

Clipper Lines A/S
Sundkrogsgade 19
2100 København Ø
Business Registration No
29930570

Annual report 2018

The Annual General Meeting adopted the annual report on 31.05.2019

Chairman of the General Meeting

Name: Thomas Martinussen

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Entity details

Entity

Clipper Lines A/S
Sundkrogsgade 19
2100 København Ø

Central Business Registration No (CVR): 29930570

Registered in: København

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Frank Gülnar Jensen, Chairman

Henrik Lund Dal

Peter Norborg

Executive Board

Peter Norborg

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 Clipper Lines 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, 31.05.2019

Executive Board

Peter Norborg

Board of Directors

Frank Gülnar Jensen
Chairman

Henrik Lund Dal

Peter Norborg

Independent auditor's report

To the shareholders of Clipper Lines A/S

Opinion

We have audited the financial statements of Clipper Lines 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, 31.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556

Kim Takata Mücke
State Authorised Public Accountant
Identification No (MNE) mne10944

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

Management commentary

Primary activities

The Company was engaged in shipping and chartering of vessels within the liner business. The Company mainly operated services between Africa and South America. The Company has been without activities in 2018.

Development in activities and finances

The financial year shows a loss of USD 97k, which is considered unsatisfactory.

The Company has a negative equity at December 31 2018, which is covered by debt to group companies.

As the Company has divested its activities, the Company will decide whether the share capital is to be recovered or if the Company must be dissolved.

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</u> <u>USD'000</u>	<u>2017</u> <u>USD'000</u>
Gross loss		(125)	(101)
Profit/loss before tax		(125)	(101)
Tax on profit/loss for the year	1	28	5
Profit/loss for the year		(97)	(96)
Proposed distribution of profit/loss			
Retained earnings		(97)	(96)
		(97)	(96)

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>USD'000</u>	<u>2017</u> <u>USD'000</u>
Receivables from group enterprises		202	0
Joint taxation contribution receivable		<u>12</u>	<u>0</u>
Receivables		<u>214</u>	<u>0</u>
Cash		<u>4</u>	<u>4</u>
Current assets		<u>218</u>	<u>4</u>
Assets		<u>218</u>	<u>4</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018</u> <u>USD'000</u>	<u>2017</u> <u>USD'000</u>
Contributed capital	2	901	901
Retained earnings		<u>(2.445)</u>	<u>(2.348)</u>
Equity		<u>(1.544)</u>	<u>(1.447)</u>
Payables to group enterprises		1.580	1.388
Other payables		<u>182</u>	<u>63</u>
Current liabilities other than provisions		<u>1.762</u>	<u>1.451</u>
Liabilities other than provisions		<u>1.762</u>	<u>1.451</u>
Equity and liabilities		<u>218</u>	<u>4</u>
Contingent liabilities	3		
Group relations	4		

Statement of changes in equity for 2018

	Contributed capital USD'000	Retained earnings USD'000	Total USD'000
Equity beginning of year	901	(2.348)	(1.447)
Profit/loss for the year	0	(97)	(97)
Equity end of year	901	(2.445)	(1.544)

Notes

	2018	2017
	USD'000	USD'000
1. Tax on profit/loss for the year		
Current tax	(12)	(5)
Adjustment concerning previous years	<u>(16)</u>	<u>0</u>
	<u>(28)</u>	<u>(5)</u>

	Number	Nominal value USD'000
2. Contributed capital		
Contributed capital	<u>5</u>	<u>901</u>
	<u>5</u>	<u>901</u>

3. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Clipper Group Ltd. serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from 1 July, 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies and from January 1, 2013 for income taxes for the joint taxed companies.

4. Group relations

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

Clipper Group A/S
 Clipper House
 Sundkrogsgade 19
 2100 København Ø

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.

The accounting policies applied to these financial statements are consistent with those applied last year. As the Company's functional currency is USD, the annual report has been presented using USD as the reporting currency. The exchange rate used for DKK against USD is 6.52 at December 31, 2018 (2017: 6.21).

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.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Other external expenses

Other external expenses include various corporate expenses.

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

Receivables

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

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Accounting policies

Cash

Cash comprises bank deposits.

Other financial liabilities

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