APM Terminals - Aarhus A/S

Østhavnsvej 43
8000 Aarhus C

CVR no. 32 65 83 93

Annual report 2016

301335_1

The annual report was presented and approved at the Company's annual general meeting

on 18th May 2017

chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board	2
Independent Auditor's Report	3
Management's review	6
Financial highlights	6
Operating review	7
Financial statements 1 January – 31 December	10
Income statement	10
Balance sheet	11
Statement of changes in equity	14
Notes	15

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of APM Terminals - Aarhus A/S for the financial year 1 January – 31 December 2016.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Aarhus, 18 May 2017
Executive Board:

Steen Davidsen

Board of Directors:

Willem Adriaan Lagaay Chairman	Begum Ünlüsoy	Iana Boyd
Jan Damgaard Sørensen	Tom Jørgen Damgaard Stephensen	Dan Iversen Dall
Kasper Østergaard Rasmussen		

Independent Auditor's Report

To the Shareholder of APM Terminals – Aarhus A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016, and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of APM Terminals – Aarhus A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

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 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 in preparing the financial statements unless Management either intends to liquidate the Company 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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.

Aarhus, 18 May 2017
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Gert Fisker Tomczyk
State Authorised Public Accountant

Rune Kjeldsen
State Authorised Public Accountant

Management's review

Financial highlights

DKKm	2016	2015	2014	2013	2012
Revenue	391.6	349.9	325.2	296.3	294.1
Gross profit	259.1	238.6	218.0	196.4	182.7
Ordinary operating profit	73.5	60.1	51.2	37.9	29.6
Profit/loss from financial income and expenses	0.1	-0.2	-0.3	-0.5	-0.9
Profit for the year	56.8	45.3	37.6	27.0	20.5
Fixed assets	101.3	100.7	116.5	132.7	143.5
Current assets	130.0	109.0	122.5	109.0	109.7
Total assets	231.0	210.0	239.0	241.7	253.2
Investments in property, plant and equipment	22	5	2	10	13
Share capital	7.5	7.5	7.5	7.5	7.5
Equity	161.7	150.3	167.5	157.0	150.0
Non-current liabilities other than provisions	0.0	0.0	8.0	24.0	40.0
Current liabilities other than provisions	69.5	59.4	63.5	60.7	62.7
Gross margin	66.2%	68.2%	67.0%	66.3%	62.1%
Operating margin	18.8%	17.2%	15.7%	12.8%	10.1%
Current ratio	186.9%	183.5%	192.9%	179.6%	175.0%
Solvency ratio	69.9%	71.6%	70.1%	65.0%	59.4%
Average number of full-time employees	281	257	250	240	232

The financial ratios have been calculated as follows:

Gross margin $$\frac{\text{Gross profit x 100}}{\text{Revenue}}$$

Operating margin $$\frac{\text{Operating profit x 100}}{\text{Revenue}}$$

Current ratio $$\frac{\text{Current assets x 100}}{\text{Short-term debt}}$$

Solvency ratio $$\frac{\text{Equity ex. non-controlling interests year end x 100}}{\text{Total equity and liabilities at year end}}$$

Management's review

Operating review

Principal activities of the Company

The principal activities of APM Terminals - Aarhus A/S comprise container handling at the Port of Aarhus for the purpose of the transportation of vessels, trucks and trains. As related business, the Company also repairs and stores containers.

Development in activities and financial matters

Profit of the year

Revenue grew by 12% from DKK 349.9 million in 2015 to DKK 391.6 million in 2016. Increase in revenue is related to higher volume in both container handled on vessel, truck, train and in container repair shop. Further we have been able to adjust rates towards customers and made a new revenue stream from container weighing.

Profit also grew significant from DKK 45.3 million in 2015 to DKK 56.8 million in 2016. Growth in profit is due to rate adjustments, increased efficiency and new revenue stream as mentioned under revenue.

The Company proposes that profit for the year be distributed as dividend.

Management considers the profit for 2016 as satisfactory. The company has managed to grow revenue and profit in our principal activities while still focusing on activities that generates value for our customers. We have seen strong volumes both on quay and landside in 2016.

Investments

APM Terminals – Aarhus A/S made several larger investments to accommodate an increased activity level as well as for efficiency purposes. These include investments in three new straddle carriers of DKK 17.7 million, infrastructure for One Gate setup of DKK 1.0 million, weighing equipment for new customer service of DKK 1.5 million and software for paperless project of DKK 1.2 million. Besides these larger investments only minor additions to fixed assets was conducted in 2016 – among these facility, equipment and IT hardware.

Capital resources

APM Terminals - Aarhus A/S is financially sound. The solvency ratio is 69.9% (2015: 71.6%) corresponding to equity at 31 December 2016 of DKK 161.7 million (2015: DKK 150.3 million).

The company's current assets totalled DKK 130.0 million at the end of the financial year. Of the amounts owed by group enterprises, DKK 39.1 million is deposited in the cash pool scheme.

Management's review

Outlook

Management expects that growth in its principal activities only will be marginal due to low growth in the Danish society. Further, we continuously face competition within our activities both in Aarhus and from other ports in Denmark. With this in mind, we expect revenue to be at the same level in 2017 as in 2016.

With a constant focus on optimizing the business, we expect a slightly increased profit in 2017 vs. 2016.

The Company is dependent on the general activity level in society. Management's expectations for 2017 are based on a stabilization of the economy as well as maintaining the Company's market share.

Risks

Operational risks

The most significant operational risk of the Company relates to the activity level of trade in Scandinavia as well as the Danish export to Asia. The risk moreover depends on the level of this trade being handled through the Port of Aarhus.

Further, there lies a potential risk of the mainliner not calling Aarhus. Most containers will probably be transported out of Aarhus by feeder to a port with a mainliner call; but expectation is, that some volume will be lost for Aarhus if we cannot offer a mainliner call.

Financial risk

Following the Company's solvency ratio and the fact that all external loans are paid out, changes in the interest level poses no risk to the Company. The Company is not exposed to foreign exchange risks as all major settlements are made in DKK and is not exposed to any major risks regarding one particular customer or cooperative partner. Company policy in respect of credit risks implies that all major customers and other co-operators are credit rated on an ongoing basis.

Environmental issues

APM Terminals – Aarhus A/S is environmentally conscious and is engaged in reducing environmental impact from its operations on an ongoing basis.

In 2014 the Company succeeded in obtaining approval of EIA (Environmental Impact Assessment). The Company regularly assesses the environmental impact from the Company's operations. Operations are directly interconnected with the environmental impact, as two significant cost categories are energy consumption, including energy consumption and fuel consumption (primarily diesel).

Management's review

We have high focus on the environment when we order new equipment; both in sense of pollution and noise.

Corporate social responsibility

According to section 99a (6) of the Danish Financial Statements Act, the Company does not make any disclosures on corporate social responsibility. We refer to the parent company, A.P. Møller – Mærsk A/S' separate report on sustainability at its webpage:

http://www.maersk.com/en/the-maersk-group/sustainability

Gender diversity in management

The Company is encompassed by section 99b of the Danish Financial Statements Act, regarding gender diversity in management.

At the Board Meeting in A.P. Møller – Mærsk A/S on 21st February 2013 a group policy was adopted with the aim to increase the share of the under-represented gender in the company's other management levels (link to policy: http://mrsk.co/174tNiF).

In accordance with this policy APM Terminals – Aarhus A/S has focus on gender diversity with regards to relevant management positions and key positions in general. Currently the Board consists of 4 members elected at the annual general assembly of whom 2 are women and 2 are male. Additionally the Board consists of 3 employee representatives. 3 out of 8 members of the senior management team are women. Consequently the target for gender diversity has been met. Thereby equal representation has been obtained for both the Board of Directors and for other managerial levels.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2016	2015
Revenue	2	391,640	349,912
Other operating income		2	5
External costs		-132,548	-111,339
Gross profit		259,094	238,578
Staff costs	3	-164,179	-157,341
Amortisation/depreciation	7.8	-21,450	-21,161
Ordinary operating profit		73,465	60,076
Financial income	4	204	229
Financial expenses	5	-77	-462
Profit before tax		73,592	59,843
Tax on profit for the year	6	-16,826	-14,537
Profit for the year	13	56,766	45,306

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
ASSETS			
Fixed assets			
Intangible assets	7		
Goodwill		18,386	20,507
Terminal rights		1,683	1,801
Software		2,073	1,757
Intangible assets in progress		0	1,071
		22,142	25,136
Property, plant and equipment	8		
Land and buildings		38,489	43,476
Plant and machinery		33,802	27,013
Fixtures and fittings, tools and equipment		6,096	4,958
Property, plant and equipment under construction		778	132
		79,165	75,579
Total fixed assets		101,307	100,715

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
ASSETS (continued)			
Current assets			
Inventories			
Consumables		7,726	7,596
		7,726	7,596
Receivables			
Trade receivables		32,268	28,333
Receivables from group entities		70,621	59,829
Other receivables		2,587	2,151
Prepayments		3,306	1,965
Deferred tax	11	13,119	9,029
		121,901	101,307
Cash at bank and in hand		56	60
Total current assets		129,683	108,963
TOTAL ASSETS		230,990	209,678

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
EQUITY AND LIABILITIES			
Equity			
Share capital	10	7,500	7,500
Retained earnings		97,476	97,476
Proposed dividends for the financial year		56,766	45,306
Total equity		161,742	150,282
Liabilities	12		
Current liabilities			
Credit institutions		0	8,000
Trade payables		13,066	7,402
Payables to group entities		2,528	1,200
Joint taxation contribution		20,916	13,804
Other payables		32,738	28,990
		69,248	59,396
Total liabilities		69,248	59,396
TOTAL EQUITY AND LIABILITIES		230,990	209,678

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Proposed dividends	Total equity
Equity at 1 January 2016	7,500	97,476	45,306	150,282
Distributed dividends	0	0	-45,306	-45,306
Transferred over the profit appropriation	0	0	56,766	56,766
Equity at 31 December 2016	7,500	97,476	56,766	161,742

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of APM Terminals - Aarhus A/S for 2016 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

— Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the consolidated financial statements of A.P. Møller – Mærsk A/S, Esplanaden 50, Copenhagen Denmark, CVR no. 22 75 62 14.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

Income statement

Revenue

Income is recognised in revenue when delivery and transfer of risk to the buyer have taken place, the income may be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed remuneration excluding VAT and taxes charged on behalf of third parties. All discounts granted are included in revenue.

External costs

External costs comprise costs incurred in generating revenue for the year, including costs of raw materials and consumables, lease of port space and administrative expenses.

Staff costs

Staff costs comprise expenses incurred during the year for management and administration of the Company, including other payroll-related costs.

Other operating income

Other operating income comprises items secondary to the activities of the Company, including gains on the disposal of intangible assets and property, plant and equipment.

Other operating costs

Other operating costs comprise items secondary to the activities of the Company, including losses on the disposal of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Corporation tax is expensed as estimated tax on the taxable income for the year. APM Terminals - Aarhus A/S is jointly taxed with A.P. Møller – Mærsk A/S and other Danish companies within the A.P. Møller – Mærsk Group. Current Danish corporation tax is allocated between the jointly taxed Danish companies in proportion to their taxable income (full absorption with refunds for tax losses).

Balance sheet

Intangible assets

Goodwill, terminal rights and software are measured at cost less accumulated amortisation and impairment losses. Goodwill, terminal rights and software are amortised on a straight-line basis over the remaining life of the intangible asset. The expected useful lives are as follows:

Goodwill	15 years
Terminal rights	18 years
Software	3 years

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	5-20 years
Plant and machinery	3-10 years
Fixtures and fittings, tools and equipment	3-10 years

The useful life and residual value are reassessed annually. Changes are accounted for as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as depreciation of property, plant and equipment and amortisation of intangible assets and impairment losses.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Consumables are measured at cost, comprising purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as the discount rate.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

Segment information

Segment information is provided on business segments. The segment information is in line with the Company's accounting policies, risks and internal financial management.

Financial statements 1 January – 31 December

Notes

2 Segment information

Activities – primary segment

DKK'000	Handling of containers	Repair of containers, etc.	Total
2016			
Revenue	308,873	82,767	391,640
2015			
Revenue	256,035	93,877	349,912

3 Staff costs

DKK'000	2016	2015
Wages and salaries	150,121	144,105
Pensions	12,135	11,298
Other social security costs	1,923	1,938
	164,179	157,341
Average number of full-time employees	281	257

Remuneration of the Company's Management and Board of Directors is not disclosed pursuant to section 98b (3)(ii) of the Danish Financial Statement Act. The members of the Board of Directors did not receive any emoluments or any other kind of remuneration for their work.

Financial statements 1 January – 31 December

Notes

	DKK'000	2016	2015
4	**Financial income**		
	Foreign exchange gains	204	177
	Other interest income	0	52
		204	229
5	**Financial expenses**		
	Foreign exchange losses	33	187
	Other interest expense	44	275
		77	462
6	**Tax on profit/loss for the year**		
	Current tax for the year	20,916	13,804
	Deferred tax adjustment for the year	-4,090	1,212
	Adjustment in tax rate	0	-479
		16,826	14,537

Financial statements 1 January – 31 December

Notes

7 Intangible assets

DKK'000	Goodwill	Terminal Rights	Software	Intangible assets in progress	Total
Cost at 1 January 2016	31,819	2,120	9,324	1,071	44,334
Additions	0	0	0	104	104
Transferred	0	0	1,175	-1,175	0
Cost at 31 December 2016	31,819	2,120	10,499	0	44,438
Amortisation and impairment losses at 1 January 2016	11,312	319	7,567	0	19,198
Amortisation	2,121	118	859	0	3,098
Amortisation and impairment losses at 31 December 2016	13,433	437	8,426	0	22,296
Carrying amount at 31 December 2016	18,386	1,683	2,073	0	22,142

Financial statements 1 January – 31 December

Notes

8 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1 January 2016	92,189	98,686	21,107	132	212,114
Additions	0	0	0	22,264	22,264
Transferred	94	17,721	3,477	-21,292	0
Disposals	0	0	0	-326	-326
Cost at 31 December 2016	92,283	116,407	24,584	778	234,052
Depreciation and impairment losses at 1 January 2016	48,713	71,673	16,149	0	136,535
Depreciation	5,081	10,932	2,339	0	18,352
Depreciation and impairment losses at 31 December 2016	53,794	82,605	18,488	0	154,887
Carrying amount at 31 December 2016	38,489	33,802	6,096	778	79,165
Depreciated over	5-20 years	3-10 years	3-10 years		

Financial statements 1 January – 31 December

Notes

9 Fees paid to the auditors appointed at the annual general meeting

Pursuant to the section 96(3) of the Danish Financial Statements Act, fees paid to the Company's auditor appointed at the annual general meeting have not been disclosed.

10 Share capital

The share capital consists of:

A shares, 1 shares of nom. DKK 7,500,000.

All shares rank equally.

	DKK'000	2016	2015
11	**Deferred tax**		
	Deferred tax at 1 January	9,029	9,760
	Deferred tax adjustment for the year in the income statement	4,090	-115
	Reduction of Danish corporation tax rate to 22% in 2016	0	-616
		13,119	9,029
	Provisions for deferred tax arise from:		
	Intangible assets	-120	-146
	Property, plant and equipment	13,218	9,154
	Provisions	21	21
		13,119	9,029

It is expected that DKK 13.119 thousand of the deferred tax recognised at 31 December 2016 will be realised as current tax in 2017-2021.

Financial statements 1 January – 31 December

Notes

DKK'000	2016	2015
12 Credit institutions		
Credit institutions can be specified as follows:		
Credit institutions:		
0-1 years	0	8,000
1-5 years	0	0
>5 years	0	0
Credit institutions	0	8,000
13 Profit appropriation		
Proposed dividends for the financial year	56,766	45,306
	56,766	45,306

14 Contractual obligations, contingencies, etc.

The Company has a restoration and renovation liability of the facilities towards the landlord. The amount is unknown but it is not expected to have significant impact on the Company's financial position.

Operating lease obligations

Residual operating lease obligations fall due by DKK 17,614 thousand within 1 year (2015: DKK 16,819 thousand). Within 2-5 years, operating lease obligations amount to DKK 39,733 thousand (2015: DKK 39,445 thousand) and after 5 years DKK 2,568 thousand (2015: DKK 4,623 thousand) and by a total amount of DKK 59,915 thousand (2015: DKK 60,887 thousand).

Financial statements 1 January – 31 December

Notes

15 Related party disclosures

APM Terminals – Aarhus A/S' related parties comprise the following:

Control

A.P. Møller – Mærsk A/S, Copenhagen and group enterprises, including the direct parent Company, APM Terminals B.V., the Hague, the Netherlands.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the share capital:

APM Terminals B.V.
2511 DP
the Hague
the Netherlands.

The consolidated financial statements of A.P. Møller – Mærsk A/S can be obtained by contacting the Company at the following address:

A.P. Møller – Mærsk A/S, Esplanaden 50, Copenhagen, Denmark

Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c (7) of the Danish Financial Statement Act.