
Integrity Bulk ApS

Tuborg Havnevej 18, 2., DK-2900 Hellerup

Annual Report for 1 April 2020 - 31 March 2021

CVR No 36 40 89 87

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/08 2021

Martin Egvang
Chairman of the General
Meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company Information	5
Financial Highlights	6
Management's Review	7
Financial Statements	
Income Statement 1 April - 31 March	10
Balance Sheet 31 March	11
Statement of Changes in Equity	13
Cash Flow Statement 1 April - 31 March	14
Notes to the Financial Statements	15

Management's Statement

The Executive Board has today considered and adopted the Annual Report of Integrity Bulk ApS for the financial year 1 April 2020 - 31 March 2021.

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

In my opinion the Financial Statements give a true and fair view of the financial position at 31 March 2021 of the Company and of the results of the Company operations and cash flows for 2020/21.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Hellerup, 31 August 2021

Executive Board

Martin Egvang
CEO

Independent Auditor's Report

To the Shareholder of Integrity Bulk ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2021 and of the results of the Company's operations and cash flows for the financial year 1 April 2020 - 31 March 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Integrity Bulk ApS for the financial year 1 April 2020 - 31 March 2021, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("the 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 misstate-

Independent Auditor's Report

ment, 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 judgement and maintain professional scepticism 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

Independent Auditor's Report

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.

Hellerup, 31 August 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Thomas Wraae Holm
State Authorized Public Accountant
mne30141

Jakob Thisted Binder
State Authorized Public Accountant
mne42816

Company Information

The Company

Integrity Bulk ApS
Tuborg Havnevej 18, 2.
DK-2900 Hellerup

CVR No: 36 40 89 87
Financial period: 1 April - 31 March
Municipality of reg. office: Gentofte

Executive Board

Martin Egvang

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2020/21	2019/20	2018/19	2017/18	2016/17
	TUSD	TUSD	TUSD	TUSD	TUSD
Key figures					
Profit/loss					
Revenue	51,210	91,909	121,426	102,413	61,583
Vessel operating expenses	-50,574	-95,458	-119,190	-94,230	-56,781
Other external expenses	-929	-3,171	-2,920	-1,781	-506
Profit/loss before other operating income, provisions and net financials	636	-3,559	1,848	5,905	3,442
Provisions on debtors	0	-1,963	-2,200	-1,215	0
Gross profit/loss	2,364	-5,587	1,356	6,402	4,296
Profit/loss before financial income and expenses	1,135	-7,139	-180	4,690	3,442
Net financials	26	-59	4	115	-110
Net profit/loss for the year	1,031	-5,699	-228	3,692	2,573
Balance sheet					
Balance sheet total	16,500	15,621	24,198	19,449	12,471
Equity	5,885	4,854	10,553	11,181	7,589
Ratios					
Solvency ratio	35.7%	31.1%	43.6%	57.5%	60.9%
Return on equity	19.2%	-74.0%	-2.1%	39.3%	40.8%

The key figures have been compiled in accordance with the Danish Financial Analyst Association's recommendations and guidance. Referring to definitions in the section on accounting policies.

Management's Review

Key activities

The Company's aim is - directly or through equity participation in other companies - to conduct business in shipping, transport, industry, trade and crafts, and other activities deemed relevant by the Executive Board.

Development in the year

The income statement of the Company for 2020/21 shows a net profit of TUSD 1,031. At 31 March 2021 the balance sheet of the Company shows an equity of TUSD 5,885. The profit for the year has significantly improved compared to 2019/20. Management considers the result satisfactory and in line with expectations last year.

The Past year

During the year, the Company experienced a decline in revenues driven by challenging market conditions and global uncertainty related to the Covid 19 pandemic, particularly in the first and second quarters of the 2020/2021 reporting period. As a result, revenues declined by 45% compared to the previous year.

The Company recorded a profit before net financials of TUSD 1,160 and a net profit of TUSD 1,031.

In the reporting period, the Company further pursued criminal proceedings as well as civil actions against a Korean conglomerate. This relates to the Korean conglomerate's contractual misconduct concerning a misdescribed cargo carried by the Company in the previous financial reporting period. The counterpart's fraudulent behavior continued to cause the Company extraordinary expenses.

Whereas the management is confident of a full recovery of expenses, based on ongoing legal proceedings, the Company has recognized the provision in its financial accounts in compliance with Danish Financial Act.

Market risks

Freight rates obtained on the vessels time chartered by the Company are the main risk elements. The Company's revenues are exclusively generated from activities in the dry bulk segment. The dry bulk industry is cyclical and volatile, which can lead to reductions in freight rates and volumes. Fluctuations in freight rates result from changes in the supply and demand for vessel capacity and changes in the supply and demand for the large variety of products that the vessels carry. Bunker fuels constitute an additional factor affecting net earnings and price fluctuations can have a considerable impact on the Company's results.

Management's Review

Foreign exchange risks

The Company uses United States Dollar ("USD") as the functional currency because the majority of the Company's transactions are denominated in USD. Thus, the Company's exchange rate risk is related to cash flows not denominated in USD. The primary risk relates to transactions denominated in Danish Krone ("DKK"), euro ("EUR"), Singapore Dollar ("SGD") and other major currencies and relates to administrative and operating expenses.

Credit risks

The Company is reliant on its counterparties fulfilling their payment obligations. Should a counterpart default on its obligations, the Company could incur potential losses, which could have a negative impact on the Company's future growth, results and cashflow.

Liquidity risks

Cash is an important factor for the Company's development. The Company monitors constantly its cash flow forecasts carefully to ensure it has adequate liquidity for its working capital requirements. The Company maintains a credit line with Nordea Bank of USD 1,000k.

Targets and expectations for the year ahead

Due to improved market conditions the Company expects a considerably better result for the new Financial Year compared with the past year.

Corporate responsibility and external environment

The Company is continuously committed to responsibly contributing to a greener environment, while creating value for shipowners, customers and other stakeholders. The Company is in full compliance with the IMO's global 0.5% sulphur content cap regulation on fuel and closely monitors emission levels for all its vessels. Due to the instability in many countries and regions and the risk of piracy-related activities against ships, the security for vessels operated in high-risk areas is paramount for the Company.

Uncertainty relating to recognition and measurement

The Company has on-going voyages as of 31 March 2021. For these voyages the Management has to estimate the total voyages result. When it is probable that the total voyage costs will exceed the total voyage revenue, a provision for foreseeable losses is recognized as expense immediately.

The company has recognized a deferred tax asset totaling TUSD 1,329. The deferred tax asset consists of unutilized tax loss carried forward from previous the previous year.

Management's Review

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 April - 31 March

	Note	2020/21 USD	2019/20 USD
Revenue		51,209,724	91,908,739
Other operating income	2	2,657,271	1,143,433
Vessel operating expenses		-50,573,754	-95,467,949
Other external expenses		-929,402	-3,171,500
Gross profit/loss		2,363,839	-5,587,277
Staff expenses	3	-1,229,302	-1,552,016
Profit/loss before financial income and expenses		1,134,537	-7,139,293
Financial income	4	47,940	29,731
Financial expenses	5	-22,108	-88,595
Profit/loss before tax		1,160,369	-7,198,157
Tax on profit/loss for the year	6	-129,612	1,499,359
Net profit/loss for the year		1,030,757	-5,698,798

Balance Sheet 31 March

Assets

	Note	2021 USD	2020 USD
Deposits		48,093	48,093
Fixed asset investments	7	48,093	48,093
Fixed assets		48,093	48,093
Bunker		2,231,022	3,100,638
Trade receivables		4,249,569	2,720,202
Other receivables		2,297,749	3,233,354
Deferred tax asset	8	1,329,266	1,458,878
Corporation tax		22,383	81,867
Prepayments	9	2,302,764	593,781
Receivables		10,201,731	8,088,082
Cash at bank and in hand		4,018,881	4,383,760
Currents assets		16,451,634	15,572,480
Assets		16,499,727	15,620,573

Balance Sheet 31 March

Liabilities and equity

	Note	2021 USD	2020 USD
Share capital		1,006,048	1,006,048
Retained earnings		4,879,086	3,848,329
Equity		5,885,134	4,854,377
Provision for future loss on voyages	10	86,123	441,895
Provisions		86,123	441,895
Trade payables		2,912,955	3,452,000
Ongoing voyages		3,602,872	1,944,807
Payables to group enterprises		3,779,952	4,761,307
Other payables		232,691	166,187
Short-term debt		10,528,470	10,324,301
Debt		10,528,470	10,324,301
Liabilities and equity		16,499,727	15,620,573
Significant accounting estimates, assumptions and judgements	1		
Distribution of profit	11		
Contingent assets, liabilities and other financial obligations	14		
Related parties	15		
Accounting Policies	16		

Statement of Changes in Equity

	Share capital USD	Retained earnings USD	Total USD
2020/21			
Equity at 1 April	1,006,048	3,848,329	4,854,377
Net profit/loss for the year	0	1,030,757	1,030,757
Equity at 31 March	1,006,048	4,879,086	5,885,134
2019/20			
Equity 1. april	1,006,048	9,547,127	10,553,175
Net profit/loss for the year	0	-5,698,798	-5,698,798
Equity at 31 March	1,006,048	3,848,329	4,854,377

Cash Flow Statement 1 April - 31 March

	Note	2020/21 USD	2019/20 USD
Net profit/loss for the year		1,030,757	-5,698,798
Adjustments	12	103,780	-1,440,495
Change in working capital	13	-603,380	-821,338
Cash flows from operating activities before financial income and expenses		531,157	-7,960,631
Financial income		47,940	-27,340
Financial expenses		-22,105	-31,528
Cash flows from ordinary activities		556,992	-8,019,499
Corporation tax paid		59,484	414,474
Cash flows from operating activities		616,476	-7,605,025
Change in payables to group enterprises		-981,355	4,761,307
Cash flows from financing activities		-981,355	4,761,307
Change in cash and cash equivalents		-364,879	-2,843,718
Cash and cash equivalents at 1 April		4,383,760	7,227,478
Cash and cash equivalents at 31 March		4,018,881	4,383,760
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		4,018,881	4,383,760
Cash and cash equivalents at 31 March		4,018,881	4,383,760

Notes to the Financial Statements

1 Significant accounting estimates, assumptions and judgements

In connection with the preparation of the financial statements, management applies accounting estimates and judgements. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company has ongoing voyages at 31 March 2021. For these voyages management has recognised the accruals at year-end based on an estimate of the voyages total result. When it is probable that the total voyage costs will exceed the total voyage revenue, a provision for foreseeable losses is recognized as expense immediately.

The Company experienced an unforeseeable incident during the financial year 2018/19 caused by a fraudulent conduct by a conglomerate in Korea. The Company has accordingly initiated legal proceedings and the Management still expects a full recovery of the losses based on current legal proceedings and Civil Actions in Korea.

The Company has as of 31 March 2021 recognized a deferred tax asset totaling TUSD 1,329. The deferred tax asset consists of unutilized tax losses carried forward. The recognition of the deferred tax asset is based on Management's expectations of positive operations over the coming years.

	2021 USD	2020 USD
2 Other operating income		
Compensation received	2,445,996	779,883
Other income	211,275	363,550
	2,657,271	1,143,433
3 Staff expenses		
Wages and salaries	1,094,737	1,404,758
Pensions	121,096	136,678
Other social security expenses	13,469	10,580
	1,229,302	1,552,016
Average number of employees	10	12

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Notes to the Financial Statements

	2020/21 USD	2019/20 USD
4 Financial income		
Other financial income	111	29,731
Exchange adjustments	47,829	0
	47,940	29,731
5 Financial expenses		
Other financial expenses	22,108	31,524
Exchange adjustments, expenses	0	57,071
	22,108	88,595
6 Tax on profit/loss for the year		
Current tax for the year	0	-40,481
Deferred tax for the year	129,612	-1,458,878
	129,612	-1,499,359
7 Fixed asset investments		
		Deposits USD
Cost at 1 April		48,093
Cost at 31 March		48,093
Carrying amount at 31 March		48,093
8 Deferred tax asset	2021 USD	2020 USD
Deferred tax asset at 1 April	1,458,878	0
Amounts recognised in the income statement for the year	-129,612	1,458,878
Deferred tax asset at 31 March	1,329,266	1,458,878

Notes to the Financial Statements

9 Prepayments

Prepayments consist of prepaid expenses concerning prepaid vessel hires, insurance premiums, subscriptions etc.

	2021 USD	2020 USD
10 Provision for future loss on voyages		
Provision for loss on voyages	86,123	441,895
	86,123	441,895
	2020/21 USD	2019/20 USD
11 Distribution of profit		
Retained earnings	1,030,757	-5,698,798
	1,030,757	-5,698,798
12 Cash flow statement - adjustments		
Financial income	-47,940	-29,731
Financial expenses	22,108	88,595
Tax on profit/loss for the year	129,612	-1,499,359
	103,780	-1,440,495
13 Cash flow statement - change in working capital		
Change in inventories	869,614	1,679,547
Change in receivables	-2,302,744	5,138,762
Change in other provisions	-355,772	-1,802,365
Change in trade payables, etc	1,185,522	-5,837,282
	-603,380	-821,338

Notes to the Financial Statements

	2021 USD	2020 USD
14 Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with bankers: A floating charge has been placed as security in accounts receivable, inventory, property, plant and equipment and goodwill. At 31 March 2021 the debt amounts to USD 0.		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	15,004,182	5,996,491
Between 1 and 5 years	109,332	3,233,182
	15,113,514	9,229,673

15 Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Integrity Bulk Pte. Ltd.	120 Robinson Road, #08-01, Singapore 06881

The Group Annual Report of Integrity Bulk Pte. LTD. may be obtained from ACRA (Singapore Accounting and Corporate Regulatory Authority)

Notes to the Financial Statements

16 Accounting Policies

The Annual Report of Integrity Bulk ApS for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020/21 are presented in USD. The exchange rate for USD is at 31 March 2021 DKK 634,31 (31 March 2020: DKK 681,58)

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.

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.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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.

Notes to the Financial Statements

16 Accounting Policies (continued)

Income Statement

Revenue

Revenue from sales 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.

Services are recognised at the rate of completion by using the percentage-of-completion method. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the voyagedays incurred and the total expected voyagedays of the voyage.

Revenue consists of freight, demurrage and timecharter and is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Vessel operating expenses

Vessel operating expenses comprise the raw materials and consumables consumed to achieve revenue for the enterprise.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including claims.

Financial income and expenses

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

Notes to the Financial Statements

16 Accounting Policies (continued)

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.

Balance Sheet

Fixed asset investments

Fixed asset investments consist of deposit.

Bunker

Bunker are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of bunker is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of raw materials and consumables equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, and subscriptions.

Equity

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

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.

Notes to the Financial Statements

16 Accounting Policies (continued)

Deferred tax assets 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 or in equity if the deferred tax relates to items recognised in equity.

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

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

Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the payments to and from share holders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

16 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$$

Return on equity

$$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$