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# ***OCEAN7 Chartering ApS***

Jyllandsgade 19A, DK-7000 Fredericia

## **Annual Report for 1 January - 31 December 2017**

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CVR No 36 45 87 20

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
11/6 2018

Stefan Nordby Petersen  
Chairman



**pwc**

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## **Management's Statement**

The Executive Board has today considered and adopted the Annual Report of OCEAN7 Chartering ApS for the financial year 1 January - 31 December 2017.

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 at 31 December 2017 of the Company and of the results of the Company operations for 2017.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Fredericia, 11 June 2018

### **Executive Board**

Stefan Nordby Petersen

# Independent Auditor's Report

To the Shareholder of OCEAN7 Chartering ApS

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of OCEAN7 Chartering ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

## 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 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 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 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 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

# Independent Auditor's Report

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.
- 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 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.

Trekantområdet, 11 June 2018

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Jan Bunk Harbo Larsen

statsautoriseret revisor

mne30224

## **Company Information**

### **The Company**

OCEAN7 Chartering ApS  
Jyllandsgade 19A  
DK-7000 Fredericia

CVR No: 36 45 87 20

Financial period: 1 January - 31 December

Municipality of reg. office: Fredericia

### **Executive Board**

Stefan Nordby Petersen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Herredsvej 32  
DK-7100 Vejle

## Income Statement 1 January - 31 December

	Note	2017 USD	2016 USD
<b>Gross profit/loss</b>		<b>1.132.694</b>	<b>150.716</b>
Staff expenses	2	-153.848	-205.864
<b>Profit/loss before financial income and expenses</b>		<b>978.846</b>	<b>-55.148</b>
Financial income	3	61.896	47.838
Financial expenses		-3.895	-2.441
<b>Profit/loss before tax</b>		<b>1.036.847</b>	<b>-9.751</b>
Tax on profit/loss for the year	4	-228.272	6.124
<b>Net profit/loss for the year</b>		<b>808.575</b>	<b>-3.627</b>

## Distribution of profit

### Proposed distribution of profit

Extraordinary dividend paid	338.290	0
Retained earnings	470.285	-3.627
	<b>808.575</b>	<b>-3.627</b>

# Balance Sheet 31 December

## Assets

	Note	2017 USD	2016 USD
<b>Inventories</b>	5	<b>753.092</b>	<b>60.284</b>
Trade receivables		2.380.094	882.190
Receivables from group enterprises		0	21.306
Other receivables		517.437	0
Corporation tax		0	6.124
Prepayments		678.925	419.982
<b>Receivables</b>		<b>3.576.456</b>	<b>1.329.602</b>
<b>Cash at bank and in hand</b>		<b>1.293.410</b>	<b>755.395</b>
<b>Currents assets</b>		<b>5.622.958</b>	<b>2.145.281</b>
<b>Assets</b>		<b>5.622.958</b>	<b>2.145.281</b>



# Balance Sheet 31 December

## Liabilities and equity

	Note	2017 USD	2016 USD
Share capital		8.055	7.089
Retained earnings		466.125	-3.659
<b>Equity</b>	6	<b>474.180</b>	<b>3.430</b>
Trade payables		2.494.384	772.329
Payables to group enterprises		394.754	0
Corporation tax		228.292	0
Other payables		221.227	290.572
Deferred income		1.810.121	1.078.950
<b>Short-term debt</b>		<b>5.148.778</b>	<b>2.141.851</b>
<b>Debt</b>		<b>5.148.778</b>	<b>2.141.851</b>
<b>Liabilities and equity</b>		<b>5.622.958</b>	<b>2.145.281</b>
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# Notes to the Financial Statements

## 1 Key activities

The key activity of the company is to engage in international brokerage services in respect of freight transport by ships and other related activities

	2017 <u>USD</u>	2016 <u>USD</u>
<b>2 Staff expenses</b>		
Wages and salaries	138.182	189.968
Pensions	11.054	13.444
Other social security expenses	693	909
Other staff expenses	3.919	1.543
	<u><b>153.848</b></u>	<u><b>205.864</b></u>
 <b>Average number of employees</b>	 <u><b>2</b></u>	 <u><b>3</b></u>
 <b>3 Financial income</b>		
Interest received from group enterprises	1.447	0
Other financial income	60.449	47.838
	<u><b>61.896</b></u>	<u><b>47.838</b></u>
 <b>4 Tax on profit/loss for the year</b>		
Current tax for the year	228.272	-6.124
	<u><b>228.272</b></u>	<u><b>-6.124</b></u>
 <b>5 Inventories</b>		
Finished goods and goods for resale (Bunker)	753.092	60.284
	<u><b>753.092</b></u>	<u><b>60.284</b></u>

## Notes to the Financial Statements

### 6 Equity

	Share capital	Retained earnings	Total
	USD	USD	USD
Equity at 1 January	7.089	-3.659	3.430
Exchange adjustments	966	-501	465
Extraordinary dividend paid	0	-338.290	-338.290
Net profit/loss for the year	0	808.575	808.575
<b>Equity at 31 December</b>	<b>8.055</b>	<b>466.125</b>	<b>474.180</b>

### 7 Contingent assets, liabilities and other financial obligations

The company has entered into contracts regarding chartering of ships per 31st December with a remaining period up to 3 months. The total rent obligation is 4.982.432 (2016: 1.416.771)

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of the ultimate parent company, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on un-earned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Financial Statements

## 8 Accounting Policies

The Annual Report of OCEAN7 Chartering ApS for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Financial Statements for 2017 are presented in USD.

### Changes in accounting policies

The company has for the financial year 2017 changed the presentation currency from DKK to USD, and converted the comparative figures. Management considers USD as the actual currency.

The following exchange rates has been applied in the financial statements:

- Exchange rate 31. december 2017: 620.77
- Exchange rate 31. december 2016: 705.28

Differences is booked as financial income.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between

# Notes to the Financial Statements

## 8 Accounting Policies (continued)

the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## Income Statement

### Revenue

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Direct costs

Direct costs consists of costs associated with the revenue.

### Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses and other staff costs.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

# Notes to the Financial Statements

## 8 Accounting Policies (continued)

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance Sheet

### Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### Prepayments

Prepayments comprise prepaid expenses concerning TC hire.

### Equity

#### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

# Notes to the Financial Statements

## 8 Accounting Policies (continued)

### Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

### Deferred income

Deferred income comprises payments received in respect of income in subsequent years.