



Scan-Shipping A/S
Central Business Registration No.
32444199
Snorresgade 18-20
2300 Copenhagen S

Annual report 2015

The Annual General Meeting adopted the annual report on 13.05.2016

Chairman of the General Meeting

Name: John Hemming

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Entity details

Entity

Scan-Shipping A/S
Snorresgade 18-20
2300 Copenhagen S

Central Business Registration No: 32444199

Registered in: Copenhagen

Financial year: 01.01.2015 - 31.12.2015

Phone: +4532668100

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Internet: www.scan-shipping.com

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Board of Directors

Arne Simonsen, Chairman

Morten Jæpelt

Sune Simonsen

Dennis Krum

Ulrik Jespersen

Lennart O. Bengtsson

Executive Board

Sune Simonsen, Chief Executive Officer

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Scan-Shipping A/S for the financial year 01.01.2015 - 31.12.2015.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2015 and of the results of their operations for the financial year 01.01.2015 - 31.12.2015.

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, 13.05.2016

Executive Board

Sune Simonsen
Chief Executive Officer

Board of Directors

Arne Simonsen
Chairman

Morten Jæpelt

Sune Simonsen

Dennis Krum

Ulrik Jespersen

Lennart O. Bengtsson

Independent auditor's reports

To the owners of Scan-Shipping A/S Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of Scan-Shipping A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and parent financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2015, and of the results of their operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Copenhagen, 13.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Anders Kreiner

State Authorised Public Accountant

Christian Sanderhage

State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

	<u>2015</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>	<u>2013</u> <u>DKK'000</u>	<u>2012</u> <u>DKK'000</u>	<u>2011</u> <u>DKK'000</u>
Financial high-lights					
Key figures					
Revenue	934.014	772.105	788.070	515.678	433.056
Gross profit/loss	78.281	65.099	66.362	50.159	46.367
EBITDA	231	(9.443)	(1.891)	(7.087)	(6.157)
Operating profit/loss	(1.806)	(11.609)	(3.914)	(8.992)	(7.389)
Net financials	534	(48)	546	19	20
Profit/loss for the year	(3.594)	(13.994)	(5.627)	(8.183)	(7.547)
Total assets	213.120	196.309	181.579	142.824	120.602
Investments in property, plant and equipment	3.193	1.148	3.105	2.952	3.354
Equity	18.199	23.469	40.174	48.260	55.740
Ratios					
Gross margin (%)	8,4	8,4	8,4	9,7	10,7
Net margin (%)	(0,4)	(1,8)	(0,7)	(1,6)	(1,7)
Return on equity (%)	(17,3)	(44,0)	(12,7)	(15,7)	(12,7)
Equity ratio (%)	8,0	12,0	22,1	33,8	46,2
Number of employees	260,0	285,0	300,0	-	-

The number of employees represents the total number of employees in the consolidated enterprises of the Group at 31 December. The ratio is disclosed for the first time for 2013.

Management commentary

Primary activities

The Company's primary activities are logistics services, global transport and other related activities in close cooperation with its subsidiaries etc.

Development in activities and finances

Loss for year amounts to DKK 1,272 thousand before tax. As expected, this is a considerable improvement compared to 2014, which has been achieved in spite of declining freight volumes and freight rates.

Equity totals DKK 18,199 thousand at 31.12.2015.

In spite of the largely improved results, the Board of Directors considers the performance for the year not fully satisfactory.

Outlook

The Company expects that the freight market will continue to be under severe pressure in 2016 implying declining freight volumes and freight rates for which reason its performance is expected to be at the level attained in 2015.

Particular risks

Price risks

The Group is to a wide extent dependent on the development in global shipping prices and in the USD exchange rate.

Currency exposure

Due to foreign activities results, cash flows and equity are affected by the exchange rate movements in a number of foreign currencies. Exchange rate adjustments of investments in subsidiaries are recognised directly in equity. It is not company policy to hedge the above risks by means of financial instruments, as purchase and sale of shipping services to a wide extent take place in the same foreign currency.

Interest rate exposure

Reasonable changes in the interest level will have no material impact on the Group. Consequently, no agreements are made on hedging of the interest rate exposure.

Management commentary

Consolidation

	Share- holding %
Scan-Shipping AB, Sweden	100
Scanway Shipping AS, Norway	100
OY Scan-Shipping AB, Finland	100
Scan-Shipping GmbH, Germany	100
Scan-Group Agencies Sp.z.o.o, Poland	100
Scan-Shipping (Pte.) Ltd., Singapore	100
Scanway Shipping LLC, Russia	100
Shipco-Shipping Jylland A/S, Denmark	100
Scan-Shipping Italia SRL, Italy	100
Scan-Shipping Inc., USA	100
Scan-Shipping LLC, Ukraine	100
Scan-Shipping OU, Estonia	100
Shipco-Shipping AB, Sweden	100
Expa-Services (Pte.) Ltd., Singapore	100
Seaway Shipping AS, Norway	100
Scan-Shipping AB, Sweden	100
Scanway Shipping Real Estate AB, Sweden	100
Scan-Shipping d.o.o, Slovenia	100
Scan-Shipping Hong Kong Ltd., Hong Kong	100
Scan-Shipping (Thailand) Ltd., Thailand	100
Scan-Shipping (Turkey) Ltd., Turkey	100
Scan-Shipping Norway AS, Norway	100
PT Scan-Shipping Indonesia, Indonesia	100
Scan-Shipping LLC, United Arab Emirates	100
Scan-Shipping (Shanghai) Ltd., China	100
Scan-Shipping Colombo (Pte.) Ltd., Sri Lanka	100
Scan-Group DMCC, United Arab Emirates	100
Scan-Shipping srl, Romania	100

Statutory corporate social responsibility report according to section 99a of the Danish Financial Statements Act

Please refer to the management commentary of the Ultimate Parent.

Management commentary

Report on efforts made in relation to the underrepresented gender

It is the policy of Scan-Shipping A/S to secure the best professional competence possible at all levels in the Company. The members of Management are solely appointed based on their qualifications and not based on their gender. By doing so equal opportunities for both genders are secured provided that the candidates applying for the management positions possess the professional skills required.

Target figures for the Board of Directors

At the time of presentation of the annual report, the Board of Directors at Scan-Shipping A/S has no female members while the Ultimate Parent, A.S. Scan Holding A/S, has three female board members out of eight board members corresponding to 37.5%.

Based on a specific assessment of the Company's situation, including the competences to be present at the Board of Directors, the target is to identify at least one female candidate for the Board of Directors at Scan-Shipping A/S before 2017. This is considered an achievable and ambitious target figure.

Policy for other management levels

Scan-Shipping A/S supports gender equality – both as regards career opportunities and salary conditions. As a concrete action, the Company has put our equal opportunities policy into practice in the Company's employee manual. Based on the limited time frame, it has not yet been possible to record any effect of the above.

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.

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

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.

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

Consolidated financial statements

The consolidated financial statements include Scan-Shipping A/S (Parent) and subsidiaries in which Scan-Shipping A/S either directly or indirectly holds more than 50% of the voting rights or in any other way have controlling influence. Jointly controlled entities are consolidated on a pro rata basis.

Basis of consolidation

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

Accounting policies

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

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

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

Profits or losses from divestment of equity investments

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses.

Foreign currency translation

Foreign currency transactions are translated applying the exchange rates at the transaction date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date are recognised in the income statement as financial income or financial expenses.

Receivables, payables, and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated applying the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the balance sheet date and the one in effect at the time when the receivable or payable arose are recognised in the income statement as financial income or financial expenses.

Accounting policies

If the foreign subsidiaries meet the criteria of independent entities, their income statements and balance sheets are translated applying the exchange rates at the balance sheet date. Exchange differences that arise from translation of foreign subsidiaries' equity at the beginning of the year, applying the exchange rates at the balance sheet date, are recognised directly in equity.

Income statement

Revenue

Revenue is recognised in the income statement if delivery to the Group's cooperators has taken place before year-end and if the income can be computed reliably. Revenue is recognised net of VAT, duties and sales discounts.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including gains from the sale of intangible assets and property, plant and equipment.

Cost of sales

Costs relating to revenue are accrued according to the method of revenue recognition. Other costs relating to the financial year in terms of time are charged to the income statement.

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 write-downs 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.

Amortisation, depreciation 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.

Other financial income

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.

Accounting policies

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.

Income taxes

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 Company is jointly taxed with its Ultimate Parent, A.S. Scan Holding A/S, and all of the Ultimate Parent's other Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Land and buildings, other fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The basis of depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price and costs directly attributable to the acquisition until the time when it is ready to be put into operation.

Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	15-50 years
Other fixtures and fittings, tools and equipment	3-8 years
Leasehold improvements	5 years

On initial recognition, lease contracts regarding property, plant and equipment in which the Company holds all material risks and advantages related to the ownership (finance leasing) are measured in the balance sheet at fair value or present value, if lower, of future lease payments. At the computation of present value, the internal interest rate of the lease contract or an approximate value is used as discount factor. Assets held under finance leases are then treated as the Company's other property, plant and equipment.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Investments in group enterprises

Income statement

The Company's share of the subsidiaries' profits or losses after elimination of unrealised intra-group profits and losses and plus or minus amortisation of positive, or negative, goodwill is recognised in the income statement.

Balance sheet

Investments in subsidiaries are recognised in the balance sheet at the pro rata share of the enterprises' equity in accordance with the Parent's accounting policies plus or minus unrealised intra-group profits and losses and plus or minus the residual value of positive, or negative, goodwill calculated according to the purchase method.

Subsidiaries with negative equity are measured at zero value, and any receivable from these enterprises is written down by the Parent's share of such negative equity. If the negative equity exceeds the amounts receivable, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries is taken to reserve for net revaluation under the equity method if the carrying amount exceeds cost less amortisation of goodwill.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value. Provisions for bad debts are made at net realisable value.

Other investments

Other investments recognised as fixed asset investments comprise listed securities which are measured at fair value (market price) at the balance sheet date. Unlisted securities etc are measured at estimated market value.

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.

Income tax receivable or payable

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 flow statement

Referring to section 86 of the Danish Financial Statements Act, the Group has not prepared any cash flow statement as such statement is prepared by the higher-level group.

Segment information

The Group's activities only comprise sea freight, shipping and logistics on the world market. Consequently, it is not relevant to provide disclosures on business segments and geographical markets.

Financial highlights

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

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	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.

Consolidated income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Revenue	1	934.014	772.105
Other operating income		6.982	10.458
Cost of sales		(807.076)	(673.674)
Other external expenses	4	<u>(55.639)</u>	<u>(43.790)</u>
Gross profit/loss		78.281	65.099
Staff costs	2	(78.050)	(74.542)
Depreciation, amortisation and impairment losses	3	<u>(2.037)</u>	<u>(2.166)</u>
Operating profit/loss		(1.806)	(11.609)
Other financial income	5	2.108	1.390
Other financial expenses	6	<u>(1.574)</u>	<u>(1.438)</u>
Profit/loss from ordinary activities before tax		(1.272)	(11.657)
Tax on profit/loss from ordinary activities	7	<u>(2.322)</u>	<u>(2.337)</u>
Profit/loss for the year		<u>(3.594)</u>	<u>(13.994)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(3.594)</u>	<u>(13.994)</u>
		<u>(3.594)</u>	<u>(13.994)</u>

Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Land and buildings		400	460
Other fixtures and fittings, tools and equipment		5.786	4.909
Leasehold improvements		100	118
Property, plant and equipment	8	<u>6.286</u>	<u>5.487</u>
Receivables from group enterprises		0	1.112
Other investments		804	1.860
Other receivables		1.750	1.512
Fixed asset investments	9	<u>2.554</u>	<u>4.484</u>
Fixed assets		<u>8.840</u>	<u>9.971</u>
Trade receivables		141.749	107.155
Receivables from group enterprises		8.114	23.354
Deferred tax assets		0	283
Other short-term receivables		5.295	2.155
Prepayments		4.843	8.154
Receivables		<u>160.001</u>	<u>141.101</u>
Cash		<u>44.279</u>	<u>45.237</u>
Current assets		<u>204.280</u>	<u>186.338</u>
Assets		<u><u>213.120</u></u>	<u><u>196.309</u></u>

Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital		1.000	1.000
Retained earnings		17.199	22.469
Equity		<u>18.199</u>	<u>23.469</u>
Provisions for deferred tax		504	563
Provisions		<u>504</u>	<u>563</u>
Bank loans		0	1.346
Trade payables		83.063	15.057
Payables to group enterprises		101.409	147.144
Income tax payable		394	0
Other payables		9.551	8.730
Current liabilities other than provisions		<u>194.417</u>	<u>172.277</u>
Liabilities other than provisions		<u>194.417</u>	<u>172.277</u>
Equity and liabilities		<u>213.120</u>	<u>196.309</u>
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Consolidation	12		

Consolidated statement of changes in equity for 2015

	Contri- buted capi- tal DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1.000	22.469	23.469
Exchange rate adjustments	0	(1.676)	(1.676)
Profit/loss for the year	0	(3.594)	(3.594)
Equity end of year	1.000	17.199	18.199

Notes to consolidated financial statements

	2015 DKK'000	2014 DKK'000
1. Revenue		
Shipping services	934.014	772.105
	934.014	772.105

	2015 DKK'000	2014 DKK'000
2. Staff costs		
Wages and salaries	73.099	68.050
Pension costs	3.775	6.492
Other social security costs	1.176	0
	78.050	74.542
Average number of employees	260	285

The Board of Directors and the Executive Board are not remunerated by the Group.

	2015 DKK'000	2014 DKK'000
3. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	2.037	2.173
Profit/loss from sale of intangible assets and property, plant and equipment	0	(7)
	2.037	2.166

	2015 DKK'000	2014 DKK'000
4. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	892	695
Other assurance engagements	40	65
Tax services	83	150
Other services	52	45
	1.067	955

	2015 DKK'000	2014 DKK'000
5. Other financial income		
Financial income arising from group enterprises	55	29
Other financial income	2.053	1.361
	2.108	1.390

Notes to consolidated financial statements

	2015	2014	
	DKK'000	DKK'000	
6. Other financial expenses			
Financial expenses from group enterprises	220	0	
Other financial expenses	1.354	1.438	
	1.574	1.438	
	2015	2014	
	DKK'000	DKK'000	
7. Tax on profit/loss from ordinary activities			
Tax on current year taxable income	2.338	1.271	
Change in deferred tax for the year	(55)	555	
Adjustment concerning previous years	39	511	
	2.322	2.337	
	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK'000	DKK'000	DKK'000
8. Property, plant and equipment			
Cost beginning of year	616	15.958	769
Exchange rate adjustments	12	379	0
Transfer to and from other items	0	(177)	0
Additions	0	3.193	0
Disposals	(60)	(491)	0
Cost end of year	568	18.862	769
Depreciation and impairment losses beginning of the year	(156)	(11.049)	(651)
Exchange rate adjustments	(3)	(282)	0
Depreciation for the year	(9)	(2.010)	(18)
Reversal regarding disposals	0	265	0
Depreciation and impairment losses end of the year	(168)	(13.076)	(669)
Carrying amount end of year	400	5.786	100

Notes to consolidated financial statements

	Receivables from group enterprises DKK'000	Other invest- ments DKK'000	Other recei- vables DKK'000
9. Fixed asset investments			
Cost beginning of year	1.112	1.860	1.512
Additions	0	0	238
Disposals	(1.112)	(1.056)	0
Cost end of year	0	804	1.750
Carrying amount end of year	0	804	1.750
		2015 DKK'000	2014 DKK'000
10. Unrecognised rental and lease commitments			
Commitments under rental agreements or leases until expiry		6.815	6.125
		2015 DKK'000	2014 DKK'000
11. Contingent liabilities			
Recourse and non-recourse guarantee commitments		1.992	1.201
Contingent liabilities		1.992	1.201

The Company participates in a Danish joint taxation arrangement in which A.S. Scan Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore jointly and severally liable as of the financial year 2013 with the other jointly taxed companies for income taxes etc for the jointly taxed companies, and as of 01.07.2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

12. Consolidation

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

A.S. Scan Holding A/S, Snorresgade 18-20, 2300 Copenhagen S

Parent income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Revenue	1	292.327	258.995
Other operating income		2.855	2.036
Cost of sales		(244.408)	(217.107)
Other external expenses	4	<u>(15.562)</u>	<u>(11.049)</u>
Gross profit/loss		35.212	32.875
Staff costs	2	(28.566)	(28.466)
Depreciation, amortisation and impairment losses	3	<u>(481)</u>	<u>(440)</u>
Operating profit/loss		6.165	3.969
Income from investments in group enterprises		(8.415)	(17.025)
Other financial income	5	623	564
Other financial expenses	6	<u>(340)</u>	<u>(497)</u>
Profit/loss from ordinary activities before tax		(1.967)	(12.989)
Tax on profit/loss from ordinary activities	7	<u>(1.627)</u>	<u>(1.005)</u>
Profit/loss for the year		<u>(3.594)</u>	<u>(13.994)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(3.594)</u>	<u>(13.994)</u>
		<u>(3.594)</u>	<u>(13.994)</u>

Parent balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Other fixtures and fittings, tools and equipment		1.545	1.307
Leasehold improvements		<u>37</u>	<u>54</u>
Property, plant and equipment	8	<u>1.582</u>	<u>1.361</u>
Investments in group enterprises		26.803	24.230
Receivables from group enterprises		17.020	16.041
Other investments		50	50
Other receivables		<u>102</u>	<u>102</u>
Fixed asset investments	9	<u>43.975</u>	<u>40.423</u>
Fixed assets		<u>45.557</u>	<u>41.784</u>
Trade receivables		46.968	35.242
Receivables from group enterprises		44.640	26.812
Deferred tax assets		0	21
Prepayments	10	<u>112</u>	<u>0</u>
Receivables		<u>91.720</u>	<u>62.075</u>
Cash		<u>8.064</u>	<u>7.584</u>
Current assets		<u>99.784</u>	<u>69.659</u>
Assets		<u><u>145.341</u></u>	<u><u>111.443</u></u>

Parent balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>
Contributed capital	11	1.000	1.000
Retained earnings		<u>17.199</u>	<u>22.469</u>
Equity		<u>18.199</u>	<u>23.469</u>
Provisions for deferred tax		8	0
Provisions for investments in group enterprises	12	<u>8.441</u>	<u>8.516</u>
Provisions		<u>8.449</u>	<u>8.516</u>
Trade payables		34.637	23.515
Payables to group enterprises		79.567	51.273
Other payables		<u>4.489</u>	<u>4.670</u>
Current liabilities other than provisions		<u>118.693</u>	<u>79.458</u>
Liabilities other than provisions		<u>118.693</u>	<u>79.458</u>
Equity and liabilities		<u>145.341</u>	<u>111.443</u>
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Related parties with controlling interest	15		
Ownership	16		

Parent statement of changes in equity for 2015

	Contri- buted capi- tal DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1.000	22.469	23.469
Exchange rate adjustments	0	(1.676)	(1.676)
Profit/loss for the year	0	(3.594)	(3.594)
Equity end of year	1.000	17.199	18.199

Notes to parent financial statements

	2015	2014
	DKK'000	DKK'000
1. Revenue		
Shipping services	292.327	258.995
	292.327	258.995

	2015	2014
	DKK'000	DKK'000
2. Staff costs		
Wages and salaries	26.816	26.834
Pension costs	1.687	1.563
Other social security costs	63	69
	28.566	28.466

Average number of employees	61	60
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The Board of Directors and the Executive Board are not remunerated by the Company.

	2015	2014
	DKK'000	DKK'000
3. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	481	447
Profit/loss from sale of intangible assets and property, plant and equipment	0	(7)
	481	440

	2015	2014
	DKK'000	DKK'000
4. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	144	141
Tax services	10	8
Other services	22	29
	176	178

	2015	2014
	DKK'000	DKK'000
5. Other financial income		
Financial income arising from group enterprises	620	562
Other financial income	3	2
	623	564

Notes to parent financial statements

	2015	2014
	DKK'000	DKK'000
6. Other financial expenses		
Financial expenses from group enterprises	199	374
Other financial expenses	141	123
	340	497
	2015	2014
	DKK'000	DKK'000
7. Tax on profit/loss from ordinary activities		
Tax on current year taxable income	1.593	477
Change in deferred tax for the year	29	528
Adjustment concerning previous years	5	0
	1.627	1.005
	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK'000	DKK'000
8. Property, plant and equipment		
Cost beginning of year	2.121	365
Additions	753	0
Disposals	(86)	0
Cost end of year	2.788	365
Depreciation and impairment losses beginning of the year	(814)	(311)
Depreciation for the year	(464)	(17)
Reversal regarding disposals	35	0
Depreciation and impairment losses end of the year	(1.243)	(328)
Carrying amount end of year	1.545	37

Notes to parent financial statements

	Investments in group enter- prises DKK'000	Receivables from group enterprises DKK'000	Other invest- ments DKK'000	Other recei- vables DKK'000
9. Fixed asset invest- ments				
Cost beginning of year	80.633	16.041	50	102
Additions	7.897	979	0	0
Cost end of year	88.530	17.020	50	102
Revaluations beginning of year	(56.403)	0	0	0
Exchange rate adjustments	(1.676)	0	0	0
Share of profit/loss for the year	(8.415)	0	0	0
Other adjustments	4.767	0	0	0
Revaluations end of year	(61.727)	0	0	0
Carrying amount end of year	26.803	17.020	50	102

Accumulated investments with negative equity depreciated over receivables at year-end amount to DKK 18,741 thousand.

10. Prepayments

Prepayments consist of prepaid costs.

	Number	Par value DKK'000	Nominal value DKK'000
11. Contributed capital			
Share capital	1.000	1	1.000
	1.000		1.000

12. Provisions for investments in group enterprises

Provision for investments in group enterprises relates to group enterprises with negative equity.

	2015 DKK'000	2014 DKK'000
13. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	2.800	3.305

Notes to parent financial statements

	2015	2014
	DKK'000	DKK'000
14. Contingent liabilities		
Recourse and non-recourse guarantee commitments	1.315	1.191
Contingent liabilities	1.315	1.191
Recourse guarantee commitments related to Parent and fellow subsidiaries	0	2.089
Contingent liabilities related to Parent and fellow subsidiaries	0	2.089

The Parent has issued letters of support to a number of its subsidiaries.

The Company participates in a Danish joint taxation arrangement in which A.S. Scan Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore jointly and severally liable as of the financial year 2013 with the other jointly taxed companies for income taxes etc for the jointly taxed companies, and as of 01.07.2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

15. Related parties with controlling interest

Related parties with a controlling interest in Scan-Shipping A/S:

- Scan Group A/S, Snorresgade 18-20, 2300 Copenhagen S, shareholder
- A.S. Scan Holding A/S, Snorresgade 18-20, 2300 Copenhagen S, Ultimate Parent

16. Ownership

The Company has registered the following shareholder to hold more than 5% of the voting share capital or of the nominal value of the share capital:

- Scan Group A/S, Snorresgade 18-20, 2300 Copenhagen S, 100%