

Achieva Holding A/S
Boltonvej 7
2300 Copenhagen S
Central Business Registration
No 14382844

Annual report 2017

The Annual General Meeting adopted the annual report on 31.05.2018

Chairman of the General Meeting



Name: Michael Ziegler

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Entity details

Entity

Achieva Holding A/S
Boltonvej 7
2300 Copenhagen S

Central Business Registration No (CVR): 14382844
Registered in: Copenhagen
Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Michael Ziegler, Chairman
Christian Thamdrup Lund
Carsten Thamdrup Lund
Niels-Erik Thamdrup Lund

Executive Board

Niels-Erik Thamdrup Lund

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postbox 1600
0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Achieva Holding A/S for the financial year 01.01.2017 - 31.12.2017.

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

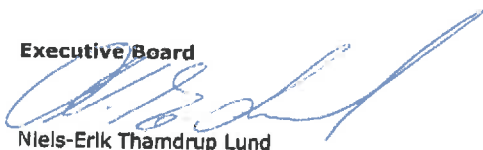
In our opinion, the consolidated financial statements and the parent the financial statements give a true and fair view of the Group's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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.

Copenhagen, 30.05.2018

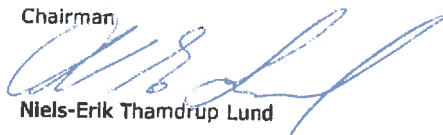
Executive Board



Niels-Erik Thamdrup Lund

Board of Directors

Michael Ziegler
Chairman



Niels-Erik Thamdrup Lund



Christian Thamdrup Lund



Carsten Thamdrup Lund

Independent auditor's report

To the shareholder of Achieva Holding A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Achieva Holding A/S for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2017, and of the results of their operations for the financial year 01.01.2017 - 31.12.2017 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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

Independent auditor's report

reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent auditor's report

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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, 30.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556



Sumit Sudan
State Authorised Public Accountant
Identification No (MNE) mne33716

Management commentary

Primary activities

The Group's primary activity consist of consulting in connection with buying, selling and chartering of ocean going passenger ships and investing in associates, securities and other financial instruments.

Development in activities and finances

The result of the year amounts to a loss of USD 1,412 thousand. Management expects an improved result in 2018.

On 31 December 2017, Achieva Holding A/S acquired Scanmar Limited, previously owned directly by Niels-Erik Lund, through an exchange of shares. Furthermore, the Group also established two more subsidiaries, SunStone Marine Advisors Ltd. and Infinity Owner I to support the Group's new activities.

In 2018 the Group received a ruling from the Danish Tax Authorities ("SKAT") stating that the Group for the income years 2014-2016, is not considered to comply with the requirement for taxation under the rules of the Danish Tonnage Tax Act for the part relating to TN Cruise K/S.

As a result, SKAT imposes taxation to take place under the ordinary principles of the Danish Corporation Tax Act. However, it is Management's view that SKAT's assessment and interpretation of the requirements for applying the rules of the Tonnage Tax Act are not correct, for which reason Management has appealed the ruling to the National Tax Tribunal.

It has been assessed it would be fair and reasonable to calculate the taxable income in accordance with the Danish Corporation Tax Act for accounting purposes and as a result, this has been recorded in the financial statements.

Events after the balance sheet date

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2017

	<u>Notes</u>	<u>2017 USD'000</u>	<u>2016 USD'000</u>
Revenue		2,145	1,433
Other external expenses		(1,330)	(511)
Gross profit/loss		815	922
Staff costs	1	(226)	(250)
Depreciation, amortisation and impairment losses		(360)	(259)
Operating profit/loss		229	413
Income from investments in associates		1,000	1,045
Other financial income		733	1,804
Other financial expenses		(3,908)	(425)
Profit/loss before tax		(1,946)	2,837
Tax on profit/loss for the year		534	(381)
Profit/loss for the year		(1,412)	2,456
Proposed distribution of profit/loss			
Retained earnings		(1,516)	2,456
Minority interests' share of profit/loss		104	0
		(1,412)	2,456

Consolidated balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 USD'000</u>	<u>2016 USD'000</u>
Land and buildings		4.713	8.981
Other fixtures and fittings, tools and equipment		115	176
Prepayments for property, plant and equipment		2.676	0
Property, plant and equipment	2	7.504	9.157
Investments in associates		7.577	2.171
Receivables from associates		21.084	21.056
Other receivables		662	0
Fixed asset investments	3	29.323	23.227
Fixed assets		36.827	32.384
Trade receivables		909	164
Deferred tax		476	0
Other receivables		215	77
Income tax receivable		450	0
Prepayments		140	66
Receivables		2.190	307
Other investments		8.301	3.016
Other investments		8.301	3.016
Cash	5	6.131	997
Current assets		16.622	4.320
Assets		53.449	36.704

Consolidated balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 USD'000</u>	<u>2016 USD'000</u>
Contributed capital		120	96
Retained earnings		36.413	22.770
Equity attributable to the Parent's owners		36.533	22.866
Share of equity attributable to minority interests		104	0
Equity		36.637	22.866
Payables to shareholders and management		1.928	4.622
Other payables		1.981	0
Non-current liabilities other than provisions		3.909	4.622
Bank loans		8.558	7.755
Deposits		4.001	0
Trade payables		254	11
Income tax payable		0	150
Other payables		90	1.300
Current liabilities other than provisions		12.903	9.216
Liabilities other than provisions		16.812	13.838
Equity and liabilities		53.449	36.704
Associates	4		
Unrecognised rental and lease commitments	6		
Contingent liabilities	7		
Assets charged and collateral	8		
Subsidiaries	9		

Consolidated statement of changes in equity for 2017

	Contributed capital USD'000	Retained earnings USD'000	Share of equity attributable to minority interests USD'000	Total USD'000
Equity beginning of year	96	22,770	0	22,866
Increase of capital	24	0	0	24
Value adjustments	0	17,804	0	17,804
Profit/loss for the year	0	(1,516)	104	(1,412)
Equity end of year	120	39,058	104	39,282

Notes to consolidated financial statements

	2017 USD'000	2016 USD'000
1. Staff costs		
Wages and salaries	184	193
Other social security costs	28	14
Other staff costs	14	43
	226	250
 Average number of employees	 3	 3

	Land and buildings USD'000	Other fixtures and fittings, tools and equipment USD'000	Prepay- ments for property, plant and equipment USD'000
2. Property, plant and equipment			
Cost beginning of year	10,492	357	0
Additions	363	2	2,676
Disposals	(4,569)	0	0
Cost end of year	6,286	359	2,676
 Depreciation and impairment losses beginning of year	(1,511)	(181)	0
Depreciation for the year	(297)	(63)	0
Reversal regarding disposals	235	0	0
Depreciation and impairment losses end of year	(1,573)	(244)	0
 Carrying amount end of year	4,713	115	2,676

Notes to consolidated financial statements

	Investments in associates USD'000	Receivables from associates USD'000	Other receivables USD'000
3. Fixed asset investments			
Cost beginning of year	998	22.379	0
Additions	1.506	5.379	662
Disposals	0	(4.866)	0
Cost end of year	2.504	22.892	662
Revaluations beginning of year	1.173	0	0
Share of profit/loss for the year	1.159	0	0
Dividend	(300)	0	0
Investments with negative equity value depreciated over receivables	485	0	0
Other adjustments	2.556	0	0
Revaluations end of year	5.073	0	0
Impairment losses beginning of year	0	(1.323)	0
Investments with negative equity value depreciated over receivables	0	(485)	0
Impairment losses end of year	0	(1.808)	0
Carrying amount end of year	7.577	21.084	662

Notes to consolidated financial statements

	<u>Registered in</u>	<u>Equity inter- est %</u>
4. Associates		
Komplementarselskabet TN Cruise ApS	Denmark	50,0
TN Cruise K/S	Denmark	50,0
Adventurer Partners Ltd.	Bahamas	50,0
Quest Partners Ltd.	Bahamas	50,0
TN Cruise Investment Ltd.	Bahamas	50,0
Equinox Ship Ltd.	Bahamas	50,0
Endeavour Partners Ltd.	Bahamas	33,3
Fields of Dreams LLC	USA	33,3
Explorer Partners Ltd.	Bahamas	33,3
Odyssey Owner Ltd.	Bahamas	25,0
Ocean Atlantic Partners Ltd.	Bahamas	25,0
Cruise Management International, Inc.	USA	25,0
CMI Leisure Ltd.	Bahamas	25,0
CMI Leisure Management, Inc.	USA	25,0
Amalgamated Fudge LLC	USA	25,0
I DO MOVE APS	Denmark	25,0
IOT Denmark ApS	Denmark	20,4

5. Cash and cash equivalents

Cash comprise of cash in hand and restricted cash of USD 4,007 thousand related to the ship construction activities held in Infinity Owner I.

6. Unrecognised rental and lease commitments

Achieva Holding A/S had entered into a subscription agreement with a charitable organization in 2015 for a total amount of USD 805,412 with USD 644,330 remaining to be paid in equal amounts for the next eight years.

7. Contingent liabilities

As part of the ship construction activity held in Infinity Owner I, the Group is obligated to prepay another USD 1.3 million by July 2018 to the constructor. As of 31 December 2017, USD 2,676 thousand has been prepaid.

Notes to consolidated financial statements

Furthermore, Achieva Holding A/S has provided collateral for TN Cruise K/S' mortgage of USD 4.8 million and Cruise Management International, Inc.' contingent liability of USD 249 thousand.

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>
9. Subsidiaries			
Sunstone Bahamas Ltd.	Bahamas	Ltd.	100.0
Sunstone Ships Inc.	USA	Inc.	100.0
Sunstone Marine Advisors Ltd.	Bahamas	Ltd.	51.0
Scanmar Limited	Bahamas	Ltd.	100.0
Infinity Owner I Ltd.	Bahamas	Ltd.	50.2

Parent income statement for 2017

	<u>Notes</u>	<u>2017 USD'000</u>	<u>2016 USD'000</u>
Revenue		180	180
Other external expenses		(298)	(129)
Gross profit/loss		(118)	51
Depreciation, amortisation and impairment losses		(13)	(11)
Operating profit/loss		(131)	40
Income from investments in group enterprises		(329)	86
Income from investments in associates		1,146	1,045
Other financial income from group enterprises		946	164
Other financial income		99	1,804
Financial expenses from group enterprises		(12)	0
Other financial expenses		(3,769)	(302)
Profit/loss before tax		(2,050)	2,837
Tax on profit/loss for the year		534	(381)
Profit/loss for the year		(1,516)	2,456
Proposed distribution of profit/loss			
Transferred to reserve for net revaluation according to the equity method		817	0
Retained earnings		(2,333)	2,456
		(1,516)	2,456

Parent balance sheet at 31.12.2017

	Notes	2017 USD'000	2016 USD'000
Land and buildings		154	165
Other fixtures and fittings, tools and equipment		3	5
Property, plant and equipment	1	157	170
Investments in group enterprises		15.312	0
Receivables from group enterprises		7.835	5.404
Investments in associates		4.075	2.171
Receivables from associates		21.084	21.056
Fixed asset investments	2	48.306	28.631
Fixed assets		48.463	28.801
Deferred tax		476	0
Other receivables		16	5
Income tax receivable		450	0
Receivables		942	5
Other investments		104	2.967
Other investments		104	2.967
Cash		1.880	707
Current assets		2.926	3.679
Assets		51.389	32.480

Parent balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 USD'000</u>	<u>2016 USD'000</u>
Contributed capital		120	96
Reserve for net revaluation according to the equity method		17.859	0
Retained earnings		18.554	22.770
Equity		36.533	22.866
Payables to shareholders and management		23	473
Other payables		1.981	0
Non-current liabilities other than provisions		2.004	473
Bank loans		8.558	7.755
Trade payables		44	11
Payables to group enterprises		4.250	0
Income tax payable		0	150
Other payables		0	1.225
Current liabilities other than provisions		12.852	9.141
Liabilities other than provisions		14.856	9.614
Equity and liabilities		51.389	32.480
Unrecognised rental and lease commitments	3		
Contingent liabilities	4		
Assets charged and collateral	5		

Parent statement of changes in equity for 2017

	Contributed capital USD'000	Reserve for net revaluation according to the equity method USD'000	Retained earnings USD'000	Total USD'000
Equity beginning of year	96	0	22.770	22.866
Increase of capital	24	0	0	24
Value adjustments	0	17.342	(2.183)	15.159
Dividends from associates	0	(300)	300	0
Profit/loss for the year	0	817	(2.333)	(1.516)
Equity end of year	120	17.859	18.554	36.533

Notes to parent financial statements

	Land and buildings USD'000	Other fixtures and fittings, tools and equipment USD'000
1. Property, plant and equipment		
Cost beginning of year	522	16
Cost end of year	522	16
Depreciation and impairment losses beginning of year	(357)	(11)
Depreciation for the year	(11)	(2)
Depreciation and impairment losses end of year	(368)	(13)
Carrying amount end of year	154	3

Notes to parent financial statements

	Investments in group enterprises USD'000	Receivables from group enterprises USD'000	Investments in associates USD'000	Receivables from associates USD'000
2. Fixed asset investments				
Cost beginning of year	6	8.261	998	22.379
Additions	24	2.890	500	5.379
Disposals	0	0	0	(4.866)
Cost end of year	30	11.151	1.498	22.892
Revaluations beginning of year	(6)	0	1.173	0
Share of profit/loss for the year	(330)	0	1.305	0
Dividend	0	0	(300)	0
Investments with negative equity value depreciated over receivables	459	0	485	0
Other adjustments	15.159	0	(86)	0
Revaluations end of year	15.282	0	2.577	0
Impairment losses beginning of year	0	(2.857)	0	(1.323)
Investments with negative equity value depreciated over receivables	0	(459)	0	(485)
Impairment losses end of year	0	(3.316)	0	(1.808)
Carrying amount end of year	15.312	7.835	4.075	21.084

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

3. Unrecognised rental and lease commitments

Achieva Holding A/S had entered into a subscription agreement with a charitable organization in 2015 for a total amount of USD 805,412 with USD 644,330 remaining to be paid in equal amounts for the next eight years.

4. Contingent liabilities

The Company serves as the holding company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed entities.

Notes to parent financial statements

5. Assets charged and collateral

The following has been provided as collateral for the bank loan with an unpaid balance of USD 8.6 million:

- Land and buildings. The carrying amount of the property is USD 154 thousand.
- The Company's securities. The carrying amount of securities is USD 8.3 million.
- Unlimited guarantee by Niels-Erik Lund.

Furthermore, Achieva Holding A/S has provided collateral for TN Cruise K/S' mortgage of USD 4.8 million and Cruise Management International, Inc.' contingent liability of USD 249 thousand.

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 consolidated financial statements and parent financial statements are consistent with those applied last year.

The annual report has been prepared and presented in USD. A DKK/USD exchange rate of 6.208 has been applied (2016: 7.053).

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Book value method

Achieva Holding A/S has on 31 December 2017 acquired 100 % of Scanmar Limited through an exchange of shares with Niels-Erik Lund. The acquisition was completed using the book value method, why no changes of the comparative figures have been performed as a result of the exchange of shares. The change of shares has no effect on operating profit, result for the year, but effect equity positively with USD 17.8 million.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

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

Accounting policies

date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

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

Income statement

Revenue

Revenue from the sale of services (e.g. brokerage commission and consulting services) is recognised in the income statement when the service is provided.

Other external expenses

Other external expenses include expenses relating to the Group's ordinary activities, including expenses for stationery and office supplies, marketing costs, expenses for property taxes, legal expenses, consultancy fees, etc.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, employee benefits, etc for Group's staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprises 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 property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, gains from exchange rate adjustments and net capital gains on securities and payables.

Other financial expenses

Other financial expenses comprise interest expenses, exchange rate losses and net capital losses on securities and payables.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, 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.

Achieva Holding A/S is jointly taxed with all its subsidiaries which are considered Danish tax subjects. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses). As Scanmar Limited was acquired on 31 December 2017, it is not included in the allocation for 2017.

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are 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.

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:

Buildings	25-40 years
Other fixtures and fittings, tools and equipment	5-10 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.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unrealised intra-group profits and losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation is imminent, a provision is recognised that is measured at present of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Accounting policies

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity values and plus or minus unrealised pro rata intra-group profits and losses.

Associates with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant associate, and it is probable that such obligation is imminent, a provision is recognised that is measured at present of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Income tax payable or receivable

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

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments

Securities recognised under current assets comprise listed securities measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises cash in hand, bank deposits and restricted cash.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Accounting policies

Other financial liabilities

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