry Cargo Index, which reached an historic low of 290 in February 2016, averaged 820 over the year to 31 March 2017, an increase of 25% over the previous year's figure. The index closed the year at 1297 and the second half for the Dry business was much stronger than the first half. The increase in the supply of ships continued at historic low levels.

The company seeks to remain profitable in all its markets by controlling costs and continuing to write as many fixtures as possible. In the year to 31 March 2017 the company wrote 4,450 fixtures, a 3% decrease on the previous year.

Employee numbers

The company is dependent upon the continuing support of its key brokers. The structure of the Howe Robinson Partners Group is designed to provide a rewarding and congenial working environment which should attract and retain some of the world's best and most competitive shipbrokers.

During the year the average number of employees was 277.

The company operates an active recruitment programme for both experienced and trainee staff.

Howe Robinson Partners (UK) Limited

Strategic Report (Continued)

For the year ended 31 March 2017

Other Risks, Information and Explanations

Professional Liability

The company is potentially exposed to the risk of litigation. This risk is managed if not eliminated by continuous oversight of our operations and, additionally, by P.I. insurance

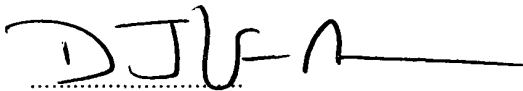
Competitive Pressures

The company aims to maintain and grow its market share. Its key asset is its people and the company seeks to provide an attractive environment where those who perform well are well rewarded. The business remains highly competitive and the directors consider that in the majority of its markets the company is maintaining its market position. The role of the broker is questioned in some of the markets in which the company operates and the company has to remain competitive by being relevant and effective for its clients.

Money Laundering, Fraud and Corruption Risks

The company is very aware of the challenges of risk management in all these areas. It maintains a commitment to the highest ethical standards, and maintains robust educational policies and internal controls to ensure its employees and principals act appropriately at all times.

On behalf of the board



D. J. L. F. Anderson

Director

06.09.17

Howe Robinson Partners (UK) Limited

Directors' Report

For the year ended 31 March 2017

The directors present their annual report and financial statements for the year ended 31 March 2017.

Principal activities

The principal activity of the company continued to be that of shipbroking.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P Kerr-Dineen	(Resigned 30 September 2016)
H. Liddell	
G. Hulse	
J. Ngoh	
G. Hindley	
P. Newman	
D. J. L. F. Anderson	(Appointed 1 October 2016)

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company's continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Auditors

In accordance with the company's articles, a resolution proposing that Kingston Smith LLP be reappointed as auditors of the company will be put at a General Meeting.

Statement of disclosure to auditors

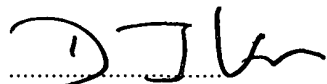
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Howe Robinson Partners (UK) Limited

Directors' Report (Continued)

For the year ended 31 March 2017

On behalf of the board



D. J. L. F. Anderson

Director

06.09.17

Howe Robinson Partners (UK) Limited

Independent Auditors' Report

To the Members of Howe Robinson Partners (UK) Limited

We have audited the financial statements of Howe Robinson Partners (UK) Limited for the year ended 31 March 2017 which comprise the Statement of Total Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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 auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and *International Standards on Auditing (UK and Ireland)*. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

Howe Robinson Partners (UK) Limited

Independent Auditors' Report (Continued)

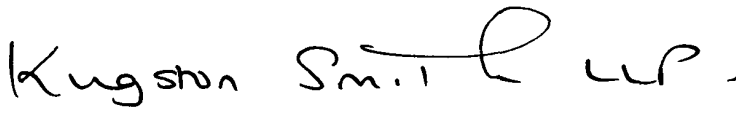
To the Members of Howe Robinson Partners (UK) Limited

Matters on which we are required to report by exception

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:

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 material misstatements in the directors' report.

- 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.



Heather Powell (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

6 September 2017

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
United Kingdom
EC1M 7AD

Howe Robinson Partners (UK) Limited

Statement of Comprehensive Income

For the year ended 31 March 2017

		Year ended 31 March 2017 \$	Period ended 31 March 2016 \$
Turnover	Notes 3	25,342,841	25,370,318
Administrative expenses		(30,426,830)	(33,512,436)
Other operating income		4,862,253	7,461,847
Operating loss	4	(221,736)	(680,271)
Interest receivable and similar income	8	68	-
Interest payable and similar charges	9	-	(103)
Other gains and losses	10	(43,540)	48,117
Loss before taxation		(265,208)	(632,257)
Taxation	11	(137,884)	(620)
Loss for the financial year		(403,092)	(632,877)
Total comprehensive income for the year		(403,092)	(632,877)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

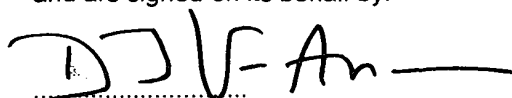
Howe Robinson Partners (UK) Limited

Balance Sheet

As at 31 March 2017

	Notes	2017 \$	\$	2016 \$	\$
Fixed assets					
Tangible assets	12	1,453,549		1,724,568	
Investments	13	1,001		1	
		<u>1,454,550</u>		<u>1,724,569</u>	
Current assets					
Debtors	16	18,462,273	23,421,611		
Cash at bank and in hand		1,735,965	1,028,885		
		<u>20,198,238</u>	<u>24,450,496</u>		
Creditors: amounts falling due within one year	17	<u>(22,688,756)</u>	<u>(26,807,941)</u>		
Net current liabilities		(2,490,518)		(2,357,445)	
Total assets less current liabilities		<u>(1,035,968)</u>		<u>(632,876)</u>	
Capital and reserves					
Called up share capital	18	1	1		
Profit and loss reserves		(1,035,969)	(632,877)		
Total equity		<u>(1,035,968)</u>	<u>(632,876)</u>		

The financial statements were approved by the board of directors and authorised for issue on 06.09.17 and are signed on its behalf by:



D. J. L. F. Anderson
Director

Company Registration No. 09449021

Howe Robinson Partners (UK) Limited

Statement of Changes in Equity

For the year ended 31 March 2017

	Notes	Share capital \$	Profit and loss reserves \$	Total \$
Balance at 19 February 2015		-	-	-
Period ended 31 March 2016:				
Loss and total comprehensive income for the period		-	(632,877)	(632,877)
Issue of share capital	18	1	-	1
Balance at 31 March 2016		1	(632,877)	(632,876)
Period ended 31 March 2017:				
Loss and total comprehensive income for the period		-	(403,092)	(403,092)
Balance at 31 March 2017		1	(1,035,969)	(1,035,968)

Howe Robinson Partners (UK) Limited

Notes to the Financial Statements

For the year ended 31 March 2017

1 Accounting policies

Company information

Howe Robinson Partners (UK) Limited is a company limited by shares, incorporated in England and Wales. The registered office is 3rd Floor, 40 Gracechurch Street, London, EC3V 0BT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in US dollars, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest dollar.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken the available disclosure exemptions from the requirements of Section 7 "Statement of Cash Flows" and Section 3 "Financial Statement Presentation" paragraph 3.17(d); Section 11 "Basic Financial Instruments" paragraphs 11.39 to 11.48A and Section 12 "Other Financial Instruments Issues" paragraphs 12.26 to 12.29A; and Section 33 "Related Party Disclosures" paragraph 33.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Howe Robinson Partners (UK) Limited is a wholly owned subsidiary of Howe Robinson Partners Pte. Ltd and the results of Howe Robinson Partners (UK) Limited are included in the consolidated financial statements of Howe Robinson Partners Pte. Ltd which are available from 8 Shenton Way #13-01, Singapore 068811.

1.2 Going concern

The company made a loss for the period of \$403,092 (2016: \$632,877) and had net liabilities at the reporting date of \$1,035,968 (2016: \$632,876). The company are reliant on the ongoing support of the parent group who have confirmed that they will continue to support the working capital requirements of the company for the foreseeable future. On this basis the financial statements are prepared on the going concern basis

1.3 Turnover

Turnover comprises the fair value of the consideration received or receivable in the ordinary course of the company's activities. Turnover is presented, net of goods and services tax, rebates, discounts and bad debt provisions. Commission income on brokerage is recognised when the company becomes entitled to the income on the completion of the underlying contractual agreements it brokers.

Howe Robinson Partners (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	33% straight line
Office Equipment	20% straight line
Motor Vehicles	Over the length of the lease

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Howe Robinson Partners (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

1 Accounting policies

(Continued)

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Howe Robinson Partners (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Howe Robinson Partners (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Howe Robinson Partners (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

1 Accounting policies

(Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Although these estimates are based on the management's best knowledge of current events and actions, actual results may differ from those estimates.

Critical judgements

No critical accounting judgement was made by management in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Howe Robinson Partners (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Allowances for trade debtors

The allowances for doubtful debts of the company is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding debtors. In assessing the ultimate realisation of these debtors, management considers, among other factors, the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of the company's trade debtors as at 31 March 2017 were \$11,538,559.

Depreciation of plant and equipment

The cost of these assets less its estimated residual value is depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives of these assets to be between 3 to 5 years. The carrying amounts of the company's plant and equipment at the reporting date was \$1,453,549. Changes in the expected level of usage and technical developments could impact the economic useful lives and the residual value of these assets. Therefore future depreciation charges could be revised.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 \$	2016 \$
Turnover		
Commission on brokerage	25,342,841	25,370,318
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	68	-
Fees receivable as other operating income	3,843,593	5,896,751
Management fees receivable	1,018,660	1,565,096
	<u> </u>	<u> </u>
Turnover analysed by geographical market		
	2017 \$	2016 \$
UK	17,829,902	18,977,277
Europe	5,946,437	4,740,862
Asia	1,566,502	1,652,179
	<u> </u>	<u> </u>
	25,342,841	25,370,318
	<u> </u>	<u> </u>

Howe Robinson Partners (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

4 Operating loss

	2017	2016
Operating loss for the period is stated after charging/(crediting):	\$	\$
Exchange losses/(gains)	370,061	(295,162)
Depreciation of owned tangible fixed assets	633,142	556,417

5 Auditors' remuneration

	2017	2016
Fees payable to the company's auditor and its associates:	\$	\$
For audit services		
Audit of the company's financial statements	38,000	42,500
For other services		
Taxation compliance services	6,000	6,000

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Brokers	248	217
Administration	29	25
	277	242

Their aggregate remuneration comprised:

	2017 \$	2016 \$
Wages and salaries	18,261,398	22,225,749
Social security costs	1,167,612	1,325,660
Pension costs	680,339	790,698
	20,109,349	24,342,107

Howe Robinson Partners (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

7 Directors' remuneration

	2017 \$	2016 \$
Remuneration for qualifying services	1,126,028	1,528,503
Company pension contributions to defined contribution schemes	14,499	24,148
	<u>1,140,527</u>	<u>1,552,651</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	388,926	448,205
Company pension contributions to defined contribution schemes	-	24,148
	<u>-</u>	<u>24,148</u>

Incentive bonuses amounting to \$422,922 (2016: \$769,141) were payable to directors at the year end.

8 Investment income

	2017 \$	2016 \$
Interest income		
Interest on bank deposits	68	-
	<u>68</u>	<u>-</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	68	-
	<u>68</u>	<u>-</u>

9 Interest payable and similar charges

	2017 \$	2016 \$
Interest on financial liabilities measured at amortised cost:		
Bank interest	-	103
	<u>-</u>	<u>103</u>

10 Other gains and losses

	2017 \$	2016 \$
Fair value gains/(losses) on financial instruments		
(Loss)/gain on hedging instrument in a fair value hedge	(43,540)	48,117
	<u>(43,540)</u>	<u>48,117</u>

Howe Robinson Partners (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

11 Taxation

	2017 \$	2016 \$
Current tax		
UK corporation tax on profits for the current period	133,993	-
Adjustments in respect of prior periods	320	-
Total UK current tax	134,313	-
Foreign current tax on profits for the current period	3,571	620
Total current tax	137,884	620
Total tax charge	137,884	620

The charge for the year can be reconciled to the loss per the profit and loss account as follows:

	2017 \$	2016 \$
Loss before taxation	(265,208)	(632,257)
<i>Expected tax charge based on a corporation tax rate of 20.00% (2016 - 20.00%)</i>	(53,042)	(126,451)
Tax effect of expenses that are not deductible in determining taxable profit	159,234	198,446
Permanent capital allowances in excess of depreciation	27,801	(71,995)
Foreign tax payable	3,891	620
Tax charge for the period	137,884	620

Howe Robinson Partners (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

12 Tangible fixed assets

	Fixtures and fittings \$	Office Equipment \$	Motor Vehicles \$	Total \$
Cost				
At 1 April 2016	568,775	1,693,224	18,986	2,280,985
Additions	26,424	335,699	-	362,123
At 31 March 2017	595,199	2,028,923	18,986	2,643,108
Depreciation and impairment				
At 1 April 2016	37,680	505,336	13,401	556,417
Depreciation charged in the year	115,524	512,033	5,585	633,142
At 31 March 2017	153,204	1,017,369	18,986	1,189,559
Carrying amount				
At 31 March 2017	441,995	1,011,554	-	1,453,549
At 31 March 2016	531,095	1,187,888	5,585	1,724,568

13 Fixed asset investments

	Notes	2017 \$	2016 \$
Investments in subsidiaries	14	1,001	1

Movements in fixed asset investments

	Shares in group undertakings \$
Cost or valuation	
At 1 April 2016	1
Additions	1,000
At 31 March 2017	1,001
Carrying amount	
At 31 March 2017	1,001
At 31 March 2016	1

Howe Robinson Partners (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

14 Subsidiaries

These financial statements are separate company financial statements for Howe Robinson Partners (UK) Limited.

Details of the company's subsidiaries at 31 March 2017 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Howe Robinson Partners England & Marine Evaluations Limited Wales	Marine evaluations	Ordinary shares	100.00	
Howe Robinson Partners USA, LLC	Shipbroking	Ordinary shares	100.00	

The investments in subsidiaries are stated at cost.

15 Associates

Details of the company's associates at 31 March 2017 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
ICAP Dubai	Shipbroking	Ordinary shares	20.00	

16 Debtors

	2017	2016
Amounts falling due within one year:	\$	\$
Trade debtors	11,538,559	12,422,744
Amounts due from fellow group undertakings	2,277,746	4,826,200
Derivative financial instruments	-	48,117
Other debtors	3,605,650	5,368,749
Prepayments and accrued income	1,040,318	755,801
	<u>18,462,273</u>	<u>23,421,611</u>

Howe Robinson Partners (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

17 Creditors: amounts falling due within one year

	Notes	2017 \$	2016 \$
Trade creditors		2,440,059	1,248,481
Amounts due to fellow group undertakings		12,173,465	16,020,611
Corporation tax		124,285	623
Other taxation and social security		375,989	434,008
Other creditors		92,868	44,619
Accruals and deferred income		7,482,090	9,059,599
		<u>22,688,756</u>	<u>26,807,941</u>

18 Share capital

	2017 \$	2016 \$
Ordinary share capital		
1 Ordinary of \$1 each	1	1
	<u>1</u>	<u>1</u>

19 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was \$680,339 (2016 - \$790,698).

Howe Robinson Partners (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

20 Related party transactions

Transactions with related parties

The company has taken advantage of the exemption available in section 33 of FRS 102 "Related party disclosures" whereby it has not disclosed transactions with the immediate parent company or any wholly owned subsidiary undertaking of the group.

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2017	2016
	\$	\$
Other related parties	77,598	399,774
	<u>77,598</u>	<u>399,774</u>

	Amounts owed by related parties		Amounts owed by related parties	
	2017		2016	
	Balance	Net	Balance	Net
	\$	\$	\$	\$
Entities with control, joint control or significant influence over the company	2,927	2,927	1,372	1,372
Other related parties	2,274,819	2,274,819	4,448,487	4,448,487
	<u>2,277,746</u>	<u>2,277,746</u>	<u>4,449,859</u>	<u>4,449,859</u>

No guarantees have been given or received.

21 Controlling party

The company is a wholly owned subsidiary of Howe Robinson Partners Pte. Ltd, a company registered in Singapore.

The ultimate parent company is Howe Robinson Group Pte. Ltd, a company registered in Singapore.

The smallest entity preparing consolidated accounts to include the company is Howe Robinson Partners Pte. Ltd and the largest entity preparing consolidated accounts is Howe Robinson Group Pte. Ltd. The consolidated accounts for both are available from 8 Shenton Way #13-01, Singapore, 068811.

There is no one ultimate controlling party.