FC030406/20

In accordance with Regulation 32 of the Overseas Companies Regulations 2009.

OS AA01

Statement of details of parent law and other information for an overseas company

BLUEPRINT OneWorld

✓ **What this form is for**
You may use this form to accompany your accounts disclosed under parent law.

X **What this form is NOT for**
You cannot use this form to register an alteration of manner of complian with accounting requirements.

SATURDAY

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A10 04/05/2019 #235
COMPANIES HOUSE

Part 1 Corporate company name

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

Corporate name of overseas company ❶	Resource Marine Pte. Limited
UK establishment number	B R 0 1 4 9 7 2

❶ This is the name of the company in its home state.

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and, if applicable, the legislation under which the accounts have been audited.

Legislation ❷	The Singapore Companies Act & Financial Reporting Standards

❷ This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts.

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted accounting principles?
Please tick the appropriate box.

☐ **No.** Go to **Section A3.**
☑ **Yes.** Please enter the name of the organisation or other body which issued those principles below, and then go to **Section A3.**

Name of organisation or body ❸	Singapore Financial Reporting Standards

❸ Please insert the name of the appropriate accounting organisation or body.

A3 Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box.

☐ **No.** Go to **Section A5.**
☑ **Yes.** Go to **Section A4.**

A4 Audited accounts

Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box. ☐ **No.** Go to **Part 3 'Signature'**. ☑ **Yes.** Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.	❶ Please insert the name of the appropriate accounting organisation or body.
Name of organisation or body ❶	Singapore Standards on Auditing	

A5 Unaudited accounts

Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box. ☐ **No.** ☐ **Yes.**

Part 3 Signature

	I am signing this form on behalf of the overseas company.
Signature	Signature **X** [signature] **X**
	This form may be signed by: Director, Secretary, Permanent representative.

OS AA01

Statement of details of parent law and other information for an overseas company

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name: EMEA Entity Management Team

Company name: Macquarie Group

Address: Ropemaker Place

28 Ropemaker Street

Post town: London

County/Region:

Postcode: E C 2 Y 9 H D

Country: United Kingdom

DX:

Telephone:

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.

Important information

Please note that all this information will appear on the public record.

Where to send

You may return this form to any Companies House address:

England and Wales:
The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:
The Registrar of Companies, Companies House, Fourth floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

Northern Ireland:
The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.

Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

Resource Marine Pte. Limited
Incorporated in Singapore
Registration Number 200921086K

Annual Report
for the financial year ended 31 March 2018

MACQUARIE

The Company's registered office is:
9 Straits View,
#21-07 Marina One West Tower
Singapore 018937

Resource Marine Pte. Limited

2018 Annual Report
Contents

Directors' Statement
for the financial year ended 31 March 2018

The Directors of Resource Marine Pte. Limited (the Company) present their statement to the Member together with the audited financial statements of the Company for the financial year ended 31 March 2018.

In the Directors' opinion:

(a) the financial statements and notes set out on pages 5 to 26 are drawn up to give a true and fair view of the financial position of the Company as at 31 March 2018 and of its financial performance, changes in equity and cash flows for the financial year ended on that date; and
(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Directors
The following persons were the Directors of the Company at any time during or since the end of the financial year to the date of this report:

Name of Director	Appointed on	Resigned on
Daniel William Mortleman	1 July 2013	-
Iain Douglas Hamilton Lappin-Smith	1 October 2013	21 September 2017
Matthew James Spencer Booth	31 August 2015	-
Peter Nicholas Taylor	31 August 2015	-
Rohan Westcott	18 December 2017	-
Simone Dalberto	27 July 2011	-

Arrangements to enable Directors to acquire shares and debentures
Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interest in shares, debentures and warrants
The Company has applied for and obtained approval from the Accounting and Corporate Regulatory Authority for relief from the requirement as to the form and content of the Directors' Statement for the financial year ended 31 March 2018 in relation to Section 201(16) of the Singapore Companies Act, Cap. 50.

Under the relief approval, the Company is exempted from the requirement to disclose the interests of Directors in the shares and debentures of the Company and its related corporations in the Directors' Statement for the financial year ended 31 March 2018.

Directors' contractual benefits
Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which he is a member, or with a corporation in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report, and except that certain Directors receive remuneration as a result of their employment with related corporations.

Directors' Statement
for the financial year ended 31 March 2018 (continued)

Share Options
There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Independent auditor
The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the Directors,

Peter Taylor

Peter Nicholas Taylor
Director

Daniel William Mortleman
Director

Singapore

21 September 2018

Independent Auditor's Report to the member of Resource Marine Pte. Limited

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying financial statements of Resource Marine Pte. Limited ("the Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company comprise:

- the income statement for the financial year ended 31 March 2018;
- the statement of comprehensive income for the year then ended;
- the statement of financial position as at 31 March 2018;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will 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, 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.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Independent Auditor's Report to the member of Resource Marine Pte. Limited (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 21 September 2018

Income statement
for the financial year ended 31 March 2018

	Notes	2018 US$	2017 US$
Charter income	3	**70,755,843**	84,433,247
Charter expense	3	**(68,372,091)**	(80,228,216)
Net charter income		**2,383,752**	4,205,031
Interest and similar income	3	**129,080**	52,379
Interest expense and similar charges	3	**(22,141)**	(27,161)
Total net interest income		**106,939**	25,218
Other operating income and charges	3	**758,566**	1,067,550
Net operating income		**3,249,257**	5,297,799
Other operating expenses	3	**(1,949,566)**	(1,011,713)
Total operating expenses		**(1,949,566)**	(1,011,713)
Operating profit before income tax		**1,299,691**	4,286,086
Income tax expense	4	**(1,448,775)**	(695,127)
(Loss)/profit after income tax		**(149,084)**	3,590,959
(Loss)/profit attributable to ordinary equity holder of Resource Marine Pte. Limited		**(149,084)**	3,590,959

The above income statement should be read in conjunction with the accompanying notes.

Statement of comprehensive income
for the financial year ended 31 March 2018

	2018 US$	2017 US$
(Loss)/profit after income tax	(149,084)	3,590,959
Other comprehensive income	-	-
Total comprehensive income	(149,084)	3,590,959
Total comprehensive income attributable to ordinary equity holder of Resource Marine Pte. Limited	(149,084)	3,590,959

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position as at 31 March 2018

	Notes	2018 US$	2017 US$
Assets			
Receivables from financial institutions	5	**5,800,836**	3,970,868
Other assets	6	**3,795,149**	4,598,024
Deferred tax assets	7	**1,183,654**	2,606,260
Total assets		**10,779,639**	11,175,152
Liabilities			
Other liabilities	8	**5,795,291**	5,100,713
Derivative financial liabilities	13	**-**	758,566
Provisions	9	**-**	182,441
Total liabilities		**5,795,291**	6,041,720
Net assets		**4,984,348**	5,133,432
Equity			
Contributed equity	10	**21,000,100**	21,000,100
Accumulated losses	11	**(16,015,752)**	(15,866,668)
Total capital and reserves attributable to ordinary equity holder of Resource Marine Pte. Limited		**4,984,348**	5,133,432
Total equity		**4,984,348**	5,133,432

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity
for the financial year ended 31 March 2018

	Notes	Contributed equity US$	Accumulated losses US$	Total equity US$
Balance as at 1 April 2016		17,000,100	(19,457,627)	(2,457,527)
Profit after income tax		-	3,590,959	3,590,959
Total comprehensive income, net of tax	11	-	3,590,959	3,590,959
Transactions with ordinary equity holder in its capacity as ordinary equity holder:				
Contribution of ordinary equity, net of transaction costs		4,000,000	-	4,000,000
Balance as at 31 March 2017		**21,000,100**	**(15,866,668)**	**5,133,432**
Loss after income tax		-	**(149,084)**	**(149,084)**
Total comprehensive income, net of tax	11	-	**(149,084)**	**(149,084)**
Balance as at 31 March 2018		**21,000,100**	**(16,015,752)**	**4,984,348**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows
for the financial year ended 31 March 2018

	Notes	2018 US$	2017 US$
Cash flows from/(used in) operating activities			
(Loss)/profit after income tax		**(149,084)**	3,590,959
Adjustments to (loss)/profit after income tax:			
Interest and similar income	3	**(129,080)**	(52,379)
Interest expense and similar charges	3	**22,141**	27,161
Income tax expense	4	**1,448,775**	695,127
Provision for impairment on other receivables	3	**274,955**	-
Reversal of provision	3	**-**	(134,551)
Changes in assets and liabilities :			
Derivative financial instruments		**(758,566)**	(1,067,550)
Other assets		**527,920**	2,258,355
Other liabilities, provision and tax balances		**485,968**	(8,736,133)
Cash flows from/(used in) operations		**1,723,029**	(3,419,011)
Interest and similar income received		**129,080**	52,379
Interest expense and similar charges paid		**(22,141)**	(27,161)
Net cash flows from/(used in) operating activities		**1,829,968**	(3,393,793)
Cash flows from investing activities		**-**	-
Net cash flows from investing activities		**-**	-
Cash flows from financing activities			
Proceeds from the issue of ordinary equity shares	10	**-**	4,000,000
Net cash flows from financing activities		**-**	4,000,000
Net increase in cash and cash equivalents		**1,829,968**	606,207
Cash and cash equivalents at the beginning of the financial year		**3,970,868**	3,364,661
Cash and cash equivalents at the end of the financial year	12	**5,800,836**	3,970,868

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements for the financial year ended 31 March 2018

Note 1. Company information

The Company is incorporated and domiciled in Singapore. The address of the Company's registered office and principal *place of business is 9 Straits View, #21-07 Marina One West Tower, Singapore 018937.*

The principal activities of the Company during the financial year ended 31 March 2018 was voyage chartering of ships, barges and boats with crew.

Note 2. Summary of significant accounting policies

i) Basis of preparation

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain other assets and liabilities (including derivative instruments) at fair value.

Critical accounting estimates and significant judgements

The preparation of the financial statements in conformity with FRS requires the use of certain critical accounting estimates. It also requires the management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company and the financial statements such as:

- fair value of financial assets and financial liabilities (note 18);
- recoverability of deferred tax assets and measurement of current and deferred tax (notes 2(iv), 4 and 7) and
- provisions of trade receivables and litigation cases (notes 3, 6 and 9).

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events.

The management believes that the estimates used in preparing the financial statements are reasonable. Actual results in the future may differ from those reported and therefore it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from the management's assumptions and estimates could require an adjustment to the carrying amounts of the assets and liabilities reported.

New Accounting Standards, amendments to Accounting Standards that are not yet effective

FRS 109 *Financial Instruments*

FRS 109 results in changes to accounting policies for financial assets and financial liabilities covering Classification and Measurement, Impairment and Hedge accounting. The Company will first apply FRS 109 in the financial year beginning 1 April 2018 and it will be applied retrospectively in respect of Classification and Measurement and Impairment, with no requirement to restate comparatives. The cumulative effect of initially applying the standard is recognised as an adjustment to the opening statement of financial position.

Classification and Measurement:

Financial assets:

FRS 109 has three classification categories for financial assets: amortised cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL). The classification is based on the business model under which the financial instrument is managed and its contractual cash flows.

Compared to FRS 39: Financial Instruments, the FVTOCI and amortised cost categories will be added and held-to-maturity, loans and receivables and available-for-sale classification categories will be removed.

Under FRS 109, financial assets with embedded derivatives are classified in their entirety, without separating any derivative element. The Company will apply the following policies for the newly adopted classification categories under FRS 109.

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

Note 2. Summary of significant accounting policies (continued)

i) Basis of preparation (continued)

New Accounting Standards, amendments to Accounting Standards that are not yet effective (continued)

FRS 109 *Financial Instruments (continued)*

Amortised cost:
A financial asset will be measured at amortised cost if both of the following conditions are met:
(i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
(ii) 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.

FVTOCI:
A financial asset will be measured at FVTOCI if both of the following conditions are met:
(i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
(ii) 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.

FVTPL:
All financial assets that are not measured at amortised cost or FVTOCI will be measured at FVTPL. All financial assets that are equity instruments will be measured at FVTPL unless the Company irrevocably elects to present subsequent changes in the fair value in other comprehensive income. The Company does not expect to make this election.

The Company may also irrevocably elect to designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Business model assessment:
The Company will determine the business model at the level that reflects how groups of financial assets are managed. In determining the business model, all relevant evidence that is available at the date of the assessment is used including:
(i) how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel;
(ii) the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
(iii) how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

Financial liabilities:
The component of change in fair value of the financial liabilities designated at fair value through profit or loss due to the Company's own credit risk is presented in other comprehensive income, unless this creates an accounting mismatch. If a mismatch is created or enlarged, all changes in fair value (including the effects of credit risk) are presented in income statement. Under FRS 39, this component was recognised in the income statement. This treatment was early adopted prospectively from 1 October 2016.

Impairment:
FRS 109 replaces the incurred loss model of FRS 39 with an expected loss model, resulting in an acceleration of impairment recognition.

The impairment requirements apply to financial assets measured at amortised cost and FVTOCI, lease receivables, amounts receivable from contracts with customers as defined in FRS 115 Revenue from Contracts with Customers, loan commitments, certain letters of credit and financial guarantee contracts.

Under the expected credit loss model, the Company will apply a three-stage approach to measuring the expected credit loss (ECL) based on credit migration between the stages. Where ECL is modelled collectively for portfolios of exposures, it is modelled as the product of the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD).

The assessment of credit risk, and the estimation of ECL, will be unbiased and probability weighted, and incorporate all available information relevant to the assessment, including information about past events, current conditions and reasonable and supportable information about future events and economic conditions at the reporting date.

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

Note 2. Summary of significant accounting policies (continued)

i) Basis of preparation (continued)

New Accounting Standards, amendments to Accounting Standards that are not yet effective (continued)

FRS 109 *Financial Instruments (continued)*
The impairment allowance is intended to be more forward looking under FRS 109.
(i) Stage 1 – 12 month ECL
At initial recognition, ECL is measured as the product of the 12 month PD, LGD and EAD, adjusted for forward-looking information.

(ii) Stage 2 – Lifetime ECL not credit-impaired
When there is a significant increase in credit risk (SICR), the ECL is increased to reflect the product of the lifetime PD, LGD and EAD, adjusted for forward-looking information.

(iii) Stage 3 - Lifetime ECL credit-impaired
An ECL is generally measured as the difference between the contractual and expected cash flows from the individual exposure, discounted using the effective interest rate (EIR) for that exposure. This modelling methodology does not change from FRS 39. For credit-impaired exposures that are modelled collectively, ECL is measured as the product of the lifetime PD, LGD and EAD, adjusted for forward-looking information.

(iv) Purchased or originated credit-impaired
The ECL is measured as the product of the lifetime PD, LGD and EAD adjusted for forward-looking information or by discounting the difference between the contractual and expected cash flows from the individual exposure using the credit-adjusted effective interest rate, with increases and decreases in the measured ECL from the date of origination or purchase being recognised in the income statement as an impairment loss or gain.

Hedge accounting:
The new hedge accounting requirements under FRS 109 simplify hedge accounting by more closely aligning hedge relationships with Macquarie's risk management activities. Hedge accounting may be applied to a greater variety of hedging instruments and related hedged risks. Hedge effectiveness testing will be less prescriptive under the new standard and make achieving hedge accounting more likely.

The new standard does not explicitly address the accounting for macro hedging activities and includes the choice to retain the current hedge accounting requirements of FRS 39 Financial Instruments until an amended standard as an outcome of the IASB's project on macro hedge accounting is effective. Macquarie has early adopted the hedge accounting requirements under FRS 109 prospectively for the reporting period beginning 1 April 2018. Enhanced disclosures required by amendments to FRS 107 Financial Instruments Disclosures relating to hedge accounting will be required in the Financial Report for the financial year beginning 1 April 2018.

Transition:
The Company will record a transition adjustment to statement of financial position, retained earnings and other comprehensive income as at 1 April 2018 for the impact of the adoption of the Classification and Measurement, Hedge Accounting and Impairment requirements of the FRS 109.

The transition adjustment will not have a material impact on the Company's shareholder's equity on adoption of both classification and measurement requirements and impairment requirements.
The Company will continue to refine and validate components of the ECL impairment models and develop related technology solutions and controls during the financial year ending 31 March 2019.

FRS 107 *Financial Instruments: Disclosures*
FRS 107 has been amended to include more extensive qualitative and quantitative disclosure relating to FRS 109, such as new financial instrument classification categories which will impact disclosures related to the statement of financial performance as well as introducing new qualitative and quantitative disclosure requirements for the three stage impairment model. The amendment also includes new hedge accounting disclosures and transition disclosures related to the adoption of FRS 109.

FRS 115 *Revenue from Contracts with Customers*
FRS 115 replaces all current guidance on revenue recognition from contracts with customers. It requires identification of discreet performance obligations within a transaction and an associated transaction price allocation to these obligations. Revenue is recognised upon satisfaction of these performance obligations, which occur when control of the goods or services are transferred to the customer. Revenue received for a contract that includes a variable amount is subject to revised conditions for recognition, whereby it must be highly probably that no significant reversal of the variable component may occur when the uncertainties around its measurement are removed.

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

Note 2. Summary of significant accounting policies (continued)

i) Basis of preparation (continued)

New Accounting Standards, amendments to Accounting Standards that are not yet effective (continued)

FRS 115 *Revenue from Contracts with Customers (continued)*

FRS 115 also specifies the accounting treatment for costs incurred to obtain and fulfil a contract. Incremental costs are recognised as an asset if the Company expects to recover them. Any capitalised contract costs are amortised on a systematic basis that is consistent with the transfer of the related goods and services.

In 2016, the ASC issued clarifying amendments to FRS 115. These amendments provided additional application guidance but did not alter the underlying requirements of the standard.

The Company will first apply FRS 115 in the financial year beginning 1 April 2018 retrospectively, recognising the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings, with no comparatives restatement.

Macquarie Group's assessment of revenue streams existing at transition has concluded. Based on this initial assessment, the Company will not be materially impacted upon adoption and no transition adjustment is required. The application of the requirements of FRS 115 are broadly consistent with Macquarie's Group current accounting policies.

FRS 116 *Leases*

FRS 116 replaces the current FRS 117 Leases standard and sets out a comprehensive model for identifying lease arrangements and the subsequent measurement. A contract contains a lease if it conveys the right to control the use of an identified asset for a period of time. The majority of leases from the lessee perspective within the scope of FRS 116 will require the recognition of a 'right-of-use' asset and a related lease liability, being the present value of future lease payments. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in expense recognition, with interest and depreciation replacing the operating lease expense. Classification of leases from the Company's perspective as lessor remains unchanged under FRS 116.

Unless early adopted, FRS 116 is effective for the Company for the annual periods beginning 1 April 2019.The Company is expected to apply the standard retrospectively, recognising the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings. Alternative methods of calculating the 'right-of-use' asset are allowed under FRS 116 which impact the size of the transition adjustment. The Company is still evaluating which method to apply.

Based on the initial assessment, Company will not be materially impacted upon adoption and no transition adjustment is required.

ASC Interpretation 123 - *Uncertainty over Income Tax Treatments*

Interpretation 123 clarifies the application of the recognition and measurement criteria in FRS 12 Income Taxes where there is uncertainty over income tax treatments. It requires assessment of each uncertain tax position as to whether it is probable that a taxation authority will accept the position. Where it is not probable, the effect of the uncertainty will be reflected in determining the relevant taxable profit or loss, tax bases, unused tax losses, unused tax credits or tax rates. The amount will be determined as either the single most likely amount or the sum of the probability weighted amounts in a range of possible outcomes, which ever better predicts the resolution of the uncertainty. Judgements will be reassessed as and when new facts and circumstances come to light.

Interpretation 123 will apply to the Company from 1 April 2019. The Company does not expect a material impact on the financial statements upon adoption of the Interpretation.

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

Note 2. Summary of significant accounting policies (continued)

ii) Foreign currency translations

Functional and presentation currency

Items included in the financial statements of the foreign operations are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The Company's financial statements are presented in United States dollars (the presentation currency), which is also the Company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction date. Foreign exchange gain and loss resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

iii) Revenue and expense recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised for the major business activities as follows:

Charter Income

Charter income driven by Voyage freight business is recognised evenly as per the duration of each voyage.

Net interest income

Interest income and expense is brought to account using the effective interest rate method. The effective interest rate method calculates the amortised cost of a financial instrument and allocates the interest income or expense over the relevant period. The effective interest rate is that rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or liability.

Fee shared with related entities

Fee shared with related entities is recognised as per the agreed fee sharing arrangement.

Expenses

Expenses are brought to account on an accruals basis and, if not paid at the end of the reporting period, are reflected in the statement of financial position as a payable.

iv) Income tax

Income tax

Current income tax for current and prior periods is recognised at the amounts expected to be paid or to be recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet

Current tax losses are available for set off against the assessable income of another entity in the same tax group in the same year of assessment. The approximate consideration receivable and payable for the transfer of tax losses from/to related entities is recognised as tax liability or asset until the finalisation of tax losses available for claim.

The principles of the balance sheet method of tax effect accounting have been adopted whereby the income tax expense for the financial year is the tax payable on the current year's taxable income adjusted for changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and unused tax losses.

Deferred tax assets are recognised when temporary differences arise between the tax bases of assets and liabilities and their respective carrying amounts which give rise to a future tax benefit, or when a benefit arises due to unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences or tax losses. Deferred tax liabilities are recognised when such temporary differences will give rise to taxable amounts that are payable in future periods. Deferred tax assets and liabilities are recognised at the tax rates expected to apply when the assets are recovered or the liabilities are settled under enacted or substantively enacted tax law.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset when there is a legally enforceable right to offset and an intention to either settle on a net basis, or realise the asset and settle the liability simultaneously. Current and deferred taxes balances attributable to amounts recognised directly in equity are recognised directly in equity.

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

Note 2. Summary of significant accounting policies (continued)

iv) Income tax (continued)

Income tax (continued)

The Company exercises judgement in determining whether deferred tax assets, particularly in relation to tax losses, are probable of recovery. Factors considered mainly include whether future taxable profits are expected to be sufficient to allow recovery of deferred tax assets.

The Company undertakes transactions in the ordinary course of business where the income tax treatment requires the exercise of judgement. The Company estimates its tax liability based on its understanding of the tax law.

Goods and services tax ("GST")

Where GST (or other value-added tax), is not recoverable from the global tax authorities, it is either capitalised to the statement of financial position as part of the cost of the asset or expensed to the income statement.

Where GST (or other value-added tax) is recoverable from, or payable to global tax authorities, the amount is recorded as a separate asset in the statement of financial position.

v) Recognition and derecognition of financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised from the statement of financial position when the rights to cash flows have expired, the loan is sold and substantially all the risks and rewards of ownership are transferred.

Financial liabilities are derecognised from the statement of financial position when the Company's obligation has been discharged, cancelled or has expired.

Where an existing financial instrument is replaced by another with the same counterparty on substantially different terms, or the terms of an existing instrument are substantially modified, the exchange or modification is treated as a derecognition of the original instrument and the recognition of a new instrument, with the difference in the respective carrying amounts recognised in the income statement.

vi) Derivative financial instruments

Derivative financial instruments entered into by the Company include swaps and options between the Company and its related entity. These derivative instruments are principally used for the risk management of existing financial assets and

All derivatives are recognised on the statement of financial position and are disclosed as an asset where they have a positive fair value at reporting date or as a liability where the fair value at reporting date is negative.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured to their fair value. Movements in the fair values of derivatives are recognised in the income statement.

The best evidence of a derivative's fair value at initial recognition is its transaction price, unless its fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique for which variables include only data from observable markets. Where such alternative evidence exists, the Company recognises profit or loss immediately when the derivative is recognised.

vii) Other financial assets

Other financial assets are classified into loans and receivables. The classification depends on the purpose for which the financial asset was acquired, which is determined at initial recognition.

Loans and receivables

This category includes trade receivables, other receivables and amount due from related entities which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

viii) Impairment

Other receivables

Other receivables are subject to regular review and assessment for possible impairment. Provisions for impairment on other receivables are recognised based on an incurred loss model and re-assessed at each reporting date. A provision for impairment is recognised when there is objective evidence of impairment, and is calculated based on the present value of expected future cash flows, discounted using the original effective interest rate.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through the income statement to the extent of what the amortised cost would have been had the impairment not been recognised.

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

Note 2. Summary of significant accounting policies (continued)

viii) Impairment (continued)

Other receivables (continued)

When the Company concludes that there is no reasonable expectation of recovering cash flows due under the asset and all possible collateral has been realised, the receivable balance is written off either partially or in full, against the related provision. Recoveries of receivables previously written off are recorded based on the cash received.

Bad debts are written off in the period in which they are identified.

Trade receivable

Trade receivable are continuously monitored for ageing debtors. Debtors that are greater than 90 days, have been assessed for recoverability and accordingly provided for.

x) Financial liabilities

The Company has other financial liabilities which are initially recognised on settlement date at fair value net of transaction costs incurred, and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowing using the effective interest rate method.

xi) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the income statement as they arise.

xii) Cash and cash equivalents

Cash and cash equivalents comprises of short term amounts included in receivables from financial institutions.

xiii) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported on the statement of financial position where there is a legally enforceable right to offset the amounts and either there is an intention to settle on a net basis, or realise the financial asset and settle the financial liability simultaneously.

xiv) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

xv) Comparatives

Where necessary, comparative information has been restated to conform with changes in presentation in the current year.

xvi) Rounding of amounts

All amounts in the financial statements have been rounded to the nearest dollar, unless otherwise indicated.

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

	2018 US$	2017 US$
Note 3. Profit for the financial year		
Net charter income		
Charter income		
Related entities	41,192,442	70,951,709
Other entities	29,563,401	13,481,538
Total charter income	70,755,843	84,433,247
Charter expense		
Other entities	(68,372,091)	(80,228,216)
Total net charter income	2,383,752	4,205,031
Net interest income		
Interest and similar income from other related entities	129,080	52,379
Interest expense and similar charges to other related entities	(22,141)	(27,161)
Total net interest income	106,939	25,218
Other operating income and charges		
Net fair value gain on derivative financial instruments	758,566	1,067,550
Total other operating income and charges	758,566	1,067,550
Net operating income	3,249,257	5,297,799
Other operating expenses		
Service fee expenses to related entities	(1,007,733)	(1,625,072)
Management fees, group service charges and cost recoveries paid	(62,150)	(47,178)
Professional fees	(244,954)	(5,508)
Auditor's remuneration	(29,602)	(28,586)
Foreign exchange (loss)/gain	(321,054)	574,684
Provision for impairment on other receivables	(274,955)	-
Reversal of provision	-	134,551
Other expenses	(9,118)	(14,604)
Total other operating expenses	(1,949,566)	(1,011,713)
Operating profit before income tax	1,299,691	4,286,086

Note 4. Income tax expense

	2018 US$	2017 US$
(i) Income tax expense		
Profit from current financial year		
- Deferred tax expense	(1,404,602)	(712,146)
- Foreign Tax Credit written off	*(21,056)*	-
(Under)/over provision in prior financial years		
- Deferred tax expense	(18,004)	30,612
- Foreign Tax Credit written off	(5,113)	(13,593)
Total	(1,448,775)	(695,127)
Deferred tax benefits included in income tax benefit comprises:		
Decrease in deferred tax assets	(1,422,606)	(681,534)
Total	(1,422,606)	(681,534)

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

Note 4. Income tax expense (continued)

	2018 US$	2017 US$
(ii) Numerical reconciliation of income tax benefit to prima facie tax payable		
Prima facie income tax expense on operating profit[1]	(220,948)	(728,634)
Tax effect of amounts which are (not deductible)/non-assessable in calculating taxable income:		
Expenses not deductible for tax purposes	-	16,488
Deferred tax assets written off on prior year tax losses	(1,183,654)	-
Under provision in prior financial years	(18,004)	30,612
Foreign Tax Credit written off	(26,169)	(13,593)
Total income tax expense arising from current financial year	(1,448,775)	(695,127)

[1] Prima facie income tax on operating profit is calculated at the rate of 17% (2017: 17%).

Note 5. Receivables from financial institutions

	2018	2017
Due from other related entities	5,800,836	3,970,868
Total receivables from financial institutions	5,800,836	3,970,868

The majority of the above amounts are expected to be recovered within 12 months of the reporting date by the Company.

Note 6. Other assets

	2018	2017
Trade receivables[1]	4,056,017	3,775,697
Less: Individually assessed provisions for impairment	(274,955)	(1,000,000)
Due from other related entities	-	1,803,418
Others	14,087	18,909
Total other assets	3,795,149	4,598,024

The majority of the above amounts are expected to be settled within 12 months of the reporting date by the Company.

[1]**Impaired financial assets**	2018	2017
Impaired financial assets with individually assessed provisions for impairment	481,705	1,000,000
Less: Individually assessed provisions for impairment	(274,955)	(1,000,000)
Total net impaired financial assets	206,750	-

Note 7. Deferred tax assets

The balance comprises temporary differences attributable to:	2018	2017
Provisions	-	31,015
Tax losses	1,183,654	2,575,245
Total deferred income tax assets	1,183,654	2,606,260

The above amounts are expected to be recovered after 12 months of the reporting date by the Company.

The movements in the deferred income tax assets during the financial year were as follows:

	Provisions US$	Tax losses US$	Total US$
2018			
Balance at the beginning of the financial year	31,015	2,575,245	2,606,260
Under provision in prior financial years	-	(18,004)	(18,004)
Deferred tax assets written off on prior year tax losses	-	(1,183,654)	(1,183,654)
Credited to profit or loss	(31,015)	(189,933)	(220,948)
Balance at the end of the financial year	-	1,183,654	1,183,654
2017			
Balance at the beginning of the financial year	66,300	3,221,494	3,287,794
Over provision in prior financial years	-	30,612	30,612
Credited to profit or loss	(35,285)	(676,861)	(712,146)
Balance at the end of the financial year	31,015	2,575,245	2,606,260

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

	2018 US$	2017 US$
Note 8. *Other liabilities*		
Trade payables	**3,725,283**	4,719,071
Due to other related entities	**2,040,672**	353,257
Accrued charges	**28,890**	26,332
Others	**446**	2,053
Total other liabilities	**5,795,291**	5,100,713

The majority of the above amounts are expected to be settled within 12 months of the reporting date by the Company.

Note 9. Provisions

	2018 US$	2017 US$
Provision for claims	**-**	182,441
Total provision	**-**	182,441

The majority of the above amounts are expected to be settled within 12 months of the reporting date by the Company.

Movement in provision is as follows:

	Provision for claims US$	Others US$	Total US$
2018			
Balance at the beginning of the financial year	**182,441**	**-**	**182,441**
Provision utilised during the year	**(182,441)**	**-**	**(182,441)**
Balance at the end of the financial year	**-**	**-**	**-**
2017			
Balance at the beginning of the financial year	677,762	106,461	784,223
Provision utilised during the year	(457,762)	(9,469)	(467,231)
Provision reversed during the year	(37,559)	(96,992)	(134,551)
Balance at the end of the financial year	182,441	-	182,441

Note 10. Contributed equity

	2018 Number of shares	2017 Number of shares	2018 US$	2017 US$
Ordinary share capital[1]				
Opening balance of fully paid ordinary shares	**1,605,000,100**	1,205,000,100	**21,000,100**	17,000,100
Issue of 400,000,000 ordinary shares on 26 September 2016 at USD 0.01 per share	**-**	400,000,000	**-**	4,000,000
Closing balance of fully paid ordinary shares	**1,605,000,100**	1,605,000,100	**21,000,100**	21,000,100

[1] Ordinary shares have no par value.

	2018 US$	2017 US$
Note 11. Accumulated losses		
Accumulated losses		
Balance at the beginning of the financial year	**(15,866,668)**	(19,457,627)
(Loss)/profit attributable to ordinary equity holder of the Company	**(149,084)**	3,590,959
Balance at the end of the financial year	**(16,015,752)**	(15,866,668)

Note 12. Notes to the statement of cash flows

Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year are reflected in the related items in the statement of financial position as follows:

	2018 US$	2017 US$
Receivables from financial institutions[1] (note 5)	**5,800,836**	3,970,868
Cash and cash equivalents at the end of the financial year	**5,800,836**	3,970,868

[1] Includes balance at call held with related entities.

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

	2018 US$	2017 US$

Note 13. Related party information

The immediate parent entity is Macquarie Holdings (Singapore) Pte. Ltd. incorporated in Singapore. The ultimate parent entity is Macquarie Group Limited ("MGL"), incorporated in Australia.

The fair value of derivative transactions relating to transactions between the Company and other related entities are provided below.

Derivative financial instruments

The Company has entered into derivative transactions with other related entities for hedging purposes. The fair value of derivative financial instruments relating to transactions between the Company and other related entities are:

Derivative financial liabilities	**-**	758,566

Transactions with related parties

During the financial year, the following transactions were made with other related entities:

Charter income (note 3)	**41,192,442**	70,951,709
Interest income (note 3)	**129,080**	52,379
Interest expense (note 3)	**(22,141)**	(27,161)
Management fees, group service charges and cost recoveries paid (note 3)	**(62,150)**	(47,178)
Service fee expense (note 3)	**(1,007,733)**	(1,625,072)
Net fair value gain on derivative financial instruments (note 3)	**758,566**	1,067,550

Amounts receivable and payable to related entities are disclosed in notes 5, 6 and 8 to the financial statements.

All transactions with related entities were made on normal commercial terms and conditions at market rates except where indicated.

Note 14. Key Management Personnel disclosure

The directors of the Company were those having authority and responsibility for planning, directing and controlling the activities of the Company (Key Management Personnel – KMP) during the past two financial years ended 31 March 2018 and 31 March 2017, unless otherwise indicated.

Name of Director	Appointed on	Resigned on
Daniel William Mortleman	1 July 2013	-
Iain Douglas Hamilton Lappin-Smith	1 October 2013	21 September 2017
Matthew James Spencer Booth	31 August 2015	-
Peter Nicholas Taylor	31 August 2015	-
Rohan Westcott	18 December 2017	-
Simone Dalberto	27 July 2011	-

The Key Management Personnel (KMP) are also the Directors of the Company.
No Directors of the Company are Directors of the ultimate parent entity.

Key Management Personnel remuneration

	2018 US$	2017 US$
Salaries and other short-term employee benefits	**164,607**	172,125
Total remuneration	**164,607**	172,125

During the year, another wholly owned entity within the Macquarie Group paid the amounts disclosed above to the KMP for services rendered to the Company. The compensation was not charged to the Company.

Note 15. Contingent liabilities and commitments

The Company has no contingent liabilities or commitments which are individually material or a category of contingent liabilities or commitments which are material.

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

Note 16. Derivative financial instruments

Objectives of holding derivative financial instruments

The types of contracts which the Company trades and uses for hedging purposes are detailed below:

Swaps: Swap transactions provide for two parties to swap a series of cash flows in relation to an underlying principal amount, usually to exchange a fixed interest rate for a floating interest rate.

Options: Option contracts provide the holder the right to buy or sell financial instruments or commodities at a fixed price over an agreed period or on a fixed date. The contract does not oblige the holder to buy or sell, however the writer must perform if the holder exercises the rights pertaining to the option.

Note 17. Financial risk management

The Company's activities expose it to credit risk, liquidity risk, market risk, operational risk, legal risk and compliance risk.

The Company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Company's financial performance.

The Board of Directors are responsible for setting the objectives and underlying principles of financial risk management for the Company. Management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors. Certain risks are managed on a group basis by the Risk Management Group ("RMG") of MGL but they remain the responsibilities of the Company's management.

17.1 Credit risk

Credit risk is the risk of a counterparty failing to complete its contractual obligations when they fall due. The consequent loss is the amount of the loan not repaid.

Credit risk within the Company is managed on a group basis by the RMG at MGL.

Maximum exposure to credit risk

The table below details the concentration of maximum exposure to credit risk of the Company's financial assets by significant geographical locations and counterparty type. The maximum credit exposure is to each counterparty and does not take into consideration collateral or other credit enhancements. The geographical location is determined by the domicile and the classification is determined by the industry type of the counterparty.

2018	Receivable from financial institutions US$	Other financial assets[1] US$	Total US$
Australia			
Financial institutions	5,800,836	-	5,800,836
Total Australia	5,800,836	-	5,800,836
Americas			
Other	-	24,285	24,285
Total Americas	-	24,285	24,285
Asia Pacific			
Other	-	3,541,390	3,541,390
Total Asia Pacific	-	3,541,390	3,541,390
Europe, Middle East & Africa			
Other	-	212,518	212,518
Total Europe, Middle East & Africa	-	212,518	212,518
Total	5,800,836	3,778,193	9,579,029
Total gross credit risk			9,579,029

[1] Excludes other non-financial assets of US$16,956 which are included in Note 6 – Other assets

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

Note 17. Financial risk management (continued)

17.1 Credit risk (continued)

Maximum exposure to credit risk (continued)

2017	Receivables from financial institutions US$	Other financial assets[1] US$	Total US$
Australia			
Financial institutions	3,970,868	1,794,801	5,765,669
Total Australia	3,970,868	1,794,801	5,765,669
Americas			
Other	-	24,301	24,301
Total Americas	-	24,301	24,301
Asia Pacific			
Other	-	2,467,001	2,467,001
Total Asia Pacific	-	2,467,001	2,467,001
Europe, Middle East & Africa			
Other	-	293,015	293,015
Total Europe, Middle East & Africa	-	293,015	293,015
Total	3,970,868	4,579,118	8,549,986
Total gross credit risk			8,549,986

[1] Excludes other non-financial assets of US$18,906 which are included in Note 6 – Other assets

Credit quality of financial assets

The table below details the credit quality of the Company's financial assets for the maximum exposure to credit risk. The credit quality is based on the individual counterparty's credit rating and industry type using the Company's credit rating system.

2018	**Investment Grade US$**	**Below Investment Grade US$**	**Total US$**
Receivables from financial institutions			
Financial institutions	**5,800,836**	**-**	**5,800,836**
Other assets			
Other[1]	**3,524,095**	**254,098**	**3,778,193**
Total	**9,324,931**	**254,098**	**9,579,029**

[1] Excludes other non-financial assets of US$16,956 which are included in Note 6 – Other assets

2017	Investment Grade US$	Below Investment Grade US$	Total US$
Receivables from financial institutions			
Financial institutions	*3,970,868*	*-*	*3,970,868*
Other assets			
Financial institutions	1,794,801	-	1,794,801
Other[1]	2,233,542	550,775	2,784,317
Total	7,999,211	550,775	8,549,986

[1] Excludes other non-financial assets of US$18,906 which are included in Note 6 – Other assets

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

Note 17. Financial risk management (continued)

17.1 Credit risk (continued)

Financial assets that are past due and impaired

The table below details the credit quality of the Company's financial assets for the maximum exposure to credit risk. The credit quality is based on the individual counterparty's credit rating and industry type using the Company's credit rating system and excludes the benefit of collateral and credit enhancements.

	2018 US$	2017 US$
Other assets		
Past due > 3 months	**481,705**	1,000,000
Less: impairment	**(274,955)**	(1,000,000)
	206,750	-
Beginning of financial year	**(1,000,000)**	(3,932,558)
Provision made during the year	**(274,955)**	-
Provision reversed during the year	**1,000,000**	2,932,558
End of financial year	**(274,955)**	(1,000,000)

The factors taken into consideration by the Company when determining an asset to be impaired are set out in Note 2 (viii).

17.2 Liquidity risk

Liquidity risk is the risk of an entity encountering difficulty in meeting obligations with financial liabilities.

The Company manages liquidity risk by having available funding through other related entities, sufficient to enable it to meet its operational requirements. Additionally, the Company ensures that there is no significant maturity mismatch across its assets and liabilities.

Contractual undiscounted cash flows

The table below summarises the maturity profile of the Company's financial liabilities as at 31 March based on contractual undiscounted repayment obligations.

Derivative liabilities are included in the less than 3 months column at their fair value. Liquidity risk on these items is not managed on the basis of contractual maturity, since they are not held for settlement according to such maturity and will frequently be settled in the short term at fair value.

2018	**Less than 3 months US$**	**Total US$**
Other liabilities*	**5,765,955**	**5,765,955**
Total undiscounted cash flows	**5,765,955**	**5,765,955**

* Excludes items that are not financial instruments and non-contractual accruals and provisions.

2017	Less than 3 months US$	Total US$
Other liabilities*	5,072,327	5,072,327
Derivative financial liabilities	758,566	758,566
Total undiscounted cash flows	5,830,893	5,830,893

* Excludes items that are not financial instruments and non-contractual accruals and provisions.

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

Note 17. Financial risk management (continued)

17.3 Market risk

The Company has exposure to non-traded market risks arising from transactions entered into during its normal course of business. These risks include:

- *interest rate: changes in the level, shape and volatility of yield curves, and/or client behaviour given these changes.*
- **foreign exchange**: changes in the spot exchange rates

Market risk of the Company is managed on a globally consolidated basis for Macquarie Group as a whole, including all subsidiaries, in all locations. Macquarie's internal approach to risk (i.e. not differentiating where the risk is taken within Macquarie) ensures that risks in subsidiaries are subject to the same rigour and risk acceptance decisions.

Interest rate risk

The Company has exposure to interest rate risk generated by receivable from financial institution, other assets and other liabilities.

The table below indicates the Company's exposure to movements in interest rates as at 31 March.

	Movement in basis points	2018 Sensitivity of loss after tax	2017 Sensitivity of profit after tax
		US$	US$
Australian Dollar	+50	(1,739)	2,734
United States Dollars	+50	39,326	43,329
Great British Pound	+50	(18,621)	(15,397)
Singapore Dollar	+50	(1,866)	(2,565)
Other currencies	+50	(56)	(67)
Australian Dollar	-50	1,739	(2,734)
United States Dollars	-50	(39,326)	(43,329)
Great British Pound	-50	18,621	15,397
Singapore Dollar	-50	1,866	2,565
Other currencies	-50	56	67

Foreign currency risk

The Company is exposed to foreign currency risk arising from transactions entered into in its normal course of business. Movements in foreign currency exchange rates will result in gain or loss in the income statement due to the revaluation of certain balances.

The table below indicates the sensitivity to movements in the United States dollar rate against various foreign currencies.

	Movement in exchange rates	2018 *Sensitivity of equity after tax*	2017 *Sensitivity of equity after tax*
	%	US$	US$
Australian Dollar	+10	(34,745)	54,762
Great British Pound	+10	(372,387)	(307,942)
Singapore Dollar	+10	(39,075)	(53,338)
Other currencies	+10	(1,121)	(1,343)
Australian Dollar	-10	34,745	(54,762)
Great British Pound	-10	372,387	307,942
Singapore Dollar	-10	39,075	53,338
Other currencies	-10	1,121	1,343

17.4 Capital risk

The Company's objectives when managing capital is to ensure that the Company is adequately capitalised and to maintain an optimal structure by issuing or redeeming additional equity and debt instruments when necessary.

The Company is not subject to any externally imposed capital requirements

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

Note 18. Fair values of financial assets and financial liabilities

Fair value reflects 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. Quoted prices or rates are used to determine fair value where an active market exists. If the market for a financial instrument is not active, fair values are estimated using present value or other valuation techniques, using inputs based on market conditions prevailing on the measurement date.

The values derived from applying these techniques are affected by the choice of valuation model used and the underlying assumptions made regarding inputs such as timing and amounts of future cash flows, discount rates, credit risk, volatility and correlation.

Financial instruments measured at fair value are categorised in their entirety, in accordance with the levels of the fair value hierarchy as outlined below.

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The appropriate level for an instrument is determined on the basis of the lowest level input that is significant to the fair value measurement.

The following methods and significant assumptions have been applied in determining the fair values of financial instruments which are carried at amortised cost:

- The fair values of variable rate financial instruments, including certain assets and liabilities carried at amortised cost are approximated by their carrying amounts.
- The fair values of balances due from/to related entities are approximated by their carrying amount as the balances are generally short term in nature.

The following methods and significant assumptions have been applied in determining the fair values of financial instruments:

- Derivative financial instruments are measured at fair value by reference to quoted market prices when available (e.g. listed securities). If quoted market prices are not available, then fair values are estimated on the basis of pricing models or other recognised valuation techniques;
- for financial assets carried at fair value, in order to measure counterparty credit risk, a Credit Valuation Adjustment (CVA) is incorporated into the valuation. The CVA is calculated at a counterparty level taking into account all exposures to that counterparty.
- for financial liabilities carried at fair value, in order to measure the Company's own credit risk, a Debit Valuation Adjustment (DVA) is incorporated into the valuations.

Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. All models are certified before they are used, and models are calibrated periodically to test that outputs reflect prices from observable current market transactions in the same instrument or other available observable market data. To the extent possible, models use only observable market data (e.g. for OTC derivatives), however management is required to make assumptions for certain inputs that are not supported by prices from observable current market transactions in the same instrument, such as volatility and correlation.

The fair value of all financial assets and liabilities carried at amortised cost approximates their carrying value at balance sheet date. These are predominantly classified as level 2 in the fair value hierarchy except for receivables from financial institutions of US$5,800,836 (2017: US$3,970,868) classified as level 1.

The following tables summarise the levels of the fair value hierarchy for financial instruments measured at fair value of the Company at 31 March 2017 :

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Liabilities				
Derivative financial liabilities	-	(758,566)	-	(758,566)
Total liabilities	-	(758,566)	-	(758,566)

There were no derivative financial liabilities as at 31 March 2018.

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

Note 19. Offsetting financial assets and financial liabilities

The Company reports financial assets and financial liabilities on a net basis on the statement of financial position when they meet the criteria described in note 2 (xiii)- Offsetting financial instruments.The following tables provide information on the impact of offsetting that has occurred in the statement of financial position, as well as amounts covered by enforceable netting arrangements that do not meet all the criteria for offsetting in the statement of financial position. Enforceable netting arrangements may allow for net settlement of specified contracts with a counterparty only in the event of default or other pre-determined events, such that their potential effects on the Company's financial position in that circumstance is to settle as one arrangement. The Company uses a variety of credit risk mitigation strategies in addition to netting and collateral arrangements, therefore amounts presented in this note are not intended to represent the credit risk exposure of the entity, refer to note 17.1 – Credit risk for information on credit risk management.

	Amounts subject to enforceable netting arrangements							
	Subject to offsetting on statement of financial position			Related amounts not offset				
	Gross amounts	Amounts offset	Net amount presented	Other recognised financial instruments	Cash and other financial collateral	Net amount	Amounts not subject to enforceable netting arrangements	Statement of financial position total
2018	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**
Receivables from financial institutions	6,584,744	(783,908)	5,800,836	-	-	5,800,836	-	5,800,836
Other assets[1]	4,319,880	(4,319,865)	15	-	-	15	3,778,178	3,778,193
Total assets	**10,904,624**	**(5,103,773)**	**5,800,851**	-	-	**5,800,851**	**3,778,178**	**9,579,029**
Payables to financial institutions	(783,908)	783,908	-	-	-	-	-	-
Other liabilities[2]	(6,360,537)	4,319,865	(2,040,672)	-	-	(2,040,672)	(3,725,283)	(5,765,955)
Total liabilities	**(7,144,445)**	**5,103,773**	**(2,040,672)**	-	-	**(2,040,672)**	**(3,725,283)**	**(5,765,955)**

[1] This balance excludes other non-financial assets of US$16,956 which is included in Note 6 - Other assets.

[2] This balance excludes other non-financial liabilities of US$29,336 which is included in Note 8 - Other liabilities.

	Amounts subject to enforceable netting arrangements							
	Subject to offsetting on statement of financial position			Related amounts not offset				
	Gross amounts	Amounts offset	Net amount presented	Other recognised financial instruments	Financial collateral including cash	Net amount	Amounts not subject to enforceable netting arrangements	Statement of financial position total
2017	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**
Receivables from financial institutions	3,972,118	(1,250)	3,970,868	-	-	3,970,868	-	3,970,868
Other assets[1]	6,725,030	(4,921,609)	1,803,421	-	-	1,803,421	2,775,697	4,579,118
Total assets	**10,697,148**	**(4,922,859)**	**5,774,289**	-	-	**5,774,289**	**2,775,697**	**8,549,986**
Payables to financial institutions	(1,250)	1,250	-	-	-	-	-	-
Other liabilities[2]	(5,274,866)	4,921,609	(353,257)	-	-	(353,257)	(4,719,070)	(5,072,327)
Total liabilities	**(5,276,116)**	**4,922,859**	**(353,257)**	-	-	**(353,257)**	**(4,719,070)**	**(5,072,327)**

[1] This balance excludes other non-financial assets of US$18,906 which is included in Note 6 - Other assets.

[2] This balance excludes other non-financial liabilities of US$28,386 which is included in Note 8 - Other liabilities.

Note 20. Events after the reporting date

There were no material events subsequent to 31 March 2018 that have not been reflected in the financial statements.

Note 21. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Resource Marine Pte. Limited on 21 September 2018.