# Dania Ship Management A/S

Tuborg Havnevej 15, 2900 Hellerup
CVR No. 38618873

## Annual report 2019

The Annual General Meeting adopted the annual report on 31.03.2020

**Lennart Jensen**
Chairman of the General Meeting

# Contents

# Entity details

### Entity

Dania Ship Management A/S

Tuborg Havnevej 15

2900 Hellerup

CVR No.: 38618873

Registered office: Gentofte

Financial year: 01.01.2019 - 31.12.2019

### Board of Directors

Franck Johannes Kayser, Chairman

Edward Mcdermott

Michael Per Elwert

Erik Ankjær Carlsen

### Executive Board

Mikkjal Poulsen, CEO

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P. O. Box 1600
0900 Copenhagen C

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Dania Ship Management A/S for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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.

Hellerup, 31.03.2020

## Executive Board

**Mikkjal Poulsen**
CEO

## Board of Directors

**Franck Johannes Kayser**
Chairman

**Edward Mcdermott**

**Michael Per Elwert**

**Erik Ankjær Carlsen**

# Independent auditor's report

**To the shareholders of Dania Ship Management A/S**

## Opinion

We have audited the financial statements of Dania Ship Management A/S for the financial year 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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:

- 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.

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, 31.03.2020

**Deloitte**
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

**Bjarne Iver Jørgensen**
State Authorised Public Accountant
Identification No (MNE) mne35659

# Management commentary

### Primary activities
The Company’s primary activities involve acting as technical manager of vessels.

### Development in activities and finances
The profit of the year is DKK 4,686,652. The result of the year is satisfactory. The equity is positive DKK 918,973.

The Company expects the result to be at the same level for 2020.

### Events after the balance sheet date
No events have occurred after the balance sheet date to this date, which would influence the evaluation of the annual report. The outbreak and spread of COVID-19 at the beginning of 2020 has not and is not expected to have a significant impact on the company's financial position and development, as the company and its customers continue to operate during the epidemic and as the company's revenue is collected from customers who have a high credit rating.

# Income statement for 2019

| | Notes | 2019 DKK | 2018 DKK |
|---|---|---|---|
| **Gross profit/loss** | | **27,080,042** | **24,894,182** |
| Staff costs | 1 | (21,340,815) | (24,179,094) |
| Depreciation, amortisation and impairment losses | | (349,643) | (1,261,087) |
| **Operating profit/loss** | | **5,389,584** | **(545,999)** |
| Other financial income | 2 | 0 | 63,928 |
| Other financial expenses | 3 | (145,831) | (35,873) |
| **Profit/loss before tax** | | **5,243,753** | **(517,944)** |
| Tax on profit/loss for the year | 4 | (557,101) | (547,337) |
| **Profit/loss for the year** | | **4,686,652** | **(1,065,281)** |
| **Proposed distribution of profit and loss** | | | |
| Retained earnings | | 4,686,652 | (1,065,281) |
| **Proposed distribution of profit and loss** | | **4,686,652** | **(1,065,281)** |

# Balance sheet at 31.12.2019

## Assets

| | Notes | 2019<br>DKK | 2018<br>DKK |
|---|---|---|---|
| Acquired rights | | 0 | 159,974 |
| **Intangible assets** | 5 | **0** | **159,974** |
| Other fixtures and fittings, tools and equipment | | 78,470 | 268,139 |
| **Property, plant and equipment** | 6 | **78,470** | **268,139** |
| **Fixed assets** | | **78,470** | **428,113** |
| Trade receivables | | 1,834,950 | 1,428,099 |
| Receivables from group enterprises | | 3,257,921 | 0 |
| Other receivables | | 32,500 | 590,440 |
| Prepayments | | 233,363 | 351,744 |
| **Receivables** | | **5,358,734** | **2,370,283** |
| **Cash** | | **445,183** | **192,658** |
| **Current assets** | | **5,803,917** | **2,562,941** |
| **Assets** | | **5,882,387** | **2,991,054** |

## Equity and liabilities

| | Notes | 2019 DKK | 2018 DKK |
|---|---|---|---|
| Contributed capital | | 500,000 | 500,000 |
| Retained earnings | | 18,973 | (4,267,593) |
| Proposed dividend | | 400,000 | 0 |
| **Equity** | | **918,973** | **(3,767,593)** |
| | | | |
| Trade payables | | 355,105 | 1,226,308 |
| Payables to group enterprises | | 189,612 | 0 |
| Income tax payable | | 374,707 | 0 |
| Other payables | | 4,043,990 | 5,532,339 |
| **Current liabilities other than provisions** | | **4,963,414** | **6,758,647** |
| | | | |
| **Liabilities other than provisions** | | **4,963,414** | **6,758,647** |
| | | | |
| **Equity and liabilities** | | **5,882,387** | **2,991,054** |
| | | | |
| Contingent liabilities | 7 | | |
| Group relations | 8 | | |

# Statement of changes in equity for 2019

| | Contributed capital DKK | Retained earnings DKK | Proposed dividend DKK | Total DKK |
|---|---|---|---|---|
| Equity beginning of year | 500,000 | (4,267,679) | 0 | (3,767,679) |
| Profit/loss for the year | 0 | 4,286,652 | 400,000 | 4,686,652 |
| **Equity end of year** | **500,000** | **18,973** | **400,000** | **918,973** |

# Notes

## 1 Staff costs

| | 2019 DKK | 2018 DKK |
|---|---|---|
| Wages and salaries | 19,196,756 | 21,553,150 |
| Pension costs | 1,691,873 | 1,923,211 |
| Other staff costs | 452,186 | 702,733 |
| | **21,340,815** | **24,179,094** |

| | | |
|---|---|---|
| Average number of full-time employees | **27** | **29** |

## 2 Other financial income

| | 2019 DKK | 2018 DKK |
|---|---|---|
| Other interest income | 0 | 21,726 |
| Exchange rate adjustments | 0 | 42,202 |
| | **0** | **63,928** |

## 3 Other financial expenses

| | 2019 DKK | 2018 DKK |
|---|---|---|
| Other interest expenses | 82,967 | 25,741 |
| Exchange rate adjustments | 62,864 | 10,132 |
| | **145,831** | **35,873** |

## 4 Tax on profit/loss for the year

| | 2019 DKK | 2018 DKK |
|---|---|---|
| Current tax | 557,101 | 519,891 |
| Adjustment concerning previous years | 0 | 27,446 |
| | **557,101** | **547,337** |

The Company's income tax base is located in Denmark, and therefore subject to the Danish tonnage tax scheme. The Company has entered the tonnage tax scheme on 1 May 2017, with a binding period of 10 years, and it is the Company's expectation to continue to participate in the tonnage tax scheme after the binding period expires, with an equivalent or higher activity level as the time where the Group entered the tonnage tax scheme.

Under the tonnage tax scheme income and expenses from shipping activities are not subject to direct taxation, instead the taxable income is calculated on the basis of:

- The net tonnage of the vessels used to generate the income from technical management.
- A rate applicable to the specific net tonnage of the vessels based on a sliding scale.

No deferred tax assets or liabilities are recognised the 31st December 2019.

## 5 Intangible assets

| | **Acquired rights DKK** |
|---|---|
| Cost beginning of year | 2,637,319 |
| **Cost end of year** | **2,637,319** |
| Amortisation and impairment losses beginning of year | (2,477,345) |
| Amortisation for the year | (159,974) |
| **Amortisation and impairment losses end of year** | **(2,637,319)** |
| **Carrying amount end of year** | **0** |

## 6 Property, plant and equipment

| | **Other fixtures and fittings, tools and equipment DKK** |
|---|---|
| Cost beginning of year | 570,000 |
| **Cost end of year** | **570,000** |
| Depreciation and impairment losses beginning of year | (301,861) |
| Depreciation for the year | (189,669) |
| **Depreciation and impairment losses end of year** | **(491,530)** |
| **Carrying amount end of year** | **78,470** |

## 7 Contingent liabilities

The Company is jointly taxed with all Danish subsidaries. 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).

## 8 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Vouvray Acquisition Limited, 1st Floor, 63 Queens Victoria Street, London, EC4N 4UA, United Kingdom

# 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.

## 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 rate 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.

When recognising foreign subsidiaries, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates and balance sheet items are translated using the exchange rates at the balance sheet date.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, and external expenses.

### Revenue

Revenue from technical management and consultancy services are recognised when the Company obtains right to the remunerations.

### Other external expenses

Other external expenses comprise expenses for management and administration of the the Company.

**Staff costs**
Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc.

**Depreciation, amortisation and impairment losses**
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation 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 intangible assets as well as property, plant and equipment.

**Other financial income**
Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies.

**Other financial expenses**
Other financial expenses comprise interest expenses related to transactions in foreign currencies.

**Tax on profit/loss for the year**
Tax for the year, which consists of current tax for the year, 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 all Danish subsidaries. 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

**Intellectual property rights etc**
Intellectual property rights etc comprise acquired contracts and rights.

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:

Intellectual property rights etc.

Estimated useful lives and residual values are reassessed annually.

Items of Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

**Property, plant and equipment**
Property, plant and machinery is 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.  development process are recognised in cost based on time spent on each asset.

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:

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:

| | |
|---|---|
| Other fixtures and fittings, tools and equipment | 3 years |

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

**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.

**Dividend**
Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

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

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