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Thopas Holding A/S

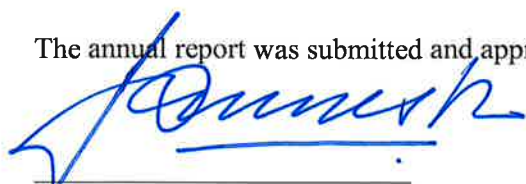
Strandvejen 102B, 2900 Hellerup

Company reg. no. 26 52 35 67

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the ~~GJED~~ **10 DEC**



Jørgen P. Dannesboe
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance USD 146.940 means the amount of USD 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of Thopas Holding A/S for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the consolidated financial statements and the financial statements provide a fair presentation of the assets, equity and liabilities, and the financial position, consolidated and for the company, respectively, at 31 December 2020, and of the result of the activities, consolidated and of the company, respectively, during the financial year 1 January – 31 December 2020.

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

We recommend that the annual report be approved by the general meeting.

Hellerup, 18 May 2021

Managing Director

Jacob Palle Madsen

Board of directors

Jørgen P. Dannesboe

Robert R.A. Sjøqvist

Jacob Palle Madsen

Independent auditor's report

To the shareholders of Thopas Holding A/S

Opinion

We have audited the consolidated financial statements and the financial statements of Thopas Holding A/S for the financial year 1 January to 31 December 2020, which comprise income statement, statement of financial position, notes and accounting policies, consolidated and of the company, respectively and consolidated statement of cash flows. The consolidated financial statements and the financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the financial statements present a fair view of the assets, equity and liabilities, and financial position, consolidated and of the company, respectively, at 31 December 2020 and of the results of the company's activities, consolidated and of the company, respectively and of consolidated cash flows, for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the consolidated financial statements and the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the consolidated financial statements and the financial statements

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

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

Independent auditor's report

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 consolidated financial statements and financial statements.

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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 the 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the consolidated financial statements and the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and 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 group and the company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure, and contents of the consolidated financial statements and the financial statements, including disclosures in notes, and whether the consolidated financial statements and the financial statements reflect the underlying transactions and events in a manner that presents a fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the consolidated financial statements and the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the consolidated financial statements or the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management commentary is consistent with the consolidated financial statements and the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 18 May 2021

Grant Thornton

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



Ulrik Bloch-Sørensen
State Authorised Public Accountant
mne2913



Martin Bomholtz
State Authorised Public Accountant
mne34117

Company information

The company

Thopas Holding A/S
Strandvejen 102B
2900 Hellerup

Company reg. no. 26 52 35 67

Financial year: 1 January - 31 December

Board of directors

Jørgen P. Dannesboe
Robert R.A. Sjøqvist
Jacob Palle Madsen

Managing Director

Jacob Palle Madsen

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Parent company

Maestro Shipping S.A

Subsidiaries

T.K.B. Shipping A/S, Hellerup
TKB Partners ApS, Hellerup

Consolidated financial highlights

USD in thousands.	2020	2019	2018	2017
Income statement:				
Gross profit	3.001	2.828	7.251	4.249
Profit from operating activities	1.447	1.496	5.318	3.490
Net financials	47	-104	-11	-18
Net profit or loss for the year	1.171	1.080	5.076	3.131
Statement of financial position:				
Balance sheet total	14.343	16.596	17.438	10.072
Equity	8.732	8.611	9.150	4.900
Cash flows:				
Operating activities	166	4.187	2.328	1.728
Investing activities	25	-682	-68	-3
Financing activities	-1.050	-953	-1.200	0
Total cash flows	-859	2.552	1.060	1.725
Employees:				
Average number of full-time employees	10	10	12	14
Key figures in %:				
Liquidity ratio	252,5	206,3	208,3	211,6
Solvency ratio	59,3	0,1	0,0	-
Return on equity	-	-	122,8	-

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations. The financial highlights for 2017 solely comprise the period 1/7 2017 to 31/12 2017.

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

Liquidity ratio	$\frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$
Solvency ratio	$\frac{\text{Equity less non-controlling interests, closing balance} \times 100}{\text{Total assets, closing balance}}$
Return on equity	$\frac{\text{*Profit} \times 100}{\text{Average equity exclusive of non-controlling interests}}$
*Profit	Net profit or loss for the year less non-controlling interests' share hereof

Management commentary

The principal activities of the group

Like previous years, the principal activities of the group and of Thopas Holding A/S are shipping activities.

Development in activities and financial matters

The gross loss for the year totals USD -33.178 against USD -30.000 last year. Income or loss from ordinary activities after tax totals USD 1.113.694 against USD 1.129.000 last year. The development is expected. Management considers the net profit for the year satisfactory.

Income statement 1 January - 31 December

Amounts concerning 2020: USD.

Amounts concerning 2019: USD thousand.

Note	Group		Parent	
	2020	2019	2020	2019
Gross profit	3.001.187	2.828	-33.178	-30
1 Staff costs	-1.533.567	-1.320	0	0
Depreciation and writedown relating to fixed assets	-20.593	-12	0	0
Operating profit	1.447.027	1.496	-33.178	-30
Income from equity investments in group enterprises	0	0	1.100.260	1.116
Other financial income from group enterprises	0	0	49.006	48
Other financial income	47.209	12	1.390	0
Other financial costs	-526	-116	0	-1
Pre-tax net profit or loss	1.493.710	1.392	1.117.478	1.133
Tax on ordinary results	-322.393	-312	-3.784	-4
Net profit or loss for the year	1.171.317	1.080	1.113.694	1.129
Break-down of the consolidated profit or loss:				
Shareholders in Thopas Holding A/S	1.113.693	1.129		
Minority interests	57.624	-49		
	1.171.317	1.080		

Proposed appropriation of net profit:

Extraordinary dividend adopted during the financial year	0	1.000
Reserves for net revaluation according to the equity method	150.260	-3.390
Dividend for the financial year	1.000.000	1.000
Transferred to retained earnings	0	2.519
Allocated from retained earnings	-36.566	0
Total allocations and transfers	1.113.694	1.129

Statement of financial position at 31 December

Amounts concerning 2020: USD.

Amounts concerning 2019: USD thousand.

Assets				
Note	Group		Parent	
	2020	2019	2020	2019
Non-current assets				
2 Other fixtures and fittings, tools and equipment	40.851	61	0	0
Total property, plant, and equipment	40.851	61	0	0
3 Equity investments in group enterprises	0	0	4.245.771	4.096
4 Receivables from group enterprises	0	0	2.900.000	3.947
5 Other financial instruments and equity investments	137.175	162	137.175	162
Total investments	137.175	162	7.282.946	8.205
Total non-current assets	178.026	223	7.282.946	8.205
Current assets				
Raw materials and consumables	2.619.799	2.227	0	0
Total inventories	2.619.799	2.227	0	0
Trade debtors	1.653.648	3.208	0	0
6 Voyages in progress	2.461.800	2.499	0	0
Other receivables	71.642	202	4.142	8
Accrued income and deferred expenses	42.287	62	0	0
Total receivables	4.229.377	5.971	4.142	8
Cash on hand and demand deposits	7.315.390	8.175	1.232.241	191
Total current assets	14.164.566	16.373	1.236.383	199
Total assets	14.342.592	16.596	8.519.329	8.404

Statement of financial position at 31 December

Amounts concerning 2020: USD.

Amounts concerning 2019: USD thousand.

Note	Group		Parent	
	2020	2019	2020	2019
Equity and liabilities				
Equity				
Contributed capital	81.769	82	81.769	82
7 Reserve for net revaluation according to the equity method	0	0	1.241.013	1.090
8 Retained earnings	7.427.268	7.314	6.186.263	6.223
Proposed dividend for the financial year	1.000.000	1.000	1.000.000	1.000
Equity before non-controlling interest.	8.509.037	8.396	8.509.045	8.395
9 Non-controlling interests	222.894	215	0	0
Total equity	8.731.931	8.611	8.509.045	8.395
Liabilities other than provisions				
Other debts	0	47	0	0
Total long term liabilities other than provisions	0	47	0	0
6 Voyages in progress	2.304.219	2.865	0	0
Trade creditors	2.757.361	4.789	0	0
Corporate tax	82.782	0	3.784	4
Other payables	466.299	284	6.500	5
Total short term liabilities other than provisions	5.610.661	7.938	10.284	9
Total liabilities other than provisions	5.610.661	7.985	10.284	9
Total equity and liabilities	14.342.592	16.596	8.519.329	8.404

10 Contingencies

Statement of cash flows 1 January - 31 December

Amounts concerning 2020: USD.

Amounts concerning 2019: USD thousand.

Note	Group	
	2020	2019
Net profit or loss for the year	1.171.317	1.080
11 Adjustments	291.793	428
12 Change in working capital	-1.250.739	3.241
Cash flows from operating activities before net financials	212.371	4.749
Interest received, etc.	47.209	12
Interest paid, etc.	-526	-116
Cash flows from ordinary activities	259.054	4.645
Income tax paid	-93.318	-458
Cash flows from operating activities	165.736	4.187
Purchase of property, plant, and equipment	0	-73
Sale of property, plant, and equipment	0	-162
Purchase of non-controlling interests	0	-782
Sale of non-controlling interests	0	162
Repayments received	25.000	173
Cash flows from investment activities	25.000	-682
Long term holiday pay	0	47
Dividends distributed to non-controlling interests	-50.000	0
Dividend paid	-1.000.000	-1.000
Cash flows from financing activities	-1.050.000	-953
Change in cash and cash equivalents	-859.264	2.552
Cash and cash equivalents at 1 January 2020	8.174.654	5.624
Cash and cash equivalents at 31 December 2020	7.315.390	8.176
Cash and cash equivalents		
Cash on hand and demand deposits	7.315.390	8.176
Cash and cash equivalents at 31 December 2020	7.315.390	8.176

Notes

Amounts concerning 2020: USD.

Amounts concerning 2019: USD thousand.

	Group		Parent	
	2020	2019	2020	2019
1. Staff costs				
Salaries and wages	1.386.213	1.196	0	0
Pension costs	137.488	114	0	0
Other costs for social security	9.866	10	0	0
	1.533.567	1.320	0	0
Average number of employees	10	10	0	0

	Group	
	31/12 2020	31/12 2019
2. Other fixtures and fittings, tools and equipment		
Cost 1 January 2020	73.457	0
Additions during the year	0	73
Cost 31 December 2020	73.457	73
Amortisation and writedown 1 January 2020	-12.013	0
Depreciation for the year	-20.593	-12
Amortisation and writedown 31 December 2020	-32.606	-12
Carrying amount, 31 December 2020	40.851	61

Notes

Amounts concerning 2020: USD.

Amounts concerning 2019: USD thousand.

	Parent	
	31/12 2020	31/12 2019
3. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January 2020	3.004.758	3.479
Additions during the year	0	808
	0	-1.120
Disposals during the year	0	-162
Cost 31 December 2020	3.004.758	3.005
Revaluations, opening balance 1 January 2020	1.090.753	4.481
Results for the year before goodwill amortisation	1.100.260	1.116
	0	-26
Dividend	-950.000	-4.480
Revaluation 31 December 2020	1.241.013	1.091
Carrying amount, 31 December 2020	4.245.771	4.096
Group enterprises:		
	Domicile	Equity interest
T.K.B. Shipping A/S	Hellerup	75 %
TKB Partners ApS	Hellerup	80 %

	Parent	
	31/12 2020	31/12 2019
4. Receivables from group enterprises		
Cost 1 January 2020	3.947.422	0
Additions during the year	0	3.947
Disposals during the year	-1.047.422	0
Cost 31 December 2020	2.900.000	3.947
Carrying amount, 31 December 2020	2.900.000	3.947

Notes

Amounts concerning 2020: USD.

Amounts concerning 2019: USD thousand.

	Group		Parent	
	31/12 2020	31/12 2019	31/12 2020	31/12 2019
5. Other financial instruments and equity investments				
Cost 1 January 2020	162.175	173	162.175	173
Additions during the year	0	163	0	163
Disposals during the year	-25.000	-174	-25.000	-174
Cost 31 December 2020	137.175	162	137.175	162
Carrying amount, 31 December 2020	137.175	162	137.175	162

	Group	
	31/12 2020	31/12 2019
6. Voyages in progress		
Sales value of the production of the period	7.263.112	11.295
Payments on account received	-7.105.531	-11.661
Voyages in progress, net	157.581	-366
The following is recognised:		
Voyages in progress for the account of others (Current assets)	2.461.800	2.499
Voyages in progress for the account of others (Short-term liabilities)	-2.304.219	-2.865
	157.581	-366

Notes

Amounts concerning 2020: USD.

Amounts concerning 2019: USD thousand.

	Parent	
	31/12 2020	31/12 2019
7. Reserve for net revaluation according to the equity method		
Reserves for net revaluation 1 January 2020	1.090.753	4.480
Share of results	150.260	-3.390
	1.241.013	1.090

	Group		Parent	
	31/12 2020	31/12 2019	31/12 2020	31/12 2019
8. Retained earnings				
Retained earnings 1 January 2020	7.313.575	8.184	6.222.829	3.704
Profit or loss for the year brought forward	113.693	-870	-36.566	2.519
Extraordinary dividend adopted during the financial year	0	1.000	0	1.000
Distributed extraordinary dividend adopted during the financial year.	0	-1.000	0	-1.000
	7.427.268	7.314	6.186.263	6.223

	Group	
	31/12 2020	31/12 2019
9. Non-controlling interests		
Non-controlling interests 1 January 2020	215.270	884
Share of the results for the year	57.624	-49
Aquisition	0	162
Disposal	0	-782
Dividend paid	-50.000	0
	222.894	215

Notes

Amounts concerning 2020: USD.

Amounts concerning 2019: USD thousand.

10. Contingencies

Contingent liabilities

The group's annual rent obligation amount to 117 t. USD.

The company has entered into long-term lease agreements for foreign tonnage. The total commitment amounts to December 31, 2020 t.USD 11,647, of which t.USD 11,178 relates to the financial year 2021 and t.USD 468 relates to the financial year 2022.

Joint taxation

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

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

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

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

11. Adjustments

	Group 2020	2019
Depreciation, amortisation, and impairment	20.593	12
Other financial income	-47.209	-12
Other financial costs	526	116
Tax on ordinary results	317.873	312
Other adjustments	10	0
	<u>291.793</u>	<u>428</u>

Notes

Amounts concerning 2020: USD.

Amounts concerning 2019: USD thousand.

	Group 2020	2019
	<hr/>	<hr/>
12. Change in working capital		
Change in inventories	-393.126	2.382
Change in receivables	1.487.217	1.204
Change in trade payables and other payables	-2.344.830	-345
	<hr/>	<hr/>
	-1.250.739	3.241
	<hr/>	<hr/>

Accounting policies

The annual report for Thopas Holding A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from the previous year, and the annual report is presented in American dollars (USD). A USD exchange rate on balance sheet items of 6.0352 (2019 : 6.6769) has been applied.

Foreign currency translation

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

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

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

The consolidated financial statements

The consolidated income statements comprise the parent company Thopas Holding A/S and those group enterprises of which Thopas Holding A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' market value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Accounting policies

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Non-controlling interests

Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

Income statement

Gross profit

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

- the amount of revenue can be measured reliably
 - it is probable that the economic benefits associated with the transaction will flow to the entity
 - the stage of completion of the transaction at the end of the reporting period can be measured reliably:
- and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.
- Stage of completion is determined on the basis of the completed travel time compared to the expected travel time.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

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

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

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

Accounting policies

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

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

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement of the parent as a proportional share of the group enterprises' post-tax profit or loss.

Tax on net profit or loss for the year

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

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises.

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

Statement of financial position

Plant, and equipment

Plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

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

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

Accounting policies

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

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

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

	Useful life
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-5 years

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

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

Impairment loss relating to non-current assets

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

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

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

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

Investments

Equity in group enterprises

Equity in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Accounting policies

Equity in group enterprises recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

Equity in group enterprises with a negative equity value measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover a negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Other financial instruments and equity investments

Other unlisted financial instruments are measured at cost. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Inventories

Inventories comprise bunker oil kept on board vessels. Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value

Accounting policies

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

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

Contract work in progress

Voyages in progress is measured at the selling price of the work performed, however with deduction of invoicing on account and expected losses. Voyages in progress is characterised by the manufactured goods featuring a high level of individualisation in the design. Furthermore, it is a requirement that before work is commenced, a binding contract is to be entered into, implying penalty or damages in case of subsequent cancellation.

When the selling price of the individual work in progress can not be determined reliably, the selling price is measured at the costs incurred or at net realisable value, if this is lower.

The individual work in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of the work in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of the work in progress, where invoicing on account exceeds the selling price.

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

Accounting policies

Prepayments and accrued income

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

Cash on hand and demand deposits

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

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Dividend

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

Income tax and deferred tax

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

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

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

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

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

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

Accounting policies

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

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

Liabilities other than provisions

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

Statement of cash flows

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

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

Cash flows from operating activities

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

Cash flows from investment activities

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

Cash flows from financing activities

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

Accounting policies

Cash and cash equivalents

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