



# BLUE WATER SHIPPING A/S

ANNUAL REPORT 2016 | CVR NR: 40 51 66 11



**BLUE  
WATER  
SHIPPING**

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# BLUE WATER SHIPPING A/S

## Entity details

### ENTITY

Blue Water Shipping A/S  
Trafikhavnskaj 9  
6700 Esbjerg

CVR No: 40516611  
Registered in: Esbjerg  
Financial year: 01.01.2016 - 31.12.2016

Website: [www.bws.dk](http://www.bws.dk)  
E-mail: [esbjerg@bws.dk](mailto:esbjerg@bws.dk)

### BOARD OF DIRECTORS

Niels Stie Kaalund, chairman  
Kurt Skov  
Jørgen Meyer  
Preben Møller Nielsen

### EXECUTIVE BOARD


Kurt Skov

### AUDITORS

Deloitte Statsautoriseret Revisionspartnerselskab  
Dokken 8  
6700 Esbjerg

The annual General Meeting adopted the annual report on 18.05. 2017

**Chairman of the General Meeting**



Name: Niels Kaalund

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Blue Water Shipping A/S for the financial year 01.01.2016 - 31.12.2016.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations and cash flows for the financial year 01.01.2016 - 31.12.2016.

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.

Esbjerg, 18.05.2017

**EXECUTIVE BOARD**



Kurt Skov

**BOARD OF DIRECTORS**




Niels Stee Kaalund  
Chairman



Kurt Skov



Jørgen Meyer



Preben Møller Nielsen



## Independent auditor's report

### To the shareholders of Blue Water Shipping A/S

#### Opinion

We have audited the financial statements of Blue Water Shipping A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations and cash flows for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

## Independent auditor's report

### STATEMENT ON THE MANAGEMENT COMMENTARY

Management is responsible for the management commentary.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Esbjerg, 18.05. 2017

### Deloitte

Statsautoriseret Revisionspartnerselskab  
CVR nr. 33963556



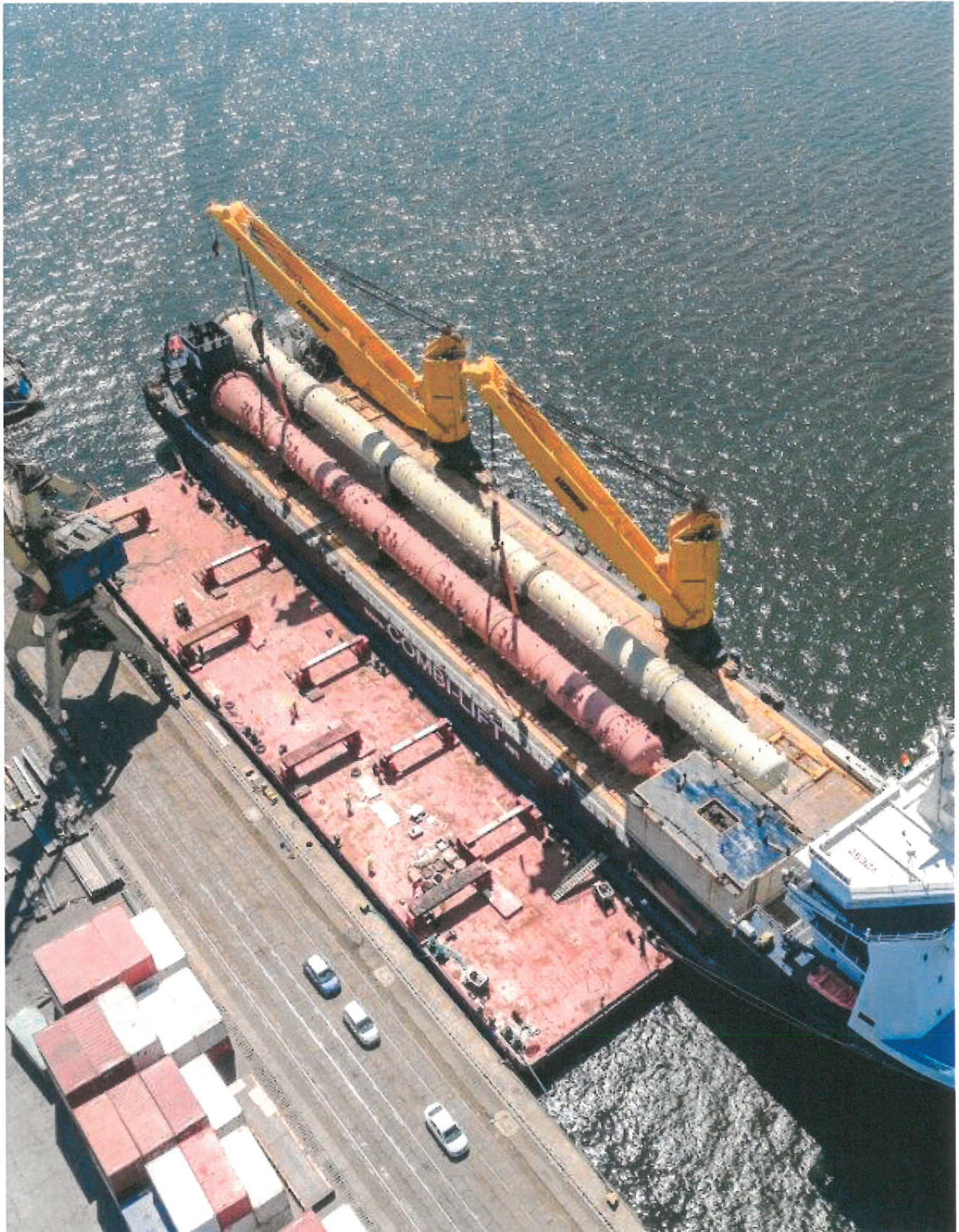
Jørn Jepsen  
State Authorised Public Accountant



Peder Rene Pedersen  
State Authorised Public Accountant



# Oil, Gas & Industrial Projects





## Management commentary

### FINANCIAL HIGHLIGHTS

	2016	2015	2014	2013	2012
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#### Key figures (DKK'000)

Revenue	4.197.515	4.206.939	4.062.698	3.686.174	3.460.758
Gross profit/loss	508.140	488.989	492.282	411.244	411.583
Operating profit/loss	(9.836)	(46.312)	12.464	16.644	68.937
Net financials	(3.543)	1.514	134	(5.804)	(4.219)
Net profit/loss for the year	(10.837)	(35.629)	8.778	7.417	47.613
Total assets	784.979	777.440	761.531	781.654	699.238
Investments in property, plant and equipment	14.534	3.419	6.215	10.426	7.952
Equity	180.088	190.925	191.554	182.776	175.359
Interest bearing debt, net	(140.467)	(136.181)	(166.129)	(167.477)	(178.626)

#### Ratios

Gross margin (%)	12,1	11,6	12,1	11,2	11,9
Financial gearing (%)	(0,8)	(0,7)	(0,9)	(0,9)	(1,0)
Return on equity (%)	(5,8)	(18,6)	4,7	4,1	31,4

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
<b>Gross Margin (%)</b>	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The Entity's operating gearing.
<b>Financial gearing</b>	$\frac{\text{Net interest-bearing debt}}{\text{Equity}}$	The Entity's financial gearing.
<b>Return on equity (%)</b>	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.

Net interest-bearing debt is defined as interest-bearing liabilities, including income tax payable, net of interest-bearing assets, including cash and income tax receivable.

## Management commentary

### PRIMARY ACTIVITIES

The Company's activities comprise international transport, freight forwarding and logistic services. The company structure within Europe is adopted as part of the Blue Water Group account growth strategy. The total international activity in Europe is run by Blue Water Shipping A/S.

### DEVELOPMENT IN ACTIVITIES AND FINANCES

The Company's income statement for the financial year 01.01.2016 – 31.12.2016 shows a financial loss of DKK 10.837k and the Company's balance sheet total at 31.12.2016 is DKK 784.979k and equity stands at DKK 180.088k.

The Company's Danish activities have grown over the year, and earnings have developed positively.

Performance for the year is affected by losses of DKK 35m from the Company's Nordic activities and by start-up and implementation costs from a new freight terminal at Taulov, Denmark.

The Company has launched and started implementation of a new global IT applications strategy. This will over the next two to three years reduce the number of stand-alone IT systems to fewer integrated IT platforms in order to improve the efficiency of business processes and routines. The implementation performed in 2016 was expected and successful but affected the performance by DKK 30m.

### OUTLOOK

The performance in 2017 will be affected by DKK 50m from continued implementation of the new IT applications strategy and continued implementation of the new terminal at Taulov.

Management is regularly adapting operations to the market and expects a profit for 2017. The Company is expecting to have positive cash flow in 2017.

### RISK MANAGEMENT

The Company is exposed to risks arising from the Company's global presence. The overall risk management is based on a risk management model under which the main risks are assessed every six months. An overview is reviewed by the Board of Directors and the Executive Board.

### PARTICULAR RISKS

#### Operating risks/economic development

The Company is dependent on the general development in the geographical areas where the Company is present. The Company's activity is influenced by the total market volume available for transport in each product segment throughout the Company's Nordic market as well as in relevant overseas markets – and specifically in the product segments of oil, energy and perishables.

The Company's business concept is based on an asset-light way of thinking, ensuring an operational flexibility, which facilitates adjustments of operating expenses to the Company's overall level of activity.

Furthermore, the Company's activities are spread globally and on the different client segments, which makes it possible to neutralise negative effects.

## Management commentary

### Damages to goods

In connection with damages to goods, the Company may be held liable. The risk will be covered through contractual relationships with clients and subcontractors, through determination of maximum compensation for major transport projects and via the Company's insurance policy.

In addition, the Company has heavy focus on delivery of the agreed quality to clients and from subcontractors and in this connection minimisation of defects before, during and after the execution of the transport assignments.

### IT

Access to efficient and reliable IT systems is an essential precondition for the execution of the Company's activities. Through IT safety policies and agreed minimum requirements for hardware and important software applications, the Company focuses on securing a high level of reliability and operational uptime. The Company continuously develops software applications for fulfilling the clients' requirements and needs in connection with the execution of the transport assignments. Focus on process optimisation ensures optimal workflow in the software applications and efficient and competitive execution of the transport assignments.

### Financial/currency exposure

Due to its operations, the Company is exposed to changes in the interest-rate level. The Company regularly evaluates hedging instruments for identifying the interest-rate exposure.

### Foreign exchange risks

Most of the Company's sales is effected in euro-related currencies. Current trade with and impact of results from subsidiary companies outside Europe are primarily in USD or currencies dependent on the US currency. The Company regularly evaluates hedging of its positions in USD and currencies dependent on the US currency.

### Credit risks

The Company pursues a strict credit policy, which includes credit insurance insofar as is possible and ensures that potential losses are handled before becoming considerable.

## PARTICULAR RISKS

### Cash Flow

As part of the Company's policy, capital procurement and placement of excess liquidity are controlled at group level insofar as is appropriate. Furthermore, the Company has liquidity measures in the shape of excess liquidity and credits, which must be available to the company at any time.



## Management commentary

### INTELLECTUAL CAPITAL RESOURCES

With reference to maintaining and strengthening its position among the leading providers of services within the Company's business areas, it is essential that the Company and Group will continue to be able to attract and retain the most skilled and service-minded staff. The Company strongly focuses on being an attractive workplace and on further developing the staff's competences. This is done through the ongoing execution of transport assignments, goal-oriented courses and education as well as through a talent development programme.

### CORPORATE SOCIAL RESPONSIBILITY

#### Statutory report on corporate social responsibility

The Blue Water Group has finalised and initiated global implementation of the Company's official Code of Conduct, Blue Water's ethical guidelines. The internal implementation was launched by publishing of a common Code of Conduct including various communication materials and internal information meetings. The specification is available to suppliers on the website:

[www.bws.net/-/media/Website/Files/BWS%20Code%20of%20Conduct.pdf](http://www.bws.net/-/media/Website/Files/BWS%20Code%20of%20Conduct.pdf) and hard copies thereof are obtainable through the Blue Water Group headquarter.

Part of the Company's strategy and philosophy of being "Best in Town" also means that the Company will take an active share in, take responsibility for and support the local activities to the extent that the Company's physical and business-related presence justifies this.

The Company's contribution in this field is strengthened by addition of more resources, as the launched and planned activities related to social responsibility are expected to continue to have a positive influence on the Company's reputation. We expect that the activities will appeal to current and future employees and business partners.

The policies are the Company's ethical guidelines. No continuous measurements of the realisation of the ethical guidelines are performed.

#### Human rights

The Company has no distinct policy and action plan for endeavors on human rights, but as company they dissociate themselves from any violation of these.

#### Statutory report on the underrepresented gender

A target for the underrepresented gender has been set for the board of directors. For the other levels of management, a policy has been adopted aiming at increasing the number of the underrepresented gender.

It was the target that, by 2016, the share of the underrepresented gender should be 25% of the members elected to the board of directors of Blue Water shipping A/S. Blue Water shipping A/S' board currently consists of four members, all men. The target was not reached as the shareholders in Blue Water Shipping A/S have not wished to propose any change to the composition of the board of directors during the period from 2013 to 2016. The gender of new board members consequently has not been brought up as an issue.



## Management commentary

A policy has been laid down for the other management levels of Blue Water Shipping A/S in order to increase the share of the underrepresented gender and overall diversity by 2016 so that at least 30% of the managers would be from the underrepresented gender.

The underrepresented gender at the other management levels of Blue Water Shipping A/S, which means the members of the management board, managers of managers and leaders of employees at the present time accounts for 16 %. Compared to the ratio when the previous policy was made in 2013 this is an improvement of 1%. The main reasons why the target in respect to other management levels has not been reached is a larger restructuring, which has led to a smaller number of managers in general and a focus on not including managerial positions without any direct personnel management in the count.

It is the target by 2020 that the share of the underrepresented gender is 20 % of both the members elected to the board of directors and the management at other management levels of Blue Water shipping A/S. Achieving this target is considered realistic. The previous target of 30% has proven to be too ambitious for such relative short time span.

### 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.



# Wind Logistics





## Income statement for 2016

		<b>2016</b>	<b>2015</b>
	<b>Notes</b>	<b>DKK'000</b>	<b>DKK'000</b>
Revenue		4.197.515	4.206.939
Cost of sales		(3.487.345)	(3.501.229)
Other external expenses		(202.030)	(216.721)
<b>Gross profit/loss</b>		<b>508.140</b>	<b>488.989</b>
Staff costs	1	(503.786)	(500.259)
Depreciation, amortisation and impairment losses	2	(14.190)	(35.042)
<b>Operating profit/loss</b>		<b>(9.836)</b>	<b>(46.312)</b>
Other financial income		2.302	3.594
Other financial expenses		(5.845)	(2.080)
<b>Profit/loss before tax</b>		<b>(13.379)</b>	<b>(44.798)</b>
Tax on profit/loss for the year	3	2.542	9.169
<b>Profit/loss for the year</b>	4	<b>(10.837)</b>	<b>(35.629)</b>

## Balance sheet at 31.12.2016

		<b>2016</b>	<b>2015</b>
	<b>Notes</b>	<b>DKK'000</b>	<b>DKK'000</b>
Goodwill		6.734	14.095
<b>Intangible assets</b>	<b>5</b>	<b>6.734</b>	<b>14.095</b>
Other fixtures and fittings, tools and equipment		19.550	12.775
Leasehold improvements		20	59
Property, plant and equipment in progress		750	0
<b>Property, plant and equipment</b>	<b>6</b>	<b>20.320</b>	<b>12.834</b>
Deposits		2.034	1.715
<b>Fixed asset investments</b>	<b>7</b>	<b>2.034</b>	<b>1.715</b>
<b>Fixed assets</b>		<b>29.088</b>	<b>28.644</b>
Trade receivables		516.990	550.741
Contract work in progress	8	43.722	17.199
Receivables from group enterprises		22.358	16.730
Deferred tax	9	9.460	6.330
Other receivables		8.555	3.081
Income tax receivable		0	5.184
Prepayments	10	4.063	2.298
<b>Receivables</b>		<b>605.148</b>	<b>601.563</b>
Other investments		194	210
<b>Other investments</b>		<b>194</b>	<b>210</b>
Cash		150.549	147.023
<b>Current assets</b>		<b>755.891</b>	<b>748.796</b>
<b>Assets</b>		<b>784.979</b>	<b>777.440</b>



## Balance sheet at 31.12.2016

		<b>2016</b>	<b>2015</b>
	<b>Notes</b>	<b>DKK'000</b>	<b>DKK'000</b>
Contributed capital		50.000	50.000
Retained earnings		130.088	140.925
<b>Equity</b>		<b>180.088</b>	<b>190.925</b>
Other provisions	11	0	12.100
<b>Provisions</b>		<b>0</b>	<b>12.100</b>
Deposits		523	659
<b>Non-current liabilities other than provisions</b>		<b>523</b>	<b>659</b>
Bank loans		10.082	16.026
Trade payables		499.251	495.272
Payables to group enterprises		37.536	939
Other payables		57.499	61.519
<b>Current liabilities other than provisions</b>		<b>604.368</b>	<b>573.756</b>
<b>Liabilities other than provisions</b>		<b>604.891</b>	<b>574.415</b>
<b>Equity and liabilities</b>		<b>784.979</b>	<b>777.440</b>
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Mortgages and securities	15		
Group relations	16		

## Statement of changes in equity for 2016

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	50.000	140.925	190.925
Profit/loss for the year	0	(10.837)	(10.837)
<b>Equity end of year</b>	<b>50.000</b>	<b>130.088</b>	<b>180.088</b>



# Marine Logistics





## Cash flow statement 2016

	Notes	2016 DKK'000	2015 DKK'000
Operating profit/loss		(9.836)	(46.313)
Amortisation, depreciation and impairment losses		14.190	35.042
Other provisions		(12.100)	12.100
Working capital changes	12	30.917	(63.981)
<b>Cash flow from ordinary operating activities</b>		<b>23.171</b>	<b>(63.152)</b>
Financial income received		2.302	3.594
Financial income paid		(5.829)	(1.681)
Income taxes refunded/(paid)		4.596	(7.159)
<b>Cash flows from operating activities</b>		<b>24.240</b>	<b>(68.398)</b>
Acquisition etc of intangible assets		0	(6.220)
Sale of intangible assets		0	731
Acquisition etc of property, plant and equipment		(14.534)	(3.419)
Sale of property, plant and equipment		219	114
Acquisition of fixed asset investments		(397)	(133)
Sale of fixed asset investments		78	0
<b>Cash flows from investing activities</b>		<b>(14.634)</b>	<b>(8.927)</b>
Instalments on loans etc		(136)	(3)
Dividend paid		0	(5.000)
Cash increase of capital		0	40.000
<b>Cash flows from financing activities</b>		<b>(136)</b>	<b>34.997</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>9.470</b>	<b>(42.328)</b>
Cash and cash equivalents beginning of year		130.997	173.325
<b>Cash and cash equivalents end of year</b>		<b>140.467</b>	<b>130.997</b>
Cash and cash equivalents at year-end are composed of:			
Cash		150.549	147.023
Short-term debt to banks		(10.082)	(16.026)
<b>Cash and cash equivalents end of year</b>		<b>140.467</b>	<b>130.997</b>



## Notes

	<b>2016</b>	<b>2015</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>1. Staff costs</b>		
Wages and salaries	472.605	468.289
Pension costs	24.636	23.839
Other social security costs	6.545	8.131
	<b>503.786</b>	<b>500.259</b>
<hr/>		
Average number of employees	<b>1.102</b>	<b>1.094</b>
<hr/>		
<b>Remuneration of Management</b>		
Executive Board	1.139	3.707
Board of Directors	120	419
	<b>1.256</b>	<b>4.126</b>
<hr/>		
<b>2. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	7.361	13.271
Impairment losses on intangible assets	0	15.153
Depreciation of property, plant and equipment	6.958	7.442
Profit/loss from sale of intangible assets and property, plant and equipment	(129)	(824)
	<b>14.190</b>	<b>35.042</b>
<hr/>		
<b>3. Tax on ordinary profit/loss for the year</b>		
Tax on current year taxable income	4	(5.184)
Change in deferred tax for the year	(2.471)	(4.233)
Adjustment concerning previous years	(75)	(37)
Effect of changed tax rates	0	285
	<b>(2.542)</b>	<b>(9.169)</b>
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## Notes

	<b>2016</b>	<b>2015</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>4. Proposed distribution of profit/loss</b>		
Retained earnings	(10.837)	(35.629)
	<b>(10.837)</b>	<b>(35.629)</b>

	<b>Goodwill</b>
	<b>DKK'000</b>
<b>5. Intangible assets</b>	
Cost beginning of year	95.217
<b>Cost end of year</b>	<b>95.217</b>
Amortisation and impairment losses beginning of year	(81.122)
Amortisation for the year	(7.361)
<b>Amortisation and impairment losses end of year</b>	<b>(88.483)</b>
<b>Carrying amount end of year</b>	<b>6.734</b>



## Notes

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold Improve- ments DKK'000	Property, plants and equipment in progress DKK'000
<b>6. Property, plant and equipment</b>			
Cost beginning of year	62.451	3.722	0
Additions	13.784	0	750
Disposals	(21.209)	0	0
<b>Cost end of year</b>	<b>55.026</b>	<b>3.722</b>	<b>750</b>
Depreciation and impairment losses beginning of the year	(49.676)	(3.663)	0
Depreciation for the year	(6.919)	(39)	0
Reversal regarding disposals	21.119	0	0
<b>Depreciation and impairment losses end of the year</b>	<b>(35.476)</b>	<b>(3.702)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>19.550</b>	<b>20</b>	<b>750</b>

	Deposits DKK'000
<b>7. Fixed asset investments</b>	
Cost beginning of year	1.715
Additions	397
Disposals	(78)
<b>Cost end of year</b>	<b>2.034</b>
<b>Carrying amount end of year</b>	<b>2.034</b>

## 8. Contract work in progress

The amount comprises vendor's invoices not received and not yet invoiced but performed transactions.



# General Cargo





## Notes

	<b>2016</b>	<b>2015</b>
	DKK'000	DKK'000
<b>9. Deferred tax</b>		
Intangible assets	3.111	3.456
Property, plant and equipment	2.037	2.874
Tax losses carried forward	4.312	0
	<b>9.460</b>	<b>6.330</b>

### Changes during the year

Beginning of year	6.330
Recognised in the income statement	3.130
<b>End of year</b>	<b>9.460</b>

### 10. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years

### 11. Other provisions

Other provisions comprise anticipated costs of decided and published restructurings, etc.

### 12. Change in working capital

Increase/decrease in receivables	(5.639)	(78.293)
Increase/decrease in trade payables ect	36.556	14.312
	<b>30.917</b>	<b>(63.981)</b>

### 13. Unrecognised rental and lease commitments

Hereof liabilities under rental or lease agreements until maturity in total	<b>22.839</b>	<b>32.990</b>
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### 14. Contingent liabilities

Recourse and non-recourse guarantee commitments	56.728	51.463
<b>Contingent liabilities in total</b>	<b>56.728</b>	<b>51.463</b>
Recourse and non-recourse guarantee commitments	0	0
<b>Hereof contingent liabilities to group enterprises</b>	<b>0</b>	<b>0</b>

## Notes

### Lawsuits

The Company is involved in a few lawsuits. These lawsuits will in the opinion of the management not have material influence on the company's financial position.

The Entity participates in a Danish joint taxation arrangement in which Blue Water Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities, and from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

The Company has entered into forward exchange contract of USD 3,000k. Net obligation at 31 December 2016 amounts to DKK 30k.

### 15. Mortgages and securities

None

### 16. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Blue Water Holding A/S, Esbjerg

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Blue Water Holding A/S, Esbjerg



# Port Services & Agency





## 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 (big).

The accounting policies applied to these 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.

### FOREIGN CURRENCY TRANSLATION

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

### INCOME STATEMENT

#### Revenue

Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting profit of a forwarding job is booked as income at the time when the transport of the shipment in question starts.

## Accounting policies

### Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

### 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.

### Depreciation, amortisation, 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 interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

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.



## Accounting policies

### BALANCE SHEET

#### Goodwill

Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it is not possible to estimate the useful life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis.

*Goodwill* 5-10 years

Goodwill is written down to the lower of recoverable amount and carrying amount.

#### Property, plant and equipment

Leasehold improvement, other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

*Other fixtures and fittings, tools and equipment* 3-10 years  
*Leasehold improvement* 5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually. Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

#### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

#### Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

#### Deferred tax

Deferred tax is recognized 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.



# Reefer Logistics



## Accounting policies

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.

### Income tax payable or receivable

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.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Other investments

Securities recognised under current assets comprise listed bonds and investments measured at fair value (market price) at the balance sheet date. Deposits under fixed assets are measured at amortised cost.

### Cash

Cash comprises cash in hand and bank deposits.

### Other provisions

Other provisions comprise anticipated costs of decided and published restructurings, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value

### Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

## CASH FLOW STATEMENT

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.



## Accounting policies

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less shortterm bank loans.