

## **Skaw Provider Shipping ApS**

Strevelinsvej 34

7000 Fredericia

Business Registration No

32354106

## **Annual report 2018**

The Annual General Meeting adopted the annual report on 28.05.2019

### **Chairman of the General Meeting**

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Name: Rasmus Ravnholdt Knudsen

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## Entity details

### Entity

Skaw Provider Shipping ApS  
Strevelinsvej 34  
7000 Fredericia

Central Business Registration No (CVR): 32354106

Registered in: Fredericia

Financial year: 01.01.2018 - 31.12.2018

### Executive Board

Anders Østergaard, CEO  
Svend Stenberg Mølholt  
Rasmus Ravnholdt Knudsen

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 København S

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Skaw Provider Shipping ApS 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.

Fredericia, 28.05.2019

### Executive Board

Anders Østergaard  
CEO

Svend Stenberg Mølholt

Rasmus Ravnholdt Knudsen

# Independent auditor's report

## To the shareholder of Skaw Provider Shipping ApS

### Opinion

We have audited the financial statements of Skaw Provider Shipping ApS 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, 28.05.2019

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33963556

Kåre Valtersdorf  
State Authorised Public Accountant  
Identification No (MNE) mne34490

## Management commentary

### Primary activities

The main activity of the Company is to own and operate oil cargo ships and charter it to affiliates.

### Development in activities and finances

The result for the year shows a profit at USD 238,846 against a profit last year at USD 76,053. The profit for the year is satisfactory.

### Uncertainty relating to recognition and measurement

The Vessel has been assessed for impairment based on identified impairment indicators with the result that no impairment has been identified. The impairment test is based primarily on Management's assumptions of future cash flow and discount rate and is therefore subject to an inherent uncertainty.

### 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 USD</u>	<u>2017 USD</u>
<b>Gross profit</b>		<b>876.299</b>	<b>731.174</b>
Depreciation, amortisation and impairment losses		(440.253)	(441.115)
<b>Operating profit/loss</b>		<b>436.046</b>	<b>290.059</b>
Other financial income	1	12.337	668
Other financial expenses	2	(141.717)	(193.318)
<b>Profit/loss before tax</b>		<b>306.666</b>	<b>97.409</b>
Tax on profit/loss for the year	3	(67.820)	(21.356)
<b>Profit/loss for the year</b>		<b>238.846</b>	<b>76.053</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		238.846	76.053
		<b>238.846</b>	<b>76.053</b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 USD</u>	<u>2017 USD</u>
Ships		3.956.280	4.396.533
<b>Property, plant and equipment</b>	4	<b>3.956.280</b>	<b>4.396.533</b>
Deposits		1.260	1.260
<b>Fixed asset investments</b>	5	<b>1.260</b>	<b>1.260</b>
<b>Fixed assets</b>		<b>3.957.540</b>	<b>4.397.793</b>
Raw materials and consumables		23.028	7.345
<b>Inventories</b>		<b>23.028</b>	<b>7.345</b>
Receivables from group enterprises		185.053	10.037
Other receivables		11.277	5.062
Prepayments		81.650	31.084
<b>Receivables</b>		<b>277.980</b>	<b>46.183</b>
<b>Cash</b>		<b>2.418</b>	<b>47.899</b>
<b>Current assets</b>		<b>303.426</b>	<b>101.427</b>
<b>Assets</b>		<b>4.260.966</b>	<b>4.499.220</b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 USD</u>	<u>2017 USD</u>
Contributed capital		9.294	9.294
Retained earnings		<u>851.399</u>	<u>612.553</u>
<b>Equity</b>		<b><u>860.693</u></b>	<b><u>621.847</u></b>
Deferred tax		<u>139.644</u>	<u>331.069</u>
<b>Provisions</b>		<b><u>139.644</u></b>	<b><u>331.069</u></b>
Finance lease liabilities		<u>0</u>	<u>2.299.223</u>
<b>Non-current liabilities other than provisions</b>		<b><u>0</u></b>	<b><u>2.299.223</u></b>
Current portion of long-term liabilities other than provisions		2.299.224	582.000
Trade payables		23.224	59.347
Payables to group enterprises		732.089	538.170
Income tax payable		171.547	34.442
Other payables		<u>34.545</u>	<u>33.122</u>
<b>Current liabilities other than provisions</b>		<b><u>3.260.629</u></b>	<b><u>1.247.081</u></b>
<b>Liabilities other than provisions</b>		<b><u>3.260.629</u></b>	<b><u>3.546.304</u></b>
<b>Equity and liabilities</b>		<b><u>4.260.966</u></b>	<b><u>4.499.220</u></b>
Contingent liabilities	6		
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## Statement of changes in equity for 2018

	<b>Contributed capital USD</b>	<b>Retained earnings USD</b>	<b>Total USD</b>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
Equity beginning of year	9.294	612.553	621.847
Profit/loss for the year	<u>0</u>	<u>238.846</u>	<u>238.846</u>
<b>Equity end of year</b>	<b><u>9.294</u></b>	<b><u>851.399</u></b>	<b><u>860.693</u></b>

## Notes

	<b>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
<b>1. Other financial income</b>		
Financial income arising from group enterprises	1.327	0
Other interest income	531	331
Other financial income	<u>10.479</u>	<u>337</u>
	<b><u>12.337</u></b>	<b><u>668</u></b>
	<b>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
<b>2. Other financial expenses</b>		
Financial expenses from group enterprises	35.857	31.957
Other interest expenses	102.405	125.305
Other financial expenses	<u>3.455</u>	<u>36.056</u>
	<b><u>141.717</u></b>	<b><u>193.318</u></b>
	<b>2018</b>	<b>2017</b>
	<b>USD</b>	<b>USD</b>
<b>3. Tax on profit/loss for the year</b>		
Current tax	171.556	34.364
Change in deferred tax	<u>(103.736)</u>	<u>(13.008)</u>
	<b><u>67.820</u></b>	<b><u>21.356</u></b>
		<b>Ships</b>
		<b>USD</b>
<b>4. Property, plant and equipment</b>		
Cost beginning of year		<u>5.987.641</u>
<b>Cost end of year</b>		<b><u>5.987.641</u></b>
Depreciation and impairment losses beginning of year		(1.591.108)
Depreciation for the year		<u>(440.253)</u>
<b>Depreciation and impairment losses end of year</b>		<b><u>(2.031.361)</u></b>
<b>Carrying amount end of year</b>		<b><u>3.956.280</u></b>
Recognised assets not owned by entity		<u>3.719.296</u>
The ships residual value is estimated to USD 171,000		

## Notes

	<b>Deposits</b>
	<b>USD</b>
<b>5. Fixed asset investments</b>	
Cost beginning of year	<u>1.260</u>
<b>Cost end of year</b>	<u><b>1.260</b></u>
<b>Carrying amount end of year</b>	<u><b>1.260</b></u>

### 6. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Endeavour Invest ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the entity is therefore liable for income taxes etc. for the jointly taxed entities, and obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. Corporate income tax payable for the Danish jointly taxed companies amounted to USD 0m at 31 December 2018 (2017: USD 0m).

### 7. Group relations

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

Monjasa Holding A/S, Fredericia

## 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.

The functional and presentation currency is USD with the applied exchange rate for 2018: 6.52 (2017: 6.21)

### 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.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories, cost of raw materials and consumables and external expenses.

#### Revenue

Revenue from the operations and chartering activity is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

#### 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.

## Accounting policies

### Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to ships including docking and overhaul comprise amortisation, depreciation 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.

### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### 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 the Danish Parent company. 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

Ships including docking and overhaul are 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. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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. Depreciation of ships is normally estimated to a maximum of 30 years from the year of construction. Docking and overhaul is depreciated over maximum 5 years depending on dry-docking interval.

Docking and overhaul	1-5 years
Ships	30 years

Estimated useful lives and residual values are reassessed annually.



## Accounting policies

Ships including docking and overhaul are written down to the lower of recoverable amount and carrying amount.

### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less costs incurred to execute sale.

### **Receivables**

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

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### **Finance lease liabilities**

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

### **Other financial liabilities**

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

### **Income tax receivable or payable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.