

**Grant Thornton**  
Godkendt  
Revisionspartnerselskab

Stockholmsgade 45  
2100 København Ø  
CVR-nr. 34209936

T (+45) 33 110 220

[www.grantthornton.dk](http://www.grantthornton.dk)

# **Independent Bulk Carriers A/S**

**Strandvejen 60, 2900 Hellerup**

**Company reg. no. 40 80 40 99**

## **Annual report**

**1 July 2022 - 30 June 2023**

The annual report was submitted and approved by the general meeting on the 19 December 2023.



**Søren Benny Ogle Jønsson**  
Chairman of the meeting

## Contents

---

	<b><u>Page</u></b>
<b>Reports</b>	
Management's statement	1
Independent auditor's report	2
<b>Management's review</b>	
Company information	5
Financial highlights	6
Management's review	8
<b>Financial statements 1 July 2022 - 30 June 2023</b>	
Income statement	9
Balance sheet	10
Statement of changes in equity	12
Statement of cash flows	13
Notes	14
Accounting policies	20

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that USD 146.940 corresponds to the English amount of USD 146,940, and that 23,5 % corresponds to 23.5 %.

## Management's statement

---

Today, the Board of Directors and the Managing Director have approved the annual report of Independent Bulk Carriers A/S for the financial year 1 July 2022 - 30 June 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2023 and of the results of the Company's operations and cash flows for the financial year 1 July 2022 – 30 June 2023.

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

We recommend that the annual report be approved at the Annual General Meeting.

Hellerup, 15 December 2023

### Managing Director


  
Søren Benny Ogle Jønsson

### Board of directors

  
Bent Egil Jønsson

  
Charlotte Højbjerg Andersen

  
Søren Benny Ogle Jønsson

  
Bridget Rosemary Ogle

  
Henning Jønsson

## **Independent auditor's report**

---

### **To the Shareholder of Independent Bulk Carriers A/S**

#### **Opinion**

We have audited the financial statements of Independent Bulk Carriers A/S for the financial year 1 July 2022 - 30 June 2023, which comprise income statement, balance sheet, statement of changes in equity, statement of cash flows, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under 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 30 June 2023, and of the results of the Company's operations and cash flows for the financial year 1 July 2022 - 30 June 2023 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.

## Independent auditor's report

---

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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.

### Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

## Independent auditor's report

---

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

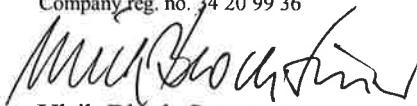
Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Copenhagen, 15 December 2023

### Grant Thornton

State Authorised Public Accountants  
Company reg. no. 34 20 99 36



Ulrik Bløch-Sørensen  
State Authorised Public Accountant  
mnc2913



Martin Bomholtz  
State Authorised Public Accountant  
mnc34117

## Company information

---

<b>The company</b>	Independent Bulk Carriers A/S Strandvejen 60 2900 Hellerup
	Company reg. no. 40 80 40 99 Financial year: 1 July - 30 June
<b>Board of directors</b>	Bent Egil Jønsson Charlotte Højbjerg Andersen Søren Benny Ogle Jønsson Bridget Rosemary Ogle Henning Jønsson
<b>Managing Director</b>	Søren Benny Ogle Jønsson
<b>Auditors</b>	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
<b>Parent company</b>	Independent Bulk Invest A/S

## Financial highlights

USD in thousands.	2022/23	2021/22	2020/21	2019/20
<b>Income statement:</b>				
Gross profit	3.204	10.326	7.090	-1.132
Profit from operating activities	2.883	9.819	6.849	-1.238
Net financials	305	-351	-137	-1
Net profit or loss for the year	2.482	7.484	5.231	-970
<b>Statement of financial position:</b>				
Balance sheet total	9.453	19.400	10.476	3.172
Investments in property, plant and equipment	0	0	151	0
Equity	8.482	8.469	4.336	-895
<b>Cash flows:</b>				
Operating activities	-443	9.958	2.367	0
Investing activities	46	-5	-118	0
Financing activities	-5.470	-991	0	0
Total cash flows	-5.867	8.962	2.249	0
<b>Employees:</b>				
Average number of full-time employees	1	1	1	1
<b>Key figures in %:</b>				
Liquidity ratio	973,1	176,6	168,8	-
Solvency ratio	89,7	43,7	41,4	-28,2
Return on equity	29,3	116,9	304,0	-

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The financial highlights for 2019/20 comprises the company's 1st. financial year and comprises solely the period 19. September 2019 to 30. June 2021. The cash flow informations for 2019/20 have not been prepared.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

<b>Liquidity ratio</b>	$\frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$
<b>Solvency ratio</b>	$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$



## **Financial highlights**

---

**Return on equity**

Net profit or loss for the year x 100  
Average equity

## **Management's review**

---

### **Description of key activities of the company**

Like previous years, the activities are shipping with timechartered vessels.

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

The gross profit for the year totals t.USD 3.204 against t.USD 10.326 last year. Income from ordinary activities after tax totals t.USD 2.482 against t.USD 7.484 last year. The margin between the freight rates and the timecharterhire (out) have been at a lower level in 2022/2023 compared to last year. Management considers the net profit for the year satisfactory and a slightly better than expected according to the annual report for 2021/2022.

### **Financial risks and the use of financial instruments**

#### *Operating risks*

The Management of Independent Bulk Carriers A/S performs risk assessment on a continuous basis due to the nature of the Business. Management together with the Board defines procedures to manage and monitor the identified risks which specifically are Time Charter commitments, Contracts of Affreightments and Bunkers. The procedures may contain activities to avoid, to reduce or to shift these risks. It is the objective of the Management to carry market risk and to minimize counterparty risk and Bunker exposure.

### **Environmental issues**

Pollution and the environment can be a major factor in shipping today. As the company operates with chartered vessels, environmental conditions are handled by the shipowners.

### **Expected developments**

For 2023/2024, we will continue to capitalize on market volatility whilst operating with balanced trading commitments. The result will be depending on market levels, which we currently assess. Based on the current assessment of the market, we expect a negative result before taxes of between 1 and 1,5 million USD.

**Income statement 1 July - 30 June**

Amounts concerning 2022/23: USD.

Amounts concerning 2021/22: USD thousand.

<u>Note</u>	<u>2022/23</u>	<u>2021/22</u>
<b>Gross profit</b>	<b>3.203.588</b>	<b>10.326</b>
2 Staff costs	-275.642	-488
Depreciation and writedown relating to fixed assets	-44.944	-19
<b>Operating profit</b>	<b>2.883.002</b>	<b>9.819</b>
Other financial income	459.471	5
Other financial expenses	-154.228	-356
<b>Pre-tax net profit or loss</b>	<b>3.188.245</b>	<b>9.468</b>
Tax on net profit or loss for the year	-705.855	-1.984
<b>3 Net profit or loss for the year</b>	<b>2.482.390</b>	<b>7.484</b>

**Balance sheet at 30 June**

Amounts concerning 2023: USD.

Amounts concerning 2022: USD thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
<b>Non-current assets</b>		
4 Other fixtures, fittings, tools and equipment	0	92
Total property, plant, and equipment	0	92
5 Deposits	10.312	9
Total investments	10.312	9
<b>Total non-current assets</b>	<b>10.312</b>	<b>101</b>
<b>Current assets</b>		
6 Raw materials and consumables	985.524	2.298
Total inventories	985.524	2.298
Trade receivables	528.911	1.339
7 Voyages in progress	2.156.263	3.344
Receivables from group enterprises	205.889	6
8 Deferred tax assets	223.703	929
Other receivables	2.820	29
9 Prepayments	20.883	321
Total receivables	3.138.469	5.968
Cash and cash equivalents	5.318.382	11.033
<b>Total current assets</b>	<b>9.442.375</b>	<b>19.299</b>
<b>Total assets</b>	<b>9.452.687</b>	<b>19.400</b>

**Balance sheet at 30 June**

Amounts concerning 2023: USD.

Amounts concerning 2022: USD thousand.

<b>Equity and liabilities</b>			
<u>Note</u>	<u>2023</u>	<u>2022</u>	
<b>Equity</b>			
9	Contributed capital	75.128	75
	Retained earnings	6.925.262	5.924
10	Proposed dividend for the financial year	1.482.000	2.470
	<b>Total equity</b>	<b>8.482.390</b>	<b>8.469</b>
<b>Liabilities other than provisions</b>			
6	Prepayments received from customers concerning work in progress for the account of others	345.245	1.102
6	Voyages in progress	77.523	4.342
	Trade payables	446.903	2.075
	Payables to group enterprises	82.189	167
	Income tax payable	0	191
	Other payables	18.437	54
	Extraordinary dividend not paid	0	3.000
	Total short term liabilities other than provisions	970.297	10.931
	<b>Total liabilities other than provisions</b>	<b>970.297</b>	<b>10.931</b>
	<b>Total equity and liabilities</b>	<b>9.452.687</b>	<b>19.400</b>

**11 Contingencies****12 Related parties**

**Statement of changes in equity**

All amounts in USD.

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Proposed dividend for the financial year</b>	<b>Total</b>
Equity 1 July 2021	75.128	5.924.872	2.470.418	8.470.418
Distributed dividend	0	0	-2.470.418	-2.470.418
Profit or loss for the year brought forward	0	1.000.390	1.482.000	2.482.390
	<b>75.128</b>	<b>6.925.262</b>	<b>1.482.000</b>	<b>8.482.390</b>

## Statement of cash flows 1 July - 30 June

Amounts concerning 2022/23: USD.

Amounts concerning 2021/22: USD thousand.

<u>Note</u>	<u>2022/23</u>	<u>2021/22</u>
Net profit or loss for the year	2.482.390	7.484
13 Adjustments	445.556	2.354
14 Change in working capital	-3.331.277	4.074
Cash flows from operating activities before net financials	-403.331	13.912
Interest received, etc.	154.208	6
Interest paid, etc.	-2.670	-30
Cash flows from ordinary activities	-251.793	13.888
Income tax paid	-190.872	-3.930
<b>Cash flows from operating activities</b>	<b>-442.665</b>	<b>9.958</b>
Sale of property, plant, and equipment	46.749	0
Purchase of fixed asset investments	-1.127	-5
<b>Cash flows from investment activities</b>	<b>45.622</b>	<b>-5</b>
Repayments of long-term payables	0	-641
Dividend paid	-5.470.418	-350
<b>Cash flow from financing activities</b>	<b>-5.470.418</b>	<b>-991</b>
<b>Change in cash and cash equivalents</b>	<b>-5.867.461</b>	<b>8.962</b>
Cash and cash equivalents at 1 July 2022	11.032.137	2.397
Foreign currency translation adjustments (cash and cash equivalents)	153.706	-326
<b>Cash and cash equivalents at 30 June 2023</b>	<b>5.318.382</b>	<b>11.033</b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents	5.318.382	11.033
<b>Cash and cash equivalents at 30 June 2023</b>	<b>5.318.382</b>	<b>11.033</b>

**Notes**

Amounts concerning 2022/23: USD.

Amounts concerning 2021/22: USD thousand.

	<u>2022/23</u>	<u>2021/22</u>
<b>1. Staff costs</b>		
Salaries and wages	235.971	417
Pension costs	38.864	70
Other costs for social security	479	1
Other staff costs	328	0
	<u>275.642</u>	<u>488</u>
 Average number of employees	 <u>1</u>	 <u>1</u>
 The total remuneration to the Executive Board and the Board of Directors are 275 t.USD (2021/22 : 488 t.USD)		
<b>2. Proposed distribution of net profit</b>		
Extraordinary dividend distributed during the financial year	0	3.350
Dividend for the financial year	1.482.000	0
Transferred to retained earnings	1.000.390	4.134
<b>Total allocations and transfers</b>	<u>2.482.390</u>	<u>7.484</u>
	 <u>30/6 2023</u>	 <u>30/6 2022</u>
<b>3. Other fixtures, fittings, tools and equipment</b>		
Cost 1 July 2022	118.569	119
Disposals during the year	-118.569	0
<b>Cost 30 June 2023</b>	<u>0</u>	<u>119</u>
Amortisation and write-down 1 July 2022	-26.876	-8
Depreciation for the year	-9.485	-19
Reversal of depreciation, amortisation and writedown, assets disposed of	36.361	0
<b>Amortisation and write-down 30 June 2023</b>	<u>0</u>	<u>-27</u>
 <b>Carrying amount, 30 June 2023</b>	 <u>0</u>	 <u>92</u>



## Notes

Amounts concerning 2023: USD.

Amounts concerning 2022: USD thousand.

	<u>30/6 2023</u>	<u>30/6 2022</u>
<b>4. Deposits</b>		
Cost 1 July 2022	9.185	4
Additions during the year	<u>1.127</u>	<u>5</u>
<b>Cost 30 June 2023</b>	<b><u>10.312</u></b>	<b><u>9</u></b>
<b>Carrying amount, 30 June 2023</b>	<b><u>10.312</u></b>	<b><u>9</u></b>
<b>5. Raw materials and consumables</b>		
Raw materials and consumables	<u>985.524</u>	<u>2.298</u>
	<b><u>985.524</u></b>	<b><u>2.298</u></b>
<p>Inventory of raw materials and consumables (bunker oil) is measured at cost on basis of the FIFO method. As 30/6 2023 the net realisable value of the inventory bunker oil is 97 t.USD higher than the cost amount. As per 30/6 2022 the realisable value was 125 t.USD higher than the cost amount.</p>		
<b>6. Voyages in progress</b>		
Sales value of the production of the period	6.090.602	5.221
Progress billings	<u>-4.357.107</u>	<u>-7.321</u>
<b>Voyages in progress, net</b>	<b><u>1.733.495</u></b>	<b><u>-2.100</u></b>
<p>The following is recognised:</p>		
Voyages in progress for the account of others (current assets)	2.156.263	3.344
Voyages in progress for the account of others (prepayments received)	-345.245	-1.102
Voyages in progress for the account of others (short-term liabilities)	<u>-77.523</u>	<u>-4.342</u>
	<b><u>1.733.495</u></b>	<b><u>-2.100</u></b>

**Notes**

Amounts concerning 2023: USD.

Amounts concerning 2022: USD thousand.

	<u>30/6 2023</u>	<u>30/6 2022</u>
<b>7. Deferred tax assets</b>		
Deferred tax assets 1 July 2022	929.558	75
Deferred tax of the results for the year	-705.855	854
	<u><b>223.703</b></u>	<u><b>929</b></u>
The following items are subject to deferred tax:		
Property, plant, and equipment	3.291	-6
Current assets	17.055	935
Losses carried forward from previous years	203.357	0
	<u><b>223.703</b></u>	<u><b>929</b></u>
<b>8. Prepayments</b>		
Prepaid timecharterhire	0	292
Leasing	10.998	0
Other prepayments	9.885	29
	<u><b>20.883</b></u>	<u><b>321</b></u>
<b>9. Contributed capital</b>		
Contributed capital 1 July 2022	75.128	75
	<u><b>75.128</b></u>	<u><b>75</b></u>
The share capital consists of 500.000 shares of a nominal value of DKK 1. No shares carry any special rights. There have been no changes in share capital since the foundation of the company.		
<b>10. Proposed dividend for the financial year</b>		
Dividend 1 July 2022	2.470.418	0
Distributed dividend	-2.470.418	0
Dividend for the financial year	1.482.000	2.470
	<u><b>1.482.000</b></u>	<u><b>2.470</b></u>

## Notes

---

Amounts concerning 2022/23: USD.

Amounts concerning 2021/22: USD thousand.

### 11. Contingencies

#### Contingent liabilities

The company's annual rent obligation amounts to 60 t.USD.

The company has entered into long-term lease arrangements for foreign tonnage. The total commitment amounts to t.USD 6.394 as per June 30, of which all relates to the financial year 2023/24.

In addition the company has entered into a short-term lease arrangements. The total commitment amounts to t.USD 10 as per June 30.

#### Joint taxation

With SJ Holding Ømose ApS, company reg. no 29 40 93 15 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

### 12. Related parties

#### Consolidated financial statements

The company is included in the consolidated financial statements of SJ Holding Ømose ApS, Ømosevej 1, 3000 Helsingør.

**Notes**

Amounts concerning 2022/23: USD.

Amounts concerning 2021/22: USD thousand.

	<u>2022/23</u>	<u>2021/22</u>
<b>13. Adjustments</b>		
Depreciation, amortisation, and impairment	44.944	19
Other financial income	-459.471	-5
Other financial expenses	154.228	356
Tax on net profit or loss for the year	705.855	1.984
	<u><b>445.556</b></u>	<u><b>2.354</b></u>
<b>14. Change in working capital</b>		
Change in inventories	1.312.298	118
Change in debtors	2.111.437	1.255
Change in trade payables and other payables	-6.755.012	2.701
	<u><b>-3.331.277</b></u>	<u><b>4.074</b></u>

## Accounting policies

---

The annual report for Independent Bulk Carriers A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from the previous year, and the annual report is presented in American dollars (USD). A USD exchange rate on the balance sheet items of 6,8539 (2022 : 7,1620)

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

## Accounting policies

---

### Income statement

#### Gross profit

Revenue comprises income from voyages and is recognised exclusive of VAT and duties. Revenue is recognised as the work is completed, calculated on the basis of stage of completion (production criterion) at the balance sheet date. Recognition occurs when the following conditions are met:

- the amount of revenue can be measured reliably
  - it is probable that the economic benefits associated with the transaction will flow to the entity
  - the stage of completion of the transaction at the end of the reporting period can be measured reliably:
- and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Stage of completion is determined on the basis of the completed travel time compared to the expected travel time.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

#### Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

#### Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

#### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

## Accounting policies

---

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

### Statement of financial position

#### Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

#### Investments

##### Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

#### Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

## **Accounting policies**

---

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

### **Inventories**

Inventories comprise bunker oil kept on board vessels for consumption. Inventories are measured at cost on basis of the FIFO method. Bunker oil is not written down in case the realisable value is lower than cost value.

### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

### **Voyages in progress**

Voyages at the balance sheet day is measured based on the percentage of completion method. Number of days of a voyage, as a percentage of the number of days a voyage is estimated to last, is considered as a close approximation of percentage of completion. The voyage begins on the date when the cargo is loaded, and the voyage ends at the date of the next discharge (load to discharge). Demurrage is recognized if the claim is considered probable.

When it is probable that the total costs of the freight contract will exceed the total revenue, the expected contract loss is immediately recognised as costs and provisions.

The individual voyage in progress is recognized in the balance sheet under short terms receivables or short term liabilities. Net assets consists of the voyage in progress, where the selling price of the work performed based on the percentage of completion exceeds invoicing on account. Net liabilities consists of the voyage in progress, where invoicing on account exceeds the income based on the percentage of completion.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.



## Accounting policies

---

### Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

### Equity

#### Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

### Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, Independent Bulk Carriers A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

## Accounting policies

---

### Liabilities other than provisions

Liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

### Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

### Cash flows from operating activities

Cash flows from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under "Interest income and dividend received".

### Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

### Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the company's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and short-term financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.