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KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET  
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# Hafnia Handy Pool Management ApS

Tuborg Boulevard 5, 2900 Hellerup

Company reg. no. 36 19 74 63

## Annual report

1 January - 31 December 2016

The annual report has been submitted and approved by the general meeting on the 7/6 2017

Anders Engholm  
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance USD 146.940 means the amount of USD 146,940, and that 23,5 % means 23.5 %.



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## **Management's report**

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The managing director has today presented the annual report of Hafnia Handy Pool Management ApS for the financial year 1 January to 31 December 2016.

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


I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Hellerup, 22 February 2017

**Managing Director**

  
Anders Engholm Madsen



## **Independent auditor's report**

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### **To the shareholder of Hafnia Handy Pool Management ApS**

#### **Opinion**

We have audited the annual accounts of Hafnia Handy Pool Management ApS for the financial year 1 January to 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016 and of the results of the company's operations for the financial year 1 January to 31 December 2016 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

#### **The management's responsibilities for the annual accounts**

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts



## **Independent auditor's report**

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As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

### **Statement on the management's review**

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.



## **Independent auditor's report**

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In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 22 February 2017

**Christensen Kjarulff**  
Statsautoriseret Revisionsaktieselskab  
Company reg. no. 15 91 56 41

**Iver Haugsted**  
State Authorised Public Accountant



## Company data

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### **The company**

Hafnia Handy Pool Management ApS  
Tuborg Boulevard 5  
2900 Hellerup

Company reg. no. 36 19 74 63  
Established: 17 September 2014  
Domicile: Hellerup  
Financial year: 1 January - 31 December  
2nd financial year

### **Managing Director**

Anders Engholm Madsen

### **Auditors**

Christensen Kjærulff  
Statsautoriseret Revisionsaktieselskab



## **Management's review**

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### **The principal activities of the company**

The company's principal activities consist of commercial activities within the product tankers markets.

### **Unusual matters**

None.

### **Uncertainties as to recognition or measurement**

None.

### **Development in activities and financial matters**

The gross profit for the year is USD 130.000 against USD 1.567.000 last year. The results from ordinary activities after tax are USD 97.000 against USD 1.198.000 last year. The management considers the results satisfactory.





## Profit and loss account

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All amounts in USD.

<u>Note</u>	<u>1/1 2016 - 31/12 2016</u>	<u>17/9 2014 - 31/12 2015</u>
<b>Gross profit</b>	<b>129.931</b>	<b>1.567.324</b>
Other financial income	3.539	16.824
1 Other financial costs	-3.966	-4.557
<b>Results before tax</b>	<b>129.504</b>	<b>1.579.591</b>
Tax on ordinary results	-32.370	-381.521
<b>Results for the year</b>	<b>97.134</b>	<b>1.198.070</b>
<b>Proposed distribution of the results:</b>		
Extraordinary dividend adopted during the financial year	546.747	0
Dividend for the financial year	0	1.000.000
Allocated to results brought forward	0	198.070
Allocated from results brought forward	-449.613	0
<b>Distribution in total</b>	<b>97.134</b>	<b>1.198.070</b>



## Balance sheet 31 December

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All amounts in USD.

<b>Assets</b>	<u>2016</u>	<u>2015</u>
<u>Note</u>		
<b>Current assets</b>		
Other debtors	383.774	337.876
Accrued income and deferred expenses	<u>0</u>	<u>4.250</u>
Debtors in total	<u>383.774</u>	<u>342.126</u>
Available funds	<u>36.729</u>	<u>937.360</u>
<b>Current assets in total</b>	<u><b>420.503</b></u>	<u><b>1.279.486</b></u>
<b>Assets in total</b>	<u><b>420.503</b></u>	<u><b>1.279.486</b></u>



## Balance sheet 31 December

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All amounts in USD.

### Equity and liabilities

Note	2016	2015
<b>Equity</b>		
2 Contributed capital	8.384	8.384
3 Results brought forward	-1.543	198.070
4 Proposed dividend for the financial year	0	1.000.000
<b>Equity in total</b>	<b>6.841</b>	<b>1.206.454</b>
<b>Liabilities</b>		
Trade creditors	3.545	5.106
Debt to group enterprises	380.000	0
Corporate tax	30.118	64.126
Other debts	-1	3.800
Short-term liabilities in total	413.662	73.032
<b>Liabilities in total</b>	<b>413.662</b>	<b>73.032</b>
<b>Equity and liabilities in total</b>	<b>420.503</b>	<b>1.279.486</b>

### 5 Contingencies



## Notes

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All amounts in USD.

	1/1 2016 - 31/12 2016	17/9 2014 - 31/12 2015
<b>1. Other financial costs</b>		
Other financial costs	3.966	4.557
	<b>3.966</b>	<b>4.557</b>
<b>2. Contributed capital</b>		
Contributed capital 1 January 2016	8.384	8.384
	<b>8.384</b>	<b>8.384</b>
<b>3. Results brought forward</b>		
Results brought forward 1 January 2016	198.070	0
Profit or loss for the year brought forward	-449.613	198.070
Extraordinary dividend adopted during the financial year	546.747	0
Distributed extraordinary dividend adopted during the financial year.	-546.747	0
Contribution from parent company	250.000	0
	<b>-1.543</b>	<b>198.070</b>
<b>4. Proposed dividend for the financial year</b>		
Dividend 1 January 2016	1.000.000	0
Distributed dividend	-1.000.000	0
Dividend for the financial year	0	1.000.000
	<b>0</b>	<b>1.000.000</b>



## Notes

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All amounts in USD.

### 5. Contingencies

#### Joint taxation

Hafnia Management A/S being the administration company, the company is subject to the Danish scheme of joint taxation and, as from the financial year 2012, it is proportionally liable for tax claims within the joint taxation scheme.

As from 1 July 2012, the company is proportionally liable for any obligation to withhold tax on interest, royalties and dividends of the jointly taxed companies.

The liabilities amount to a maximum corresponding to that share of the company capital, which is owned directly or indirectly by the ultimate parent company.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.



## **Accounting policies used**

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The annual report for Hafnia Handy Pool Management ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in American dollars (USD) due to the fact that USD is the primary currency within the international shipping business. As per 31.12.2016 the exchange rate was DKK 7,0528 (pr. 31.12.2015 the exchange rate was DKK 6,8300)

### **Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

## **The profit and loss account**

### **Gross profit**

The gross profit comprises the net turnover and external costs.

The net turnover comprises the value of services provided during the year, including outlay for customers less VAT and price reductions directly associated with the sale.

The turnover is recognised in the profit and loss account when the sale has been completed. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- There is a binding sales agreement
- The sales price has been determined
- The payment has been received, or it can with reasonable assurance be expected to be received.



## **Accounting policies used**

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Hereby, it is ensured that recognition does not take place until the total income and costs as well as the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the economic benefits, including payments, will be received by the enterprise.

Other external costs comprise costs for sales and administration.

### **Net financials**

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

### **Tax of the results for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

## **The balance sheet**

### **Debtors**

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

### **Accrued income and deferred expenses**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

### **Available funds**

Available funds comprise cash at bank and in hand.

### **Equity**

#### **Dividend**

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).



## **Accounting policies used**

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### **Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Hafnia Handy Pool Management ApS is proportionally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

### **Liabilities**

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