

**Hyperbaric Consult A/S**  
Havnen 5, 1. sal  
3250 Gilleleje  
Central Business Registration No  
20784881

## **Annual report 2016**

The Annual General Meeting adopted the annual report on 12.06.2017

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

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Name: Kenneth Gudmundsson

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## Entity details

### Entity

Hyperbaric Consult A/S  
Havnen 5, 1. sal  
3250 Gilleleje

Central Business Registration No: 20784881

Founded: 19.02.1998

Registered in: Gribskov

Financial year: 01.01.2016 - 31.12.2016

Phone: +4570231647

Website: [www.hyperbaric-consult.com](http://www.hyperbaric-consult.com)

E-mail: [info@hbc-tec.dk](mailto:info@hbc-tec.dk)

### Board of Directors

Kennrth Gudmundsson  
Jan Michael Eilersen  
Michael Søgaard Madsen

### Executive Board

Jan Michael Eilersen

### Bank

Sydbank  
Kongens Nytorv 30  
1050 København K

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Klosterplads 9  
5700 Svendborg

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Hyperbaric Consult A/S for the financial year 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations and cash flows for the financial year 01.01.2016 - 31.12.2016.

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.

Gilleleje, 08.06.2017

### Executive Board

Jan Michael Eilersen

### Board of Directors

Kennrth Gudmundsson

Jan Michael Eilersen

Michael Søgaard Madsen

# Independent auditor's report

## To the shareholders of Hyperbaric Consult A/S

### Opinion

We have audited the financial statements of Hyperbaric Consult A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement 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 31.12.2016 and of the results of its operations and cash flows for the financial year 01.01.2016 - 31.12.2016 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:

## Independent auditor's report

- 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.

## **Independent auditor's report**

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.

Svendborg, 08.06.2017

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Peder Boris Pedersen

State Authorised Public Accountant

## Management commentary

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>
<b>Financial highlights</b>					
<b>Key figures</b>					
Gross profit	8.744	(529)	19.404	30.225	14.806
Operating profit/loss	1.573	(11.670)	8.199	22.344	7.331
Net financials	(744)	(1.145)	(360)	(652)	481
Profit/loss for the year	614	(9.858)	5.913	16.307	5.833
Total assets	61.699	44.851	61.759	54.037	34.164
Investments in property, plant and equipment	0	66	10.334	15.635	14.348
Equity	25.228	9.349	19.207	27.295	14.988
<b>Ratios</b>					
Return on equity (%)	3,5	(69,0)	25,4	77,1	26,4
Equity ratio (%)	40,9	20,8	31,1	50,5	43,9

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

### Ratios

Return on equity (%)

**Calculation formula**  

$$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$$

### Ratios

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.



## Management commentary

### Primary activities

The Company's primary activity is to operate within diving, offshore support and hyperbaric management.

### Development in activities and finances

The Company's financial performance and financial development have been satisfactory.

As stated under the accounting policies, the management has, at the time of reporting reassessed residual value on the company's fixed assets, because of the transitional provision in LBK No. 1580 of 10.12.2015 (New Danish Financial Statements Act).

On this basis, the management has chosen to rewrite the company's ships per 01.01.2016 with a total of DKK 19.570.673 based on an assessed value. The revaluation is booked on equity as a reserve for revaluation after reservation of corporate tax.

The company also expects a positive profit in the coming year.

### Events after the balance sheet date

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

## Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
<b>Gross profit</b>		<b>8.743.586</b>	<b>(529.174)</b>
Staff costs	1	(4.385.074)	(5.109.810)
Depreciation, amortisation and impairment losses	2	<u>(2.785.036)</u>	<u>(6.030.756)</u>
<b>Operating profit/loss</b>		<b>1.573.476</b>	<b>(11.669.740)</b>
Income from investments in group enterprises		(140.621)	(432.784)
Other financial income		395.038	125.695
Other financial expenses	3	<u>(998.605)</u>	<u>(837.970)</u>
<b>Profit/loss before tax</b>		<b>829.288</b>	<b>(12.814.799)</b>
Tax on profit/loss for the year	4	<u>(215.739)</u>	<u>2.956.868</u>
<b>Profit/loss for the year</b>		<b><u>613.549</u></b>	<b><u>(9.857.931)</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>613.549</u>	<u>(9.857.931)</u>
		<b><u>613.549</u></b>	<b><u>(9.857.931)</u></b>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Ships		57.015.372	40.099.121
Other fixtures and fittings, tools and equipment		137.451	249.759
Leasehold improvements		12.204	30.510
<b>Property, plant and equipment</b>	5	<b><u>57.165.027</u></b>	<b><u>40.379.390</u></b>
Investments in group enterprises		0	0
Other receivables		30.600	30.600
<b>Fixed asset investments</b>	6	<b><u>30.600</u></b>	<b><u>30.600</u></b>
<b>Fixed assets</b>		<b><u>57.195.627</u></b>	<b><u>40.409.990</u></b>
Trade receivables		2.729.784	2.660.915
Contract work in progress		223.969	181.831
Receivables from group enterprises		1.400.338	449.693
Other receivables		49.671	170.974
Income tax receivable		0	821.030
Prepayments		70.886	119.603
<b>Receivables</b>		<b><u>4.474.648</u></b>	<b><u>4.404.046</u></b>
<b>Cash</b>		<b><u>29.218</u></b>	<b><u>36.906</u></b>
<b>Current assets</b>		<b><u>4.503.866</u></b>	<b><u>4.440.952</u></b>
<b>Assets</b>		<b><u>61.699.493</u></b>	<b><u>44.850.942</u></b>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		500.000	500.000
Revaluation reserve		13.514.415	0
Retained earnings		<u>11.213.494</u>	<u>8.849.235</u>
<b>Equity</b>		<b><u>25.227.909</u></b>	<b><u>9.349.235</u></b>
Deferred tax		<u>5.565.155</u>	<u>1.043.868</u>
<b>Provisions</b>		<b><u>5.565.155</u></b>	<b><u>1.043.868</u></b>
Bank loans		<u>9.650.000</u>	<u>11.790.000</u>
<b>Non-current liabilities other than provisions</b>	7	<b><u>9.650.000</u></b>	<b><u>11.790.000</u></b>
Current portion of long-term liabilities other than provisions	7	2.140.000	2.140.000
Payables to other credit institutions		241.478	4.252.623
Trade payables		348.294	208.241
Payables to associates		18.284.727	15.046.969
Other payables		<u>241.930</u>	<u>1.020.006</u>
<b>Current liabilities other than provisions</b>		<b><u>21.256.429</u></b>	<b><u>22.667.839</u></b>
<b>Liabilities other than provisions</b>		<b><u>30.906.429</u></b>	<b><u>34.457.839</u></b>
<b>Equity and liabilities</b>		<b><u>61.699.493</u></b>	<b><u>44.850.942</u></b>
Claims of creditor subordinated to other creditors	9		
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Mortgages and securities	12		

## Statement of changes in equity for 2016

	<b>Contributed capital DKK</b>	<b>Revaluation reserve DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	500.000	0	8.849.235	9.349.235
Revaluations for the year	0	19.570.673	0	19.570.673
Dissolution of revaluations	0	(1.750.710)	1.750.710	0
Tax of equity postings	0	(4.305.548)	0	(4.305.548)
Profit/loss for the year	0	0	613.549	613.549
<b>Equity end of year</b>	<b>500.000</b>	<b>13.514.415</b>	<b>11.213.494</b>	<b>25.227.909</b>

## Cash flow statement 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Operating profit/loss		1.573.476	(11.669.740)
Amortisation, depreciation and impairment losses		2.785.036	6.030.756
Working capital changes	8	<u>242.020</u>	<u>9.538.785</u>
<b>Cash flow from ordinary operating activities</b>		<b>4.600.532</b>	<b>3.899.801</b>
Financial income received		395.038	125.695
Financial income paid		<u>(998.605)</u>	<u>(837.970)</u>
<b>Cash flows from operating activities</b>		<b>3.996.965</b>	<b>3.187.526</b>
Acquisition etc of property, plant and equipment		0	(65.847)
Sale of property, plant and equipment		0	2.000
Acquisition of fixed asset investments		0	(11.100)
Sale of fixed asset investments		<u>0</u>	<u>19.566</u>
<b>Cash flows from investing activities</b>		<b>0</b>	<b>(55.381)</b>
Loans raised		0	15.000.000
Instalments on loans etc		(2.140.000)	(1.070.000)
Repayment of debt to group enterprises		(1.091.266)	0
Incurrence of debt to associates		3.237.758	0
Repayment of debt to associates		<u>0</u>	<u>(19.785.377)</u>
<b>Cash flows from financing activities</b>		<b>6.492</b>	<b>(5.855.377)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>4.003.457</b>	<b>(2.723.232)</b>
Cash and cash equivalents beginning of year		<u>(4.215.717)</u>	<u>(1.492.485)</u>
<b>Cash and cash equivalents end of year</b>		<b>(212.260)</b>	<b>(4.215.717)</b>
Cash and cash equivalents at year-end are composed of:			
Cash		29.218	36.906
Short-term debt to banks		<u>(241.478)</u>	<u>(4.252.623)</u>
<b>Cash and cash equivalents end of year</b>		<b>(212.260)</b>	<b>(4.215.717)</b>

## Notes

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	4.332.305	5.034.435
Other social security costs	52.769	75.375
	<b>4.385.074</b>	<b>5.109.810</b>
Average number of employees	<b>7</b>	<b>8</b>
	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Depreciation of property, plant and equipment	2.785.036	6.032.756
Profit/loss from sale of intangible assets and property, plant and equipment	0	(2.000)
	<b>2.785.036</b>	<b>6.030.756</b>
	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Other financial expenses</b>		
Financial expenses from associates	237.757	214.624
Interest expenses	740.678	443.268
Exchange rate adjustments	6.190	44.768
Other financial expenses	13.980	135.310
	<b>998.605</b>	<b>837.970</b>
	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>4. Tax on profit/loss for the year</b>		
Change in deferred tax for the year	215.739	(2.885.695)
Effect of changed tax rates	0	(71.173)
	<b>215.739</b>	<b>(2.956.868)</b>

## Notes

	<b>Ships DKK</b>	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improve- ments DKK</b>
<b>5. Property, plant and equipment</b>			
Cost beginning of year	60.733.575	1.292.315	91.530
<b>Cost end of year</b>	<b>60.733.575</b>	<b>1.292.315</b>	<b>91.530</b>
Revaluations for the year	19.570.673	0	0
<b>Revaluations end of year</b>	<b>19.570.673</b>	<b>0</b>	<b>0</b>
Depreciation and impairment losses beginning of the year	(20.634.454)	(1.042.556)	(61.020)
Depreciation for the year	(2.654.422)	(112.308)	(18.306)
<b>Depreciation and impairment losses end of the year</b>	<b>(23.288.876)</b>	<b>(1.154.864)</b>	<b>(79.326)</b>
<b>Carrying amount end of year</b>	<b>57.015.372</b>	<b>137.451</b>	<b>12.204</b>
		<b>Investments in group enterprises DKK</b>	<b>Other receivables DKK</b>
<b>6. Fixed asset investments</b>			
Cost beginning of year		0	30.600
<b>Cost end of year</b>		<b>0</b>	<b>30.600</b>
Share of profit/loss for the year		(140.621)	0
Other adjustments		140.621	0
<b>Impairment losses end of year</b>		<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>		<b>0</b>	<b>30.600</b>
	<b>Registered in</b>	<b>Corpo- rate form</b>	<b>Equity inte- rest %</b>
Investments in group enterprises comprise: Hyperbaric Consult LTD	Bollington - Endland	LTD	100,0



## Notes

	<b>Instalments within 12 months 2016 DKK</b>	<b>Instalments within 12 months 2015 DKK</b>	<b>Instalments beyond 12 months 2016 DKK</b>	<b>Outstanding after 5 years DKK</b>
<b>7. Liabilities other than provisions</b>				
Bank loans	2.140.000	2.140.000	9.650.000	1.090.000
	<b>2.140.000</b>	<b>2.140.000</b>	<b>9.650.000</b>	<b>1.090.000</b>

	<b>2016 DKK</b>	<b>2015 DKK</b>
<b>8. Change in working capital</b>		
Increase/decrease in receivables	880.043	10.226.048
Increase/decrease in trade payables etc	(638.023)	(687.263)
	<b>242.020</b>	<b>9.538.785</b>

### 9. Claims of creditor subordinated to other creditors

The two owners have submitted a revocation declaration of total of DKK 15.040.000 to Hyperbaric Consult A/S's bank in respect of the two owners receivables of total DKK 18.284.727 per balance day.

	<b>2016 DKK</b>	<b>2015 DKK</b>
<b>10. Unrecognised rental and lease commitments</b>		
Hereof liabilities under rental or lease agreements until maturity in total	<b>69.000</b>	<b>139.000</b>

	<b>2016 DKK</b>	<b>2015 DKK</b>
<b>11. Contingent liabilities</b>		
Other contingent liabilities	260.489	0
<b>Contingent liabilities in total</b>	<b>260.489</b>	<b>0</b>

### 12. Mortgages and securities

Bank debt has been secured by a deposited Letter of Indemnity for DKK 6.000.000 nominal value as a floating charge which includes trade receivables, propellants and inventory and secured by a way of a deposited mortgage deed registered to the mortgagor on ship af DKK 21.000.000 nominal.

## Notes

Carrying amount of assets subject of floating charge of trade receivables amounts to DKK 2.729.784.

Carrying amount of mortgaged ship amounts to DKK 43.700.500.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year except for the following 2 remarks.

### Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

### Changes in accounting policies

As a result of the transitional provisions in LBK No. 1580 of 10.12.2015 (New Danish Financial Statements Act), reserves for revaluations of equity should be reduced by depreciation, which is attributable to the revaluation of property, plant and equipment. So far, the depreciation of the written value have been deducted from the free equity.

### Changes in accounting estimates

Likewise, as a result of the transitional provisions in LBK No. 1580 of 10.12.2015 (New Danish Financial Statements Act), the residual value and depreciation period shall be reviewed on an ongoing basis.

The company has per. 01.01.2016 chosen to revalue the company's vessels at the valuation value and reassess the residual value of the ships based on the assessed valuation value.

It has not been practical to adjust the comparative figures, so the year's revaluation is recognized directly in equity.

The changed accounting estimates in 2016 impact on the book value of the ships by DKK 22.608.769, the company's deferred tax of DKK 4.305.548, and reduced the year's depreciation on ships by DKK 3.038.096.

### Recognition and measurement

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

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

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

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

## Accounting policies

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

### **Income statement**

#### **Gross profit or loss**

Gross profit or loss comprises revenue, cost of raw materials and consumables and external expenses.

#### **Revenue**

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

#### **Costs of raw materials and consumables**

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

#### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

#### **Staff costs**

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff. Crew salaries for the company's international crew are stated under "Costs of raw materials and consumables".

#### **Depreciation, amortisation and impairment losses**

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

#### **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 intra-group profits or losses.

#### **Other financial income**

## Accounting policies

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities 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.

### Balance sheet

#### Property, plant and equipment

Ships are measured at cost plus additional revaluation and less accumulated depreciation and impairment losses. Revaluations are made partly based on third party assessment.

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. For self-constructed assets, cost comprises direct and indirect costs of materials, components, suppliers and labour costs.

The basis of depreciation is cost plus additional revaluations for ships and cost of operating equipment and equipment less the expected residual value after the end of life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Ships	10 years
Other fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	5 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 value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

## Accounting policies

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 enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value 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.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### Receivables

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

### Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

### Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed 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.

### Cash

Cash comprises cash in hand and bank deposits.

### Deferred tax

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

Deferred tax assets, including the tax base of tax loss carryforwards, 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.

## Accounting policies

### Other financial liabilities

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

### Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.