

## **Scandlines Catering ApS**

Havneholmen 25, 8.  
1561 Copenhagen  
Business Registration No  
18424649

### **Annual report 2019**

The Annual General Meeting adopted the annual report on 22.04.2020

#### **Chairman of the General Meeting**

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Name: Søren Poulsgaard Jensen

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## Contents

Entity detail.....	3
Statement by Management on the annual report.....	4
Independent auditor's report.....	5
Management commentary.....	8
Income statement for 2019 .....	11
Balance sheet at 31.12.2019 .....	12
Statement of changes in equity for 2019.....	14
Notes .....	15
Accounting policies .....	20

## **Entity detail**

### **Entity**

Scandlines Catering ApS

Havneholmen 25, 8.

1561 Copenhagen

Central Business Registration No (CVR): 18424649

Registered in: Copenhagen

Financial year: 01.01.2019 - 31.12.2019

Phone: +4533151515

Fax: +4535290201

Website: [www.scandlines.dk](http://www.scandlines.dk)

E-mail: [scandlines@scandlines.dk](mailto:scandlines@scandlines.dk)

### **Supervisory Board**

Frans Blach Rossen, Chairman of the Board

Stig Dambmann

Claus Peter Vitting Nikolajsen

Simon Alslev Therkildsen

Christina Flescher

### **Executive Board**

Søren Poulsgaard Jensen, CEO

Per Johannesen Madsen, CFO

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P.O. Box 1600

0900 Copenhagen C

## **Statement by Management on the annual report**

The Supervisory Board and the Executive Board have today considered and approved the annual report of Scandlines Catering ApS for the financial year 01.01.2019 - 31.12.2019

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 22.04.2020

### **Executive Board**

Søren Poulsgaard Jensen  
CEO

Per Johannesen Madsen  
CFO

### **Supervisory Board**

Frans Blanch Rossen  
Chairman of the Board

Stig Dambmann

Simon Alslev Therkildsen

Claus Peter Vitting  
Nikolajsen

Christina Flescher

## **Independent auditor's report**

### **To the shareholder of Scandlines Catering ApS**

#### **Opinion**

We have audited the financial statements of Scandlines Catering ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's

report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 22.04.2020

**Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Kirsten Aaskov Mikkelsen  
State Authorised Public Accountant  
Identification No (MNE) mne21358

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

## Management commentary

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	<b><u>DKK'000</u></b>	<b><u>DKK'000</u></b>	<b><u>DKK'000</u></b>	<b><u>DKK'000</u></b>	<b><u>DKK'000</u></b>
<b>Financial highlights</b>					
<b>Key figures</b>					
Revenue	411.416	435.165	463.150	468.848	424.766
Gross profit/loss	110.178	108.779	193.929	114.914	102.096
Operating profit/loss	-16.816	-24.585	10.831	-7.830	-10.039
Net financials	25.730	25.126	-40.170	8.493	10.429
Profit/loss for the year	6.996	4.468	-25.124	-1.582	507
Total assets	217.592	124.127	193.960	210.797	115.584
Investments in property, plant and equipment	5.193	1.008	2.581	1.699	311
Equity	15.990	8.994	99.545	26.086	27.657
Average numbers of employees	332	336	335	341	350
<b>Ratios</b>					
Gross margin (%)	26,8	25,0	41,9	24,5	24,0
Net margin (%)	1,7	1,0	-5,4	-0,3	0,1
Return on equity (%)	56,0	8,2	-40,0	-5,9	1,9
Equity ratio (%)	7,3	7,2	51,3	12,4	23,9
Revenue per employee	1239,5	1295,1	1.382,5	1.374,9	1.213,6

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

<b>Ratios</b>	<b>Calculation formula</b>	<b>Calculation formula reflects</b>
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.
Revenue per employee	$\frac{\text{Revenue}}{\text{Average number of employees}}$	The entity's productivity



## **Management Commentary**

### **Primary activities**

The Company's primary activities are to manage retail and catering services on the ferry routes Puttgarden-Rødby and Rostock-Gedser.

### **Development in activities and finances**

The financial year 2019 shows a profit for the year of DKK 6.996 thousand, which is DKK 2.528 thousand higher than 2018.

For a detailed description of finances and activities, we refer to the Group financial statements of Scandferries ApS.

### **Outlook**

We saw relatively stable business developments in the first months of 2020, but the outbreak of COVID-19 across Europe and subsequent travel restrictions entail a high degree of uncertainty and very limited visibility for the remainder of the year. While private passenger are expected to be impacted by the situation, we have continued operations to serve our freight segment. We are taking all necessary precautions to protect our employees and customers, while continuing to accomplish our purpose as a vital piece of infrastructure connecting Continental Europe and Scandinavia during a difficult period.

The outbreak of COVID-19 across Europe in early 2020 and subsequent travel restrictions are expected to have a negative impact on traffic figures and there by on the retail, catering sale and the financial performance for the year.

Efforts will be made to alleviate the impact of these negative external effects through cost control measures and efficiency enhancements, but due to the high degree of uncertainty and very low visibility, management is currently not in a position to provide precise financial guidance for 2020.

### **Particular risks**

The most material financial risks are currency, interest and credit risks, which only occur in relation to the operating activities. The risk factors are hedged at Group level and we refer to the "Management commentary" in the Group financial statements of Scandferries ApS for a detailed description.

### **Intellectual capital resources**

For a detailed description of intellectual capital resources, we refer to the Group Financial statements of Scandferries ApS.

**Staff**

The company employed an average of 332 people in the financial year 2019, which is a decrease of 4 persons compared to 2018.

We continuously work to optimize the psychological and mental work environment. All work related to security is coordinated by the security group. Additionally, we have a constructive dialogue on the development.

**Environmental performance**

Safety for our passengers, crew and vessels is paramount to any other parameter in our business. Weekly and monthly exercises for our crewmembers and testing of our equipment follow mandatory education.

All the vessels are inspected several times during a year, and we are satisfied to hold a high quality in 2019. For more detailed description, please see the "Management commentary" in the Group financial statements of Scandferries ApS.

**Statutory report on corporate social responsibility**

Scandlines Catering ApS considers such matters as human rights, social aspects, environment and anticorruption as important elements of the Group's business strategy and activities.

Corporate Social Responsibility is about living the values and principles that govern our behavior as a responsible business in respect of customers, staff, suppliers and investors. It is our clear policy to comply with the words and spirit of the laws, rules and regulations that apply in the countries within our companies operate.

**Statutory report on the underrepresented gender**

The Supervisory Board of Scandlines Catering ApS currently has no female members.

For further detailed description, please see the "Management commentary" in the Group financial statements of Scandferries ApS.

**Events after the balance sheet date**

Apart from the negative impact of the outbreak of COVID-19 across Europe in early 2020 and subsequent travel restrictions, no events have occurred in the period from the balance sheet date until the date of release of this annual report that would materially affect the evaluation of the annual report. Any potential negative implications on our asset values or from liabilities arising as a result of the COVID-19 virus are considered 2020-events and will as such be reflected in our 2020 result.

**Income statement for 2019**

		<b>2019</b>	<b>2018</b>
	<b>Note</b>	<b>DKK'000</b>	<b>DKK'000</b>
Revenue	1	411.416	435.165
Other operating income	2	12.545	11.111
Cost of sales		-194.820	-214.113
Other external expenses	3	-118.963	-123.384
<b>Gross profit / loss</b>		<b>110.178</b>	<b>108.779</b>
Staff costs	4	-123.970	-131.769
Depreciation and amortization	5	-3.024	-1.595
<b>Operating profit / loss</b>		<b>-16.816</b>	<b>-24.585</b>
Other financial income	6	81.536	99.152
Other financial expenses	7	-55.806	-74.026
<b>Profit / loss before tax</b>		<b>8.914</b>	<b>541</b>
Tax on profit / loss for the year	8	-1.918	3.927
<b>Profit / loss for the year</b>	9	<b>6.996</b>	<b>4.468</b>

**Balance sheet at 31.12.2019**

		<b>31-12-2019</b>	<b>31-12-2018</b>
	<b>Note</b>	<b>DKK'000</b>	<b>DKK'000</b>
Other fixtures and fittings, tools and equipment	10	5.144	2.875
Property, plant and equipment in progress	10	0	100
<b>Property, plant and equipment</b>		<b>5.144</b>	<b>2.975</b>
<b>Fixed assets</b>		<b>5.144</b>	<b>2.975</b>
<b>Inventories</b>		<b>21.667</b>	<b>21.660</b>
Trade receivables		18.994	17.315
Receivable from group enterprises		166.086	76.503
Company Tax		0	19
Other receivables		1.307	565
Prepayments		246	0
<b>Receivables</b>		<b>186.633</b>	<b>94.402</b>
<b>Cash</b>		<b>4.148</b>	<b>5.090</b>
<b>Current assets</b>		<b>212.448</b>	<b>121.152</b>
<b>Assets</b>		<b>217.592</b>	<b>124.127</b>

**Balance sheet at 31.12.2019**

		<b>31-12-2019</b>	<b>31-12-2018</b>
	<b>Note</b>	<b>DKK'000</b>	<b>DKK'000</b>
Share capital		500	500
Retained earnings		15.490	8.494
<b>Equity</b>		<b>15.990</b>	<b>8.994</b>
Other payables	11	923	0
<b>Non Current liabilities</b>		<b>923</b>	<b>0</b>
Trade payable		38.049	45.533
Payable to group enterprises		144.622	48.343
Company Tax		1.916	0
Other payables	11	14.493	18.856
Deferred income	12	1.599	2.401
<b>Current liabilities other than provisions</b>		<b>200.679</b>	<b>115.133</b>
<b>Liabilities other than provisions</b>		<b>201.602</b>	<b>115.133</b>
<b>Equity and liabilities</b>		<b>217.592</b>	<b>124.127</b>
Contingent liabilities	13		
Assets charged and collateral	14		
Transactions with related parties	15		
Group relations	16		

**Statement of changes in equity for 2019**

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>
<b>Equity at 1 January 2019</b>	500	8.494	8.994
Profit / loss for the year	0	6.996	6.996
<b>Equity 31-12-2019</b>	<b>500</b>	<b>15.490</b>	<b>15.990</b>

The share capital consists of 1 share at DKK 500.000 nominal.  
There have not been any changes in the share capital in the past five years.

## Notes

	<b>31-12-2019</b>	<b>31-12-2018</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>1 Revenue</b>		
Revenue catering	176.030	177.112
Revenue retail	235.386	258.053
<b>Total revenue</b>	<b>411.416</b>	<b>435.165</b>
<b>2 Other operating income</b>		
Management fee	12.545	11.111
<b>Total other operating income</b>	<b>12.545</b>	<b>11.111</b>
<b>3 Other external expenses</b>		
Lease	-71.887	-68.814
Other operating expenses	-47.076	-54.570
<b>Total other operating, selling and administrative expenses</b>	<b>-118.963</b>	<b>-123.384</b>
<b>4 Salary expense</b>		
Wages and salaries	-112.109	-119.238
Pension costs	-10.312	-11.207
Other social security cost	-1.549	-1.324
<b>Total salary expense</b>	<b>-123.970</b>	<b>-131.769</b>
Average number of employees	<b>332</b>	<b>336</b>
Executive Board / management	-39.169	-27.587
Supervisory Board	-974	-893
<b>Total remuneration of management</b>	<b>-40.143</b>	<b>-28.480</b>

The Executive Board receives remuneration for handling the whole Scandlines Group. Therefore, only a minor part of the total remuneration is directly related to the work performed in Scandlines Catering ApS.

## Notes

	31-12-2019	31-12-2018
	DKK'000	DKK'000
<b>5 Depreciation and amortisation</b>		
Depreciation of property, plant and equipment	-3.024	-1.595
<b>Total depreciation</b>	<b>-3.024</b>	<b>-1.595</b>
<b>6 Other financial income</b>		
Financial income arising from group enterprises	80.633	96.984
Exchange rate adjustments	903	2.168
<b>Total financial income</b>	<b>81.536</b>	<b>99.152</b>
<b>7 Other financial expenses</b>		
Financial expenses from group enterprises	-55.216	-73.625
Exchange rate adjustments	-590	-401
<b>Total financial expenses</b>	<b>-55.806</b>	<b>-74.026</b>
<b>8 Tax on profit for the year</b>		
Current tax	-1.932	-10
Adjustment concerning previous years	14	3.937
<b>Total tax on profit for the year</b>	<b>-1.918</b>	<b>3.927</b>
<b>9 Proposed distribution of profit / loss</b>		
Extra ordinary dividend	0	-95.019
Retained earnings	6.996	99.487
<b>Total retained earnings</b>	<b>6.996</b>	<b>4.468</b>





## Notes

### 13 Contingent liabilities

Scandlines Catering ApS is jointly taxed with all other Danish Scandlines companies. Under the joint taxation scheme, each company is liable only for its own tax on the taxable income until the tax has been paid to the administration company (Scandlines Infrastructure ApS).

Scandlines Infrastructure ApS, being the administration company, is then solely obliged to pay the tax on the joint taxation income.

The company is jointly and severally liable for the subsidiaries intra-group accounts in the Scandlines ApS Group's cash pool arrangement.

The Company participates in a Danish joint taxation arrangement in which Scandlines Infrastructure ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

### 14 Assets charged and collateral

Debt of the ultimate parent company is secured by way of a charge on the ultimate parent company's "trademarks", such as Scandlines Catering ApS' Other fixtures, Inventories, Receivables and Bank deposits.

	31-12-2019	31-12-2018
<b>At 31 December, that carrying amounts of assets provided as security are as follows:</b>	<b>DKK'000</b>	<b>DKK'000</b>
Other fixtures and fittings, tools and equipment	5.144	2.975
Inventories	21.667	21.660
Receivables	186.633	94.402
Bank deposits	4.148	5.090

### 15 Transactions with related parties

There have not been transactions between the company and its related parties which are not carried out under normal market conditions.

## **16 Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Scandferries ApS, Copenhagen

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Scandlines Infrastructure ApS, Copenhagen

## **Accounting policies**

### **Reporting class**

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied for these financial statements are consistent with those applied last year.

### **Recognition and measurement**

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

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation because of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Fixed assets purchased in foreign currencies are translated using historical rates.

**Income statement****Revenue**

Income from sale of goods for resale and finished goods is recognized in the income statement when delivery and transfer of risk to the buyer have taken place and provided that the income can be reliably measured and is expected to be received.

**Other operating income**

Other operating income and other operating expenses comprises income and cost of a secondary nature to the Entity's primary activities.

**Cost of sales**

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

**Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities.

**Staff costs**

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for entity staff.

**Depreciation and amortisation**

Intangible assets and property, plant and equipment are amortized or depreciated straight-line on the basis of the individual estimate of their useful lives.

**Other financial income**

Other financial income comprises interest income, realised and unrealised capital gains on securities, liabilities other than provisions and foreign currency transactions etc. as well as tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, realised and unrealised capital losses on securities, other than provisions and foreign currency transactions etc. as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

**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.

The Entity is jointly taxed with all Danish in the Scandlines Group. Current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Intellectual property rights etc.**

Intellectual Assets include software and other intangible assets .

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilization, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

**Property, plant and equipment**

Leasehold improvements, vessels, land and buildings, harbour plant and harbour installations as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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 based on the following estimated useful lives of the assets:

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

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount. Recoverable amount is the higher of value in use (present value of the future net payments) and selling price (broker assessment) less expected selling costs. Value in use is calculated by ferry line.

Profits and losses from the sales of property, plants and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits and losses are recognised in the income statement under other operating income/other operating expenses.

Costs related to planned periodical repairs and maintenance work (docking costs) are capitalized and depreciated straight-line over the period until the next anticipated docking, typically two years.

### **Inventories**

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

Cost of goods for resale, raw materials and consumables consist of acquisition price plus delivery costs.

### **Receivables**

Receivables are measured at amortised cost, usually equaling nominal value less write-downs for bad debts.

### **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.

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Operating leases**

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

### **Long term liabilities**

Other payables comprise long term holiday allowance

### **Other financial liabilities**

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

**Deferred income**

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

**Cash flow statement**

In accordance to the Danish Financial Statements Act §86, paragraph 4, a cash flow statement is not included in this annual report. Reference is made to the cash flow statement in the annual report for Scandferries ApS.