
Stena Marine Management ApS

Færgehavnsvej 10, DK-9900 Frederikshavn

Annual Report for 1 January - 31 December 2016

CVR No 36 09 04 21

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
19/4 2017

Mats Carlsson



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Stena Marine Management ApS for the financial year 1 January - 31 December 2016.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Company and of the results of the Company operations for 2016.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Frederikshavn, 19 April 2017

Direktion

Angela Jenhed

Bestyrelse

Alastair Danabie

Angela Jenhed

Mats Carlsson

Independent Auditor's Report

To the Shareholder of Stena Marine Management ApS

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 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 Stena Marine Management ApS for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet 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.

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.

Independent Auditor's Report

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.

Aalborg, 19 April 2017

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Marianne Fog Jørgensen

State Authorised Public Accountant

Company Information

The Company

Stena Marine Management ApS
Færgehavnsvej 10
DK-9900 Frederikshavn

CVR No: 36 09 04 21

Financial period: 1 January - 31 December

Municipality of reg. office: Frederikshavn

Main activity

The objects of the Company are to conduct shipping operations, ship agency and chartering and management thereof and other activities related thereto as well as owning and managing real estate and securities including shares in commercial companies or holding companies of such companies.

Board of Directors

Alastair Danabie
Angela Jenhed
Mats Carlsson

Executive Board

Angela Jenhed

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Skelagervej 1A
DK-9000 Aalborg

Income Statement 1 January - 31 December

	Note	2016 EUR	2014/15 (16 months) EUR
Gross profit/loss		2.844.593	3.703.713
Staff expenses	2	-2.837.194	-3.723.664
Profit/loss before financial income and expenses		7.399	-19.951
Financial income	3	22.151	270
Financial expenses	4	-4.609	-20.815
Profit/loss before tax		24.941	-40.496
Tax on profit/loss for the year	5	-5.487	9.516
Net profit/loss for the year		19.454	-30.980

Distribution of profit

Proposed distribution of profit

Retained earnings	19.454	-30.980
	19.454	-30.980

Balance Sheet 31 December

	Note	2016 EUR	2015 EUR
Assets			
Receivables from group enterprises		158.232	380.839
Other receivables		215	0
Deferred tax asset		0	9.516
Receivables		158.447	390.355
Cash at bank and in hand		207.212	89.276
Currents assets		365.659	479.631
Assets		365.659	479.631
Liabilities and equity			
Share capital		13.400	13.400
Retained earnings		-11.526	-30.980
Equity	6	1.874	-17.580
Credit institutions		224.486	422.226
Trade payables		907	0
Corporation tax		5.487	0
Other payables		132.905	74.985
Short-term debt		363.785	497.211
Debt		363.785	497.211
Liabilities and equity		365.659	479.631
Going concern	1		
Contingent assets, liabilities and other financial obligations	7		

Notes to the Financial Statements

1 Going concern

The Company has a shareholders' equity at an amount of EUR 1,874. The Company's Parent, Northern Marine Ferries Limited, is committed to provide financial support to the Company to the extent necessary in order to finance the Company's operations and settle financial liabilities until and including 31 December 2017.

2 Staff expenses

	2016 EUR	2014/15 (16 months) EUR
Wages and salaries	2.479.932	3.540.812
Pensions	86.096	47.512
Other social security expenses	39.890	24.019
Other staff expenses	231.276	111.321
	2.837.194	3.723.664
Average number of employees	107	118

3 Financial income

Other financial income	274	270
Exchange gains	21.877	0
	22.151	270

4 Financial expenses

Other financial expenses	4.609	11.994
Exchange loss	0	8.821
	4.609	20.815

5 Tax on profit/loss for the year

Current tax for the year	0	0
Deferred tax for the year	5.487	-9.516
	5.487	-9.516

Notes to the Financial Statements

6 Equity

	Share capital	Retained earnings	Total
	EUR	EUR	EUR
Equity at 1 January	13.400	-30.980	-17.580
Net profit/loss for the year	0	19.454	19.454
Equity at 31 December	13.400	-11.526	1.874

The share capital consists of 13,400 shares of a nominal value of EUR 1. No shares carry any special rights.

7 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Danish group enterprises are jointly and severally liable for tax on the jointly taxed income of the Group and for Danish taxes at source such as dividend tax, tax on royalty payments and withholding tax.

8 Main activity

The objects of the Company are to conduct shipping operations, ship agency and chartering and management thereof and other activities related thereto as well as owning and managing real estate and securities including shares in commercial companies or holding companies of such companies.

Notes, Accounting Policies

Basis of Preparation

The Annual Report of Stena Marine Management ApS for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2016 are presented in EUR.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes, Accounting Policies

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue from the sale of services is recognised when the risks and rewards relating to the services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise rent and administrative expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Notes, Accounting Policies

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.