African Chaser Shipping ApS
Central Business Registration No 35835121
Strevelinsvej 34
7000 Fredericia

Annual report 2015

The Annual General Meeting adopted the annual report on 31.05.2016

Chairman of the General Meeting

Name: Jens V. Mathiassen

Contents

Entity details

Entity

African Chaser Shipping ApS
Strevelinsvej 34
7000 Fredericia

Central Business Registration No: 35835121
Registered in: Fredericia
Financial year: 01.01.2015 - 31.12.2015

Executive Board

Jan Jacobsen
Anders Østergaard
Kenneth Henriks

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 København

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of African Chaser Shipping ApS for the financial year 01.01.2015 - 31.12.2015.

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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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, 31.05.2016

Executive Board

Jan Jacobsen	Anders Østergaard	Kenneth Henriks

Independent auditor's reports

To the owners of African Chaser Shipping ApS

Report on the financial statements

We have audited the financial statements of African Chaser Shipping ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company’s financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Independent auditor's reports

Copenhagen, 31.05.2016

Deloitte
Statsautoriseret Revisionspartnerselskab

Kåre Valtersdorf	Peter Aslak Storgaard
State Authorised Public Accountant	State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

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

Development in activities and finances

The result for the year shows a deficit at USD 178.215 against a deficit last year at USD 296.918. The deficit for the year is not satisfactory.

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.

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 for these financial statements are consistent with those applied last year.

The functional and presentation currency is USD.

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 one 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. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

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

Accounting policies

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 costs of consumables for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Entity’s ordinary activities, including expenses for stationery and office supplies etc. This item also includes write-downs of receivables recognised in current assets.

Amortisation, depreciation 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.

Other financial income

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

Other financial expenses

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

Income taxes

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).

Accounting policies

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.

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:

Docking and overhaul	5 years
Ships	15 years

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 completion costs and costs incurred to execute sale.

Receivables

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

Income tax payable or receivable

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Accounting policies

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.

Other financial liabilities

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

Income statement for 2015

	Notes	2015 USD	2014 USD
Gross profit		**327.132**	**(141.321)**
Depreciation, amortisation and impairment losses		(369.980)	(122.847)
Operating profit/loss		**(42.848)**	**(264.168)**
Other financial income		7.780	0
Other financial expenses	1	(241.484)	(104.044)
Profit/loss from ordinary activities before tax		**(276.552)**	**(368.212)**
Tax on profit/loss from ordinary activities	2	98.337	71.294
Profit/loss for the year		**(178.215)**	**(296.918)**

Proposed distribution of profit/loss		
Retained earnings	(178.215)	(296.918)
	(178.215)	**(296.918)**

Balance sheet at 31.12.2015

	Notes	2015 USD	2014 USD
Ships		6.104.578	5.030.031
Property, plant and equipment	3	**6.104.578**	**5.030.031**
Deposits		6.300	6.300
Fixed asset investments	4	**6.300**	**6.300**
Fixed assets		**6.110.878**	**5.036.331**
Raw materials and consumables		40.367	0
Inventories		**40.367**	**0**
Receivables from group enterprises		136.921	0
Other short-term receivables		14.353	14.788
Income tax receivable		434.372	192.838
Prepayments		51.711	73.990
Receivables		**637.357**	**281.616**
Cash		**61.403**	**146.539**
Current assets		**739.127**	**428.155**
Assets		**6.850.005**	**5.464.486**

Balance sheet at 31.12.2015

	Notes	2015 USD	2014 USD
Contributed capital		9.135	9.135
Retained earnings		1.506.547	1.684.762
Equity		**1.515.682**	**1.693.897**
Provisions for deferred tax		457.579	121.544
Provisions		**457.579**	**121.544**
Trade payables		84.936	101.807
Debt to group enterprises		4.779.775	3.488.461
Other payables		12.033	58.777
Current liabilities other than provisions		**4.876.744**	**3.649.045**
Liabilities other than provisions		**4.876.744**	**3.649.045**
Equity and liabilities		**6.850.005**	**5.464.486**
Contingent liabilities	5		
Consolidation	6		

Statement of changes in equity for 2015

	Contributed capital USD	Retained earnings USD	Total USD
Equity beginning of year	9.135	1.684.762	1.693.897
Profit/loss for the year	0	(178.215)	(178.215)
Equity end of year	**9.135**	**1.506.547**	**1.515.682**

Notes

1. Other financial expenses

	2015 USD	2014 USD
Financial expenses from group enterprises	201.927	93.972
Interest expenses	492	3.690
Other financial expenses	39.065	6.382
	241.484	**104.044**

2. Tax on ordinary profit/loss for the year

	2015 USD	2014 USD
Current tax	(434.372)	(192.838)
Change in deferred tax for the year	336.035	121.544
	(98.337)	**(71.294)**

3. Property, plant and equipment

	Ships USD
Cost beginning of year	5.152.878
Additions	1.444.527
Cost end of year	**6.597.405**
Depreciation and impairment losses beginning of the year	(122.847)
Depreciation for the year	(369.980)
Depreciation and impairment losses end of the year	**(492.827)**
Carrying amount end of year	**6.104.578**

The ships residual value is estimated to USD 1.060.000

4. Fixed asset investments

	Deposits USD
Cost beginning of year	6.300
Cost end of year	**6.300**
Carrying amount end of year	**6.300**

Notes

5. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Monjasa Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

6. Consolidation

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

Monjasa Holding A/S, Fredericia