

# Keh Naval Architects Holding ApS

Claessensvej 1, 3000 Helsingør, Denmark

CVR no. 34 69 08 55

## Annual report 2018

Approved at the Company's annual general meeting on 2 April 2019

Chairman:



René Herbert Berkvens





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### Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Keh Naval Architects Holding ApS for the financial year 1 January - 31 December 2018.

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

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

I recommend that the annual report be approved at the annual general meeting.

Helsingør, 2 April 2019  
Executive Board:

A handwritten signature in blue ink, appearing to read 'R.H. Berkvens', with a long horizontal stroke extending to the right.

René Herbert Berkvens

## Independent auditor's report

To the shareholder of Keh Naval Architects Holding ApS

### Opinion

We have audited the financial statements of Keh Naval Architects Holding ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 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 the 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 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 International Ethics Standards Board for 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 rules and requirements.

### 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 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 in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 the 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:

- 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.



## Independent auditor's report

- ▶ 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 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 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 contents of the financial statements, including the note disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

### Report on other legal and regulatory requirements

#### *Non-compliance with the provisions of the Danish Companies Act regarding capital loss*

The Company has lost more than half of its share capital. Management has not ensured that a general meeting was held within the deadlines stipulated by the Danish Companies Act where the shareholders were given an account of the Company's financial position and any measures to address the situation were proposed. Management may incur liability in this respect.

Copenhagen, 2 April 2019  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

  
Lissen Fagerlin Hammer  
State Authorised Public Accountant  
mne27747



## Management's review

### Company details

Name	Keh Naval Architects Holding ApS
Address, Postal code, City	Claessensvej 1, 3000 Helsingør, Denmark
CVR no.	34 69 08 55
Registered office	Helsingør
Financial year	1 January - 31 December
Executive Board	René Herbert Berkvens
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management commentary

### Business review

The Company's primary activities are investments in subsidiaries.

### Financial review

The income statement for 2018 shows a profit of DKK 1,331,798 against a loss of DKK 11,908,982 last year, and the balance sheet at 31 December 2018 shows a negative equity of DKK 10,022,063.

### Going concern

The company has received a letter of support from a Parent Company which guarantees to support KEH Naval Architects Holding ApS financially to ensure that the Company can discharge its obligations as they fall due and support the operations. The support letter will remain effective until the date falling one calendar year after the general meeting for the annual report 2018. On this basis and the budget for 2019, Management considers the Company as going concern.

Reference is made to note 2 for more details.

### Events after the balance sheet date

No significant events have occurred subsequent to the financial year-end.



## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2018	2017
	Other external expenses	-43,115	-42,229
	Gross margin	-43,115	-42,229
	Income from investments in group entities	1,558,338	-11,847,656
3	Financial expenses	-183,425	-19,097
	Profit/loss before tax	1,331,798	-11,908,982
	Tax for the year	0	0
	Profit/loss for the year	1,331,798	-11,908,982
	Recommended appropriation of profit/loss	1,331,798	-11,908,982
	Retained earnings/accumulated loss	1,331,798	-11,908,982



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2018	2017
	ASSETS		
	Fixed assets		
4	Investments		
	Investments in group entities	2,047,509	123,234
		<u>2,047,509</u>	<u>123,234</u>
	Total fixed assets	<u>2,047,509</u>	<u>123,234</u>
	Non-fixed assets		
	Cash	15,427	196,968
	Total non-fixed assets	<u>15,427</u>	<u>196,968</u>
	TOTAL ASSETS	<u>2,062,936</u>	<u>320,202</u>
	EQUITY AND LIABILITIES		
	Equity		
5	Share capital	80,000	80,000
	Retained earnings	-10,102,063	-11,799,798
	Total equity	<u>-10,022,063</u>	<u>-11,719,798</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Payables to group entities	12,055,000	12,010,000
	Other payables	29,999	30,000
		<u>12,084,999</u>	<u>12,040,000</u>
	Total liabilities other than provisions	<u>12,084,999</u>	<u>12,040,000</u>
	TOTAL EQUITY AND LIABILITIES	<u>2,062,936</u>	<u>320,202</u>

- 1 Accounting policies
- 2 Going concern uncertainties
- 7 Contractual obligations and contingencies, etc.
- 8 Collateral
- 9 Related parties





## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2018	80,000	-11,799,798	-11,719,798
Transfer through appropriation of profit	0	1,331,798	1,331,798
Exchange adjustment	0	365,937	365,937
Equity at 31 December 2018	80,000	-10,102,063	-10,022,063

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Keh Naval Architects Holding ApS for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with Section 110 of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

The accounting policies applied by the Company are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration etc.

##### Profit from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

##### Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

##### Balance sheet

##### Investments in subsidiaries

Investments in subsidiaries are measured, using the equity method, at the Parent Company's proportionate share of such entities' equity plus goodwill on consolidation and intra-group losses and less intra-group gains and negative goodwill, if any. Investments in entities whose net asset value is negative are measured at DKK 0. The entity's proportionate share of a deficit on equity, if any, is set off against receivables from the investment to the extent that the deficit is irrecoverable. Amounts in excess thereof are recognised under 'Provisions' to the extent that the parent has a legal or constructive obligation to cover the deficit.

##### Impairment of fixed assets

Every year, investments in subsidiaries and associates are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Equity

##### *Reserve for net revaluation according to the equity method*

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

##### Other payables

Other payables are measured at net realisable value.

#### 2 Going concern uncertainties

The company has received a letter of support from a Parent Company which guarantees to support KEH Naval Architects Holding ApS financially to ensure that the Company can discharge its obligations as the fall due and support the operations. The support letter will remain effective until the date falling one calendar year after the general meeting for the annual report 2018. On this basis and the budget for 2019, Management considers the Company as going concern.



## Financial statements 1 January - 31 December

### Notes to the financial statements

	DKK	2018	2017
3	Financial expenses		
	Interest expenses, group entities	182,500	13,200
	Other financial expenses	925	5,897
		<u>183,425</u>	<u>19,097</u>

### 4 Investments

Name	Domicile	Interest
Subsidiaries		
1. Knud E. Hansen A/S	Helsingør	100.00%
1.1 Knud E. Hansen (UK) Ltd.	London, United Kingdom	100.00%
1.2 Knud E. Hansen Australia PTY Ltd.	Perth, Australia	100.00%
1.3 Knud E. Hansen USA, Inc.	Ft. Lauderdale, USA	100.00%
1.4 Knud E. Hansen Greece Ltd.	Piraeus, Greece	100.00%
1.5 Marine Hvac Design SL	Cadiz, Spain	100.00%

	DKK	2018	2017
5	Share capital		
	Analysis of the share capital:		
	80,000 shares of DKK 1.00 nominal value each	80,000	80,000
		<u>80,000</u>	<u>80,000</u>

The Company's share capital has remained DKK 80,000 over the past 5 years.

### 6 Subordinate loan capital

Loan on 12,000,000 DKK has been granted by a Parent Company and is subordinated in relation to all other creditors.

### 7 Contractual obligations and contingencies, etc.

#### Other contingent liabilities

Acting as management company, the Company is jointly taxed with other Danish group entities and is jointly and severally liable, together with other jointly taxed group entities, for the payment of income taxes as well as withholding taxes on interest, royalties and dividends.

### 8 Collateral

No assets had been pledged as collateral or otherwise charged at 31 December 2018.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 9 Related parties

##### Information about consolidated financial statements

Parent	Domicile
Damen Shipyard Group NV	Curacao, Curacao

Requisitioning of the parent  
company's consolidated  
financial statements

The consolidated financial  
statements are available  
at the Chamber of  
Commerce in The  
Netherlands.