

Dania Ship Management Bulk A/S

Tuborg Havnevej 15
2900 Hellerup
Business Registration No
17261142

Annual report 2018

The Annual General Meeting adopted the annual report on 29.05.2019

Chairman of the General Meeting

Name: Lennart Jensen

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Entity details

Entity

Dania Ship Management Bulk A/S
Tuborg Havnevej 15
2900 Hellerup

Central Business Registration No (CVR): 17261142
Registered in: Gentofte
Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Franck Johannes Kayser, Chairman
Peter Norborg
Amrit Peter Kalsi
Henriette Schütze
Martin Gaard Christiansen
Ian Vallance

Executive Board

Mikkjal Poulsen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Dania Ship Management Bulk A/S for the financial year 01.01.2018 - 31.12.2018.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 29.05.2019

Executive Board

Mikkjal Poulsen
CEO

Board of Directors

Franck Johannes Kayser
Chairman

Peter Norborg

Amrit Peter Kalsi

Henriette Schütze

Martin Gaard Christiansen

Ian Vallance

Independent auditor's report

To the shareholders of Dania Ship Management Bulk A/S

Opinion

We have audited the financial statements of Dania Ship Management Bulk A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark 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 conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- 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 Entity'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 in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 29.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556

Henrik Hjort Kjelgaard
State Authorised Public Accountant
Identification No (MNE) mne29484

Bjarne Iver Jørgensen
State Authorised Public Accountant
Identification No (MNE) mne35659

Management commentary

Primary activities

The Company's primary activities involve acting as technical manager of vessels.

Development in activities and finances

The profit for the year is DKK 891.974. The result of the year is satisfactory. The Company has a positive equity of DKK 435.429 as of December 31, 2018.

The Company expects to improve the operating result for 2019.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Gross profit		10.396.004	18.858.141
Staff costs	1	(8.791.758)	(19.284.178)
Depreciation, amortisation and impairment losses		<u>(6.792)</u>	<u>0</u>
Operating profit/loss		1.597.454	(426.037)
Income from investments in group enterprises		0	(1.494.840)
Other financial income		272.059	5.284
Other financial expenses		<u>(30.626)</u>	<u>(227.071)</u>
Profit/loss before tax		1.838.887	(2.142.664)
Tax on profit/loss for the year		<u>(946.913)</u>	<u>(1.535.816)</u>
Profit/loss for the year		<u>891.974</u>	<u>(3.678.480)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>891.974</u>	<u>(3.678.480)</u>
		<u>891.974</u>	<u>(3.678.480)</u>

Balance sheet at 31.12.2018

<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Other fixtures and fittings, tools and equipment	74.708	0
Property, plant and equipment	74.708	0
Investments in group enterprises	0	3.203.797
Receivables from group enterprises	162.389	12.682.515
Fixed asset investments	162.389	15.886.312
Fixed assets	237.097	15.886.312
Trade receivables	17.372	442.562
Other receivables	322.379	4.731.567
Receivables	339.751	5.174.129
Cash	2.928.023	596.654
Current assets	3.267.774	5.770.783
Assets	3.504.871	21.657.095

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>DKK</u>	<u>2017</u> <u>DKK</u>
Contributed capital		500.000	3.500.000
Retained earnings		<u>(64.571)</u>	<u>8.203.610</u>
Equity		<u>435.429</u>	<u>11.703.610</u>
Trade payables		0	444.411
Payables to group enterprises		0	7.120.319
Other payables		<u>3.069.442</u>	<u>2.388.755</u>
Current liabilities other than provisions		<u>3.069.442</u>	<u>9.953.485</u>
Liabilities other than provisions		<u>3.069.442</u>	<u>9.953.485</u>
Equity and liabilities		<u>3.504.871</u>	<u>21.657.095</u>
Contingent liabilities	2		
Group relations	3		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
	<u> </u>	<u> </u>	<u> </u>
Equity beginning of year	3.500.000	8.203.614	11.703.614
Changes in accounting policies	<u> 0</u>	<u> (582.116)</u>	<u> (582.116)</u>
Adjusted equity, beginning of year	3.500.000	7.621.498	11.121.498
Decrease of capital	(3.000.000)	3.000.000	0
Ordinary dividend paid	0	(8.093.216)	(8.093.216)
Extraordinary dividend paid	0	(3.000.000)	(3.000.000)
Exchange rate adjustments	0	(484.827)	(484.827)
Profit/loss for the year	<u> 0</u>	<u> 891.974</u>	<u> 891.974</u>
Equity end of year	<u> 500.000</u>	<u> (64.571)</u>	<u> 435.429</u>

Notes

	2018	2017
	DKK	DKK
1. Staff costs		
Wages and salaries	<u>8.791.758</u>	<u>19.284.178</u>
	<u>8.791.758</u>	<u>19.284.178</u>
Average number of employees	<u>9</u>	<u>18</u>

2. Contingent liabilities

The Company is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

3. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Vouvray Acquisition Limited, 1st Floor, 63 Queens Victoria Street, London, EC4N 4UA, United Kingdom.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

Changes in accounting policies

At the time of establishment of the Company, USD was chosen as the functional currency. This was based on the fact that both revenue and costs are composed of a basket of currencies but with USD and EUR/DKK being the main currencies. Based on an overall consideration, USD was deemed to be the currency of the Company's primary economic environment.

Subsequently, the currency composition of both revenue and costs has moved towards EUR/DKK.

As a result of this, DKK is considered the Company's functional currency effective 1 March, 2018.

Comparative figures for 2017 are based on USD as functional currency, but are presented in DKK.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Accounting policies

When recognising foreign subsidiaries, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates and balance sheet items are translated using the exchange rates at the balance sheet date.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue from technical management and consultancy services are recognized when the Company obtains right to the remunerations.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and payables and transactions in foreign currencies, amortisation of financial liabilities.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Property, plant and machinery is measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Property, plant and equipment	3 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Accounting policies

Cash

Cash comprises bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.