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T.K.B. Shipping A/S

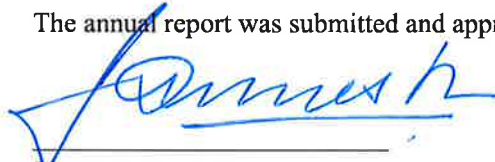
Strandvejen 102B, 2900 Hellerup

Company reg. no. 21 42 66 95

Annual report

1 January - 31 December 2024

The annual report was submitted and approved by the general meeting on the 27 May 2025.



Jørgen P. Dannesboe
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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 %.

Management's statement

Today, the board of directors and the managing director have presented the annual report of T.K.B. Shipping A/S for the financial year 1 January - 31 December 2024.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2024 and of the company's results of activities and cash flows in the financial year 1 January – 31 December 2024.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Gentofte, 23 May 2025

Managing Director


Jacob Palle Madsen

Board of directors


Jørgen P. Dannesboe


Jacob Palle Madsen


Henrik Christensen

Independent auditor's report

To the Shareholders of T.K.B. Shipping A/S

Opinion

We have audited the financial statements of T.K.B. Shipping A/S for the financial year 1 January - 31 December 2024, 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 31 December 2024, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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, 23 May 2025

Grant Thornton

Certified Public Accountants
Company reg. no. 34 20 99 36



Martin Bomholtz
State Authorised Public Accountant
mne34117



Ulrik Bloch-Sørensen
State Authorised Public Accountant
mne2913

Company information

The company	T.K.B. Shipping A/S Strandvejen 102B 2900 Hellerup
	Company reg. no. 21 42 66 95 Established: 13 October 1998 Domicile: Gentofte Financial year: 1 January - 31 December
Board of directors	Jørgen P. Dannesboe Jacob Palle Madsen Henrik Christensen
Managing Director	Jacob Palle Madsen
Auditors	Grant Thornton, Godkendt Revisionspartnerselskab Lautrupsgade 11 2100 København Ø
Parent company	Thopas Holding A/S

Financial highlights

USD in thousands.	2024	2023	2022	2021	2020
Income statement:					
Revenue	92.964	100.763	144.573	192.355	95.041
Gross profit	2.983	-3.518	16.956	29.788	3.036
Profit from operating activities	1.448	-5.063	14.965	27.553	1.482
Net financials	-297	66	-110	-68	-3
Net profit or loss for the year	907	-4.704	13.284	25.663	1.160
Statement of financial position:					
Balance sheet total	13.434	17.988	27.354	39.911	12.969
Investments in property, plant and equipment	51	0	157	0	0
Equity	5.622	11.715	19.419	29.136	4.473
Cash flows:					
Operating activities	3.502	-7.547	13.213	25.180	149
Investing activities	-188	0	-157	0	0
Financing activities	-3.359	-3.045	-23.000	-3.900	-2.094
Total cash flows	-44	-10.592	-9.944	21.280	-1.945
Employees:					
Average number of full-time employees	10	10	10	10	10
Key figures in %:					
Gross margin ratio	3,2	-3,5	11,7	15,5	3,2
Profit margin (EBIT-margin)	1,6	-5,0	10,4	14,3	1,6
Liquidity ratio	170,3	284,9	342,9	370,2	231,0
Solvency ratio	41,8	65,1	71,0	73,0	34,5
Return on equity	10,5	-30,2	54,7	152,7	26,4

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

Gross margin ratio
$$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

Profit margin (EBIT margin)
$$\frac{\text{Operating profit or loss (EBIT)} \times 100}{\text{Revenue}}$$

Financial highlights

Acid test ratio	$\frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$
Solvency ratio	$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$
Return on equity	$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$

Management's review

Description of key activities of the company

Consistent with previous years, T.K.B. Shipping A/S has continued to focus on shipping activities in 2024.

Development in activities and financial matters

The revenue for the year totals USD 92.964.100 against USD 100.763.000 last year. Income or loss from ordinary activities after tax totals USD 906.945 against USD -4.704.000 last year. The development must be seen in light of the fact that, according to the annual report 2023, the company expected a pre-tax profit between 1 and 4 million USD. Our pre-tax profit were at the lower end of this range with 1.2 million USD but still within the expectations.

Expected developments

Based on the current assessment of the market, a profit between one and four million USD before tax is expected.

Financial risks and the use of financial instruments

Operating risks

Continuous risk assessments are integral to our business strategy. In collaboration with the Board, we have developed and refined procedures to manage identified risks, notably in Time Charter commitments, Contracts of Affreightment, and Bunkers. Our objective is to mitigate market risks, minimize counterparty risks, and reduce exposure to fluctuations in bunker prices.

Interest rate risks

As the company operates without interest-bearing debt, we are insulated from direct interest rate risks.

Market risks

The volatile nature of the dry bulk transportation market presents significant market risks. We have strategically reduced the volume of vessels under long-term contracts to mitigate these risks amid falling freight rates.

Credit risks

Our credit risk management strategy includes meticulous selection of time charter contracts and rigorous assessment of counterparties' solvency. We aim to engage only with those whose creditworthiness has been thoroughly vetted.

Corporate social responsibility report pursuant to section 99 a of the Danish Financial Statements Act

Following our formalization of our policies on corporate social responsibility, we have continued our commitment to reduce our environmental impact which includes initiatives to enhance fuel efficiency and strive to utilize environmentally friendly fuels, in line with global efforts to reduce pollution.

Income statement 1 January - 31 December

Amounts concerning 2024: USD.

Amounts concerning 2023: USD thousand.

<u>Note</u>	<u>2024</u>	<u>2023</u>
Revenue	92.964.100	100.763
Other operating income	84.500	235
Cost of raw materials and consumables	-89.480.224	-103.905
Other external costs	-585.576	-611
Gross profit	2.982.800	-3.518
1 Staff costs	-1.503.251	-1.508
Depreciation and impairment of property, plant, and equipment	-31.634	-37
Operating profit	1.447.915	-5.063
Other financial income	5.882	127
2 Other financial costs	-303.161	-61
Pre-tax net profit or loss	1.150.636	-4.997
Tax on net profit or loss for the year	-243.691	293
3 Net profit or loss for the year	906.945	-4.704

Balance sheet at 31 December

Amounts concerning 2024: USD.

Amounts concerning 2023: USD thousand.

Assets		
<u>Note</u>	<u>2024</u>	<u>2023</u>
Non-current assets		
4 Other fixtures and fittings, tools and equipment	127.216	114
Total property, plant, and equipment	127.216	114
Total non-current assets	127.216	114
Current assets		
5 Raw materials and consumables	1.289.194	4.043
Total inventories	1.289.194	4.043
Trade receivables	3.673.176	4.898
6 Voyages in progress	1.481.295	1.927
Receivables from group enterprises	3.490	45
7 Deferred tax assets	0	173
Income tax receivables	111.258	0
Other receivables	65.911	62
8 Prepayments and accrued income	49.168	85
Total receivables	5.384.298	7.190
Other securities and equity investments	136.956	0
Total investments	136.956	0
Cash on hand and demand deposits	6.496.187	6.641
Total current assets	13.306.635	17.874
Total assets	13.433.851	17.988

Balance sheet at 31 December

Amounts concerning 2024: USD.

Amounts concerning 2023: USD thousand.

Equity and liabilities		
<u>Note</u>	<u>2024</u>	<u>2023</u>
Equity		
9 Contributed capital	142.741	143
Retained earnings	5.479.223	11.572
Total equity	5.621.964	11.715
Liabilities other than provisions		
6 Voyages in progress	1.551.107	3.027
Trade creditors	2.150.601	3.083
Payables to group enterprises	3.600.000	0
Other payables	510.179	163
Total short term liabilities other than provisions	7.811.887	6.273
Total liabilities other than provisions	7.811.887	6.273
Total equity and liabilities	13.433.851	17.988
10 Disclosures on fair value		
11 Contingencies		
12 Related parties		

Statement of changes in equity

USD thousand.

	Contributed capital	Retained earnings	Total
Equity 1 January 2023	143	19.276	19.419
Loss for the year	0	-4.704	-4.704
Distributed extraordinary dividend adopted during the financial year.	0	-3.000	-3.000
Equity 1 January 2024	143	11.572	11.715
Profit for the year	0	907	907
Distributed extraordinary dividend adopted during the financial year.	0	-7.000	-7.000
	143	5.479	5.622

Statement of cash flows 1 January - 31 December

Amounts concerning 2024: USD.

Amounts concerning 2023: USD thousand.

<u>Note</u>	<u>2024</u>	<u>2023</u>
Net profit or loss for the year	906.945	-4.704
13 Adjustments	578.278	-327
14 Change in working capital	2.393.778	-2.526
Cash flows from operating activities before net financials	3.879.001	-7.557
Interest received, etc.	5.882	19
Interest paid, etc.	-201.229	-61
Cash flows from ordinary activities	3.683.654	-7.599
Income tax paid	-181.477	52
Cash flows from operating activities	3.502.177	-7.547
Purchase of property, plant, and equipment	-51.000	0
Purchase of other securities and investments	-136.956	0
Cash flows from investment activities	-187.956	0
Repayments of long-term payables	41.447	0
Loan from parent company	3.600.000	-45
Dividend paid	-7.000.000	-3.000
Cash flows from investment activities	-3.358.553	-3.045
Change in cash and cash equivalents	-44.332	-10.592
Cash and cash equivalents at 1 January 2024	6.642.451	17.127
Foreign currency translation adjustments (cash and cash equivalents)	-101.932	106
Cash and cash equivalents at 31 December 2024	6.496.187	6.641
Cash and cash equivalents		
Cash on hand and demand deposits	6.496.187	6.641
Cash and cash equivalents at 31 December 2024	6.496.187	6.641

Notes

Amounts concerning 2024: USD.

Amounts concerning 2023: USD thousand.

	<u>2024</u>	<u>2023</u>
1. Staff costs		
Salaries and wages	1.359.642	1.359
Pension costs	132.726	135
Other costs for social security	10.883	14
	<u>1.503.251</u>	<u>1.508</u>
 Average number of employees	 <u>10</u>	 <u>10</u>
 Staff costs include remuneration to the Executive Board and Board of Directors with t.USD 275 (2023 : t.USD 270)		
2. Other financial costs		
Financial costs, group enterprises	74.367	0
Other financial costs	228.794	61
	<u>303.161</u>	<u>61</u>
3. Proposed distribution of net profit		
Extraordinary dividend distributed during the financial year	7.000.000	3.000
Allocated from retained earnings	-6.093.055	-7.704
Total allocations and transfers	<u>906.945</u>	<u>-4.704</u>

Notes

Amounts concerning 2024: USD.

Amounts concerning 2023: USD thousand.

	<u>31/12 2024</u>	<u>31/12 2023</u>
4. Other fixtures and fittings, tools and equipment		
Cost 1 January 2024	235.634	231
Translation by use of the exchange rate valid on balance sheet date 31 December 2024	-5.674	5
Additions during the year	<u>51.000</u>	<u>0</u>
Cost 31 December 2024	<u>280.960</u>	<u>236</u>
Amortisation and writedown 1 January 2024	-122.110	-84
Translation by use of the exchange rate valid on balance sheet date 31 December 2024	0	-1
Depreciation for the year	<u>-31.634</u>	<u>-37</u>
Amortisation and writedown 31 December 2024	<u>-153.744</u>	<u>-122</u>
Carrying amount, 31 December 2024	<u>127.216</u>	<u>114</u>
5. Raw materials and consumables		
Raw materials and consumables	<u>1.289.194</u>	<u>4.043</u>
	<u>1.289.194</u>	<u>4.043</u>

Inventory of raw materials and consumables (bunker oil) is measured at cost on basis of the FIFO method. As per 31/12 2024, the net realisable value of the inventory bunker oil is 43 t.USD lower than the cost amount. As per 31/12/2023 the net realisable value was 165 t.USD lower than the cost amount.

Notes

Amounts concerning 2024: USD.

Amounts concerning 2023: USD thousand.

	<u>31/12 2024</u>	<u>31/12 2023</u>
6. Voyages in progress		
Sales value of the production of the period	9.532.952	4.319
Progress billings	<u>-9.602.764</u>	<u>-5.419</u>
Voyages in progress, net	<u>-69.812</u>	<u>-1.100</u>
The following is recognised:		
Voyages in progress for the account of others (Current assets)	1.481.295	1.927
Voyages in progress for the account of others (Short-term liabilities)	<u>-1.551.107</u>	<u>-3.027</u>
	<u>-69.812</u>	<u>-1.100</u>
7. Deferred tax assets		
Deferred tax assets 1 January 2024	173.472	0
Deferred tax of the results for the year	<u>-173.472</u>	<u>173</u>
	<u>0</u>	<u>173</u>
The following items are subject to deferred tax:		
Tax loss carried forward to next year	<u>0</u>	<u>173</u>
	<u>0</u>	<u>173</u>
8. Prepayments and accrued income		
Prepaid external expenses	<u>49.168</u>	<u>85</u>
	<u>49.168</u>	<u>85</u>

Notes

Amounts concerning 2024: USD.

Amounts concerning 2023: USD thousand.

	<u>31/12 2024</u>	<u>31/12 2023</u>
9. Contributed capital		
Contributed capital 1 January 2024	142.741	143
	142.741	143

The share capital consists of 1.000 shares, each with a nominal value of DKK 1.000. No shares have special rights.

10. Disclosures on fair value

	Derived financial instruments
Fair value at 31 December 2024	46.274
Change in fair value of the year recognised in the statement of financial activity	-118.599

11. Contingencies**Contingent liabilities****Contractual obligations**

The company's annual rent obligation amounts to 152 t.USD. The tenancy can be terminated with 6 months' notice.

The company has entered into long-term lease agreements for foreign tonnage. The total commitment amounts to December 31, 2024 t.USD 3,139.

As part of its normal operations, the company is occasionally involved in disputes.

The company's management is of the opinion that the outcome of pending disputes will not affect the company's financial situation, which is why no provision has been made to counter this in the annual report.

Joint taxation

With Maestro Shipping A/S, company reg. no 40 90 10 19 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

Notes

Amounts concerning 2024: USD.

Amounts concerning 2023: USD thousand.

11. Contingencies (continued)**Joint taxation (continued)**

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

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

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

12. Related parties**Controlling interest**

Maestro Shipping S.A., Avenue de Guinzet 8, 1700 Fribourg, Switzerland.

Transactions

The related party transactions are entered into on market terms.

Consolidated financial statements

The company is included in the consolidated financial statements of Thopas Holding A/S, Strandvejen 102B, 2900 Hellerup.

	<u>2024</u>	<u>2023</u>
13. Adjustments		
Depreciation, amortisation, and impairment	31.634	37
Other financial income	-5.882	-127
Other financial costs	303.161	61
Tax on net profit or loss for the year	243.691	-293
Foreign currency translation, fixed assets	5.674	-4
Other adjustments	0	-1
	<u>578.278</u>	<u>-327</u>

Notes

Amounts concerning 2024: USD.

Amounts concerning 2023: USD thousand.

	<u>2024</u>	<u>2023</u>
14. Change in working capital		
Change in inventories	2.753.748	2.389
Change in receivables	1.700.736	-2.991
Change in trade payables and other payables	<u>-2.060.706</u>	<u>-1.924</u>
	<u>2.393.778</u>	<u>-2.526</u>

Accounting policies

The annual report for T.K.B. Shipping 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).

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, writedowns 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.

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.

Derivatives

At their initial recognition, derivatives are recognised at cost in the statement of financial position. Hereafter, they measured at fair value. Positive and negative fair values of derivatives are recognised under other receivables and payables, respectively.

Accounting policies

Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or a recognised liability are recognised in the income statement together with changes in the fair value of the hedged asset or the hedged liability.

For derived financial statements that are no longer recognised as hedging instruments, changes in fair value are recognised in the income statement on a current basis.

Income statement

Revenue

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 raw materials and consumables

Production costs comprise the vessels operation expenses, incurred to generate revenue for the year. The expenses include charter hire for chartered vessels (operating leases), bunker oil consumption, staff costs, other voyage costs such as commissions and harbour charges, repair and maintenance costs, insurance costs and other operation expenses. Like revenue, vessels operation expenses are recognised on the basis of stage of completion.

Other operating income

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs

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.

Accounting policies

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown 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.

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

Other fixtures, 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.

Accounting policies

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.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of 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.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown 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 the cost value.

Receivables

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

Accounting policies

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.

Contract work 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.

Prepayments and accrued income

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

Financial instruments and equity investments

Financial instruments and equity investments recognised under current assets consist of listed shares and bonds which are measured at fair value on the reporting date. Unlisted equity investments are measured at cost. Writedown takes place to the recoverable amount if this value is lower than the carrying amount.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

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.

Accounting policies

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, T.K.B. Shipping A/S is proportionally 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 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.

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".

Accounting policies

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 at bank and in hand with deduction of short-term bank debts and short-term securities with a maturity less than 3 months that are readily convertible into cash and which are subject to an insignificant risk of changes in value.