



# BLUE WATER SHIPPING A/S

ANNUAL REPORT 2017 | CVR NR: 40 51 66 11



**BLUE  
WATER  
SHIPPING**

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## Entity details

### ENTITY

Blue Water Shipping A/S  
Trafikhavnskaj 9  
6700 Esbjerg

CVR No: 40516611  
Registered in: Esbjerg  
Financial year: 01.01.2017 - 31.12.2017

Website: www.bws.dk  
E-mail: bwsebj@bws.dk

### BOARD OF DIRECTORS

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

### EXECUTIVE BOARD

Søren Nørgaard Thomsen

### AUDITORS

Deloitte Statsautoriseret Revisionspartnerselskab  
Dokken 8  
Postboks 200  
6700 Esbjerg

The annual General Meeting adopted the annual report on 24.05. 2018

**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 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations and cash flows for the financial year 01.01.2017 - 31.12.2017.

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, 24.05.2018

### EXECUTIVE BOARD



Søren Nørgaard Thomsen

### BOARD OF DIRECTORS



Kurt Skov  
Chairman



Niels Stie Kaalund



Jørgen Meyer



Preben Møller Nielsen



Peter Damsboe

## 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 01.01.2017 - 31.12.2017, 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 31.12.2017 and of the results of its operations and cash flows for the financial year 01.01.2017 - 31.12.2017 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, 24.05. 2018

### Deloitte

Statsautoriseret Revisionspartnerselskab  
CVR nr. 33963556



Jørn Jepsen  
State Authorised Public Accountant  
Identification number (MNE) mne24824



Peder Rene Pedersen  
State Authorised Public Accountant  
Identification (MNE) mne 23334

# Oil, Gas & Industrial Projects





## Management commentary

### FINANCIAL HIGHLIGHTS

	2017	2016	2015	2014	2013
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#### Key figures (DKK'000)

Revenue	4.350.528	4.197.515	4.206.939	4.062.698	3.686.174
Gross profit/loss	489.052	508.140	488.989	492.282	411.244
Operating profit/loss	(104.067)	(9.836)	(46.312)	12.464	16.644
Net financials	(7.995)	(3.543)	1.514	134	(5.804)
Net profit/loss for the year	(87.544)	(10.837)	(35.629)	8.778	7.417
Total assets	910.737	784.979	777.440	761.531	781.654
Investments in property, plant and equipment	23.573	14.534	3.419	6.215	10.426
Equity	180.544	180.088	190.925	191.554	182.776
Interest bearing debt, net	(85.794)	(140.467)	(136.181)	(166.129)	(167.477)

#### Ratios

Gross margin (%)	11,2	12,1	11,6	12,1	11,2
Financial gearing (%)	(0,5)	(0,8)	(0,7)	(0,9)	(0,9)
Return on equity (%)	(48,6)	(5,8)	(18,6)	4,7	4,1

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 01.01.2017 – 31.12.2017 shows a financial loss of DKK 87.544k and the Company's balance sheet total at 31.12.2017 is DKK 910.737k and equity stands at DKK 180.544k including a Group contribution of DKK 88.000k.

The Company's Danish activities have grown over the year, however earnings have developed negatively.

Management considers the financial performance for the year to be unsatisfactory.

Performance for the year is affected by total losses of approx. DKK 50m from the Company's Danish and Nordic activities - primarily related to implementation of the new freight terminal in Taulov and implementation of a new Transport Management System (TMS).

The performance from the Company's oil-, project- and harbour related activities is affected by total losses of DKK 45m due to project start-up costs, retaining and increasing competences to meet future projects demands despite continued low activity level in the oil and energy sector.

The Company has launched and started implementation of a new global IT applications strategy in 2016 and 2017 and will over the next two 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.

Performance for the year is affected by DKK 25m from implementation of the new global IT applications Strategy.

### OUTLOOK

During 2016 and 2017 the Company has secured major contracts in relation to the oil and energy sector. The projects will take place in 2018-2020 and will have a positive impact on the Company's result in 2018-2020.

In general, the results for 2018 will be positively affected by: Less project start-up costs and an increase in activity level in the oil and energy sector, final implementation of the Taulov terminal, continuously implementation of the new TMS including improvement of efficiency from new business processes and routines across the company.

The performance in 2018 will be affected by approx. DKK 30m from continued implementation of the new IT applications strategy.

Management is regularly adapting operations and the organization to the market and is expecting a profit of DKK 20m and a positive cashflow in 2018.

## Management commentary

### 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. 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.

#### 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 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 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 done in euro-related currencies. Trade with 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.

## Management commentary

### Credit risks

The Company pursues a strict credit policy, which includes credit insurance insofar as 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.

### 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 businessrelated presence justifies this.

The policies are the Group's ethical guidelines. All employees are encouraged to report to management if they experience violation to the guidelines. No continuous measurements of the realisation of the ethical guidelines are performed. However according to Blue Water's Management system all Non-conformances are reported in the Non-conformance database. Each non-conformance is analysed and root cause are established and corrective actions are identified. The non-conformances are communicated and the necessary actions are initiated at site/location. The data from the group Non-conformance reporting is analyzed by the group HSE and Quality and trends and findings together with the status of the corrective and preventive actions are used as input to the Group Management Review twice a year.

As foreign bribery enforcement continues to increase worldwide, companies operating globally are investing more in due diligence and requiring their current and prospective business partners to complete complex compliance paperwork. With this approach, companies complete compliance paperwork only once and gain



## Management commentary

the valuable business advantage of being recognized in the compliance community as having gone through the gold standard in due diligence.

The Group was TRACE certified in 2017. TRACE certified companies are “pre-vetted” partners for multinational companies seeking to do business with suppliers, agents and consultants who share their commitment to commercial transparency.

The Group is certified in accordance with ISO 14001:2015 and therefore focuses on continuously reducing environmental impact on the basis of defined environmental targets.

The target for 2017 was to conduct a global environmental mapping and to reduce consumption in Denmark. A total of 217,7 MWh was saved in 2017 following the Energy Audit in November 2016, which was 3,86 % of the Group’s annual Danish energy consumption in 2016.

From 2018 the Group is committed to follow the 10 UN Global Compact Principles.

The Group'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 Group's reputation. We expect that the activities will appeal to current and future employees and business partners.

### **Statutory report on the underrepresented gender**

A target for the underrepresented gender has been set for the board of directors.

As was also the case when filing the 2016 annual financial report Blue Water Shipping A/S' board of directors today consists of four male members. It is a target by 2020 that the share of the underrepresented gender will be 20% of the members elected to the board of directors for Blue Water Shipping A/S.

For the other levels of management, a policy has been adopted aiming at increasing the number of the underrepresented gender.

It is the target that, by 2020, that the share of the underrepresented gender should be 20% of both the members elected to the board of directors and the management at other management levels of Blue Water Shipping A/S. This target is expected to be achieved in 2019.

The underrepresented gender at the other management levels of Blue Water Shipping A/S, which means members of the management board, managers of managers and leaders of employees at the present time accounts for 17%. Compared to the ratio when the previous policy was made in 2016 of 17%.

### **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 2017

		<b>2017</b>	<b>2016</b>
	<b>Notes</b>	<b>DKK'000</b>	<b>DKK'000</b>
Revenue	1	4.350.528	4.197.515
Cost of sales		(3.613.022)	(3.487.345)
Other external expenses		(248.454)	(202.030)
<b>Gross profit/loss</b>		<b>489.052</b>	<b>508.140</b>
Staff costs	2	(579.841)	(503.786)
Depreciation, amortisation and impairment losses	3	(13.278)	(14.190)
<b>Operating profit/loss</b>		<b>(104.067)</b>	<b>(9.836)</b>
Other financial income		837	2.302
Other financial expenses		(8.832)	(5.845)
<b>Profit/loss before tax</b>		<b>(112.062)</b>	<b>(13.379)</b>
Tax on profit/loss for the year	4	24.518	2.542
<b>Profit/loss for the year</b>	5	<b>(87.544)</b>	<b>(10.837)</b>

## Balance sheet at 31.12.2017

		<b>2017</b>	<b>2016</b>
	<b>Notes</b>	<b>DKK'000</b>	<b>DKK'000</b>
Goodwill		8.705	6.734
<b>Intangible assets</b>	<b>6</b>	<b>8.705</b>	<b>6.734</b>
Other fixtures and fittings, tools and equipment		22.496	19.550
Leasehold improvements		0	20
Property, plant and equipment in progress		11.303	750
<b>Property, plant and equipment</b>	<b>7</b>	<b>33.799</b>	<b>20.320</b>
Deposits		1.818	2.034
<b>Fixed asset investments</b>	<b>8</b>	<b>1.818</b>	<b>2.034</b>
<b>Fixed assets</b>		<b>44.322</b>	<b>29.088</b>
Trade receivables		574.861	516.990
Contract work in progress	9	26.921	43.722
Receivables from group enterprises		118.100	22.358
Deferred tax	10	33.642	9.460
Other receivables		9.853	8.555
Income tax receivable		239	0
Prepayments	11	8.909	4.063
<b>Receivables</b>		<b>772.525</b>	<b>605.148</b>
Other investments		176	194
<b>Other investments</b>		<b>176</b>	<b>194</b>
<b>Cash</b>		<b>93.714</b>	<b>150.549</b>
<b>Current assets</b>		<b>866.415</b>	<b>755.891</b>
<b>Assets</b>		<b>910.737</b>	<b>784.979</b>



## Balance sheet at 31.12.2017

		<b>2017</b>	<b>2016</b>
	<b>Notes</b>	<b>DKK'000</b>	<b>DKK'000</b>
Contributed capital	12	50.000	50.000
Retained earnings		130.544	130.088
<b>Equity</b>		<b>180.544</b>	<b>180.088</b>
<hr/>			
Deposits		405	523
<b>Non-current liabilities other than provisions</b>		<b>405</b>	<b>523</b>
<hr/>			
Bank loans		8.159	10.082
Trade payables		611.860	499.251
Payables to group enterprises		35.383	37.536
Other payables		74.386	57.499
<b>Current liabilities other than provisions</b>		<b>729.788</b>	<b>604.368</b>
<hr/>			
<b>Liabilities other than provisions</b>		<b>730.193</b>	<b>604.891</b>
<hr/>			
<b>Equity and liabilities</b>		<b>910.737</b>	<b>784.979</b>
<hr/>			

Unrecognised rental and lease commitments	14
Contingent liabilities	15
Mortgages and securities	16
Related parties with controlling interest	17
Transactions with related parties	18
Group relations	19

## Statement of changes in equity for 2017

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	50.000	130.088	180.088
Group contributions etc.	0	88.000	88.000
Profit/loss for the year	0	(87.544)	(87.544)
<b>Equity end of year</b>	<b>50.000</b>	<b>130.544</b>	<b>180.544</b>

# Marine Logistics



## Cash flow statement 2017

	Notes	2017 DKK'000	2016 DKK'000
Operating profit/loss		(104.066)	(9.836)
Amortisation, depreciation and impairment losses		13.278	14.190
Other provisions		0	(12.100)
Working capital changes	13	(15.613)	30.917
<b>Cash flow from ordinary operating activities</b>		<b>(106.401)</b>	<b>23.171</b>
Financial income received		855	2.302
Financial income paid		(8.833)	(5.829)
Income taxes refunded/(paid)		97	4.596
<b>Cash flows from operating activities</b>		<b>(114.282)</b>	<b>24.240</b>
Acquisition etc. of intangible assets		(6.100)	0
Acquisition etc. of property, plant and equipment		(23.573)	(14.534)
Sale of property, plant and equipment		945	219
Acquisition of fixed asset investments		666	(397)
Sale of fixed asset investments		(450)	78
<b>Cash flows from investing activities</b>		<b>(28.512)</b>	<b>(14.634)</b>
Instalments on loans etc.		(118)	(136)
Cash increase of capital		88.000	0
<b>Cash flows from financing activities</b>		<b>87.882</b>	<b>(136)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(54.912)</b>	<b>9.470</b>
Cash and cash equivalents beginning of year		140.467	130.997
<b>Cash and cash equivalents end of year</b>		<b>85.555</b>	<b>140.467</b>
Cash and cash equivalents at year-end are composed of:			
Cash		93.714	150.549
Short-term debt to banks		(8.159)	(10.082)
<b>Cash and cash equivalents end of year</b>		<b>85.555</b>	<b>140.467</b>



## Notes

	<b>2017</b>	<b>2016</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>1. Revenue</b>		
Transport of industrial goods	3.409.101	3.556.206
Oil,energy and perishables	941.427	641.309
	<b>4.350.528</b>	<b>4.197.515</b>
<b>2. Staff costs</b>		
Wages and salaries	545.690	472.605
Pension costs	26.252	24.636
Other social security costs	7.899	6.545
	<b>579.841</b>	<b>503.786</b>
Average number of employees	<b>1.198</b>	<b>1.102</b>
<b>Remuneration of Management</b>		
Executive Board	1.351	1.139
Board of Directors	120	120
	<b>1.471</b>	<b>1.256</b>
<b>3. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	4.129	7.361
Depreciation of property, plant and equipment	9.183	6.958
Profit/loss from sale of intangible assets and property, plant and equipment	(34)	(129)
	<b>13.278</b>	<b>14.190</b>
<b>4. Tax on profit/loss for the year</b>		
Tax on current year taxable income	13	4
Change in deferred tax for the year	(24.182)	(2.471)
Adjustment concerning previous years	(349)	(75)
	<b>(24.518)</b>	<b>(2.542)</b>

## Notes

	<b>2017</b>	<b>2016</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>5. Proposed distribution of profit/loss</b>		
Retained earnings	(87.544)	(10.837)
	<b>(87.544)</b>	<b>(10.837)</b>

	<b>Goodwill</b>
	<b>DKK'000</b>
<b>6. Intangible assets</b>	
Cost beginning of year	95.217
Additions	6.100
<b>Cost end of year</b>	<b>101.317</b>
Amortisation and impairment losses beginning of year	(88.483)
Amortisation for the year	(4.129)
<b>Amortisation and impairment losses end of year</b>	<b>(92.612)</b>
<b>Carrying amount end of year</b>	<b>8.705</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>7. Property, plant and equipment</b>			
Cost beginning of year	55.026	3.722	750
Transfers	750	0	(750)
Additions	12.270	0	11.303
Disposals	(1.434)	0	0
<b>Cost end of year</b>	<b>66.612</b>	<b>3.722</b>	<b>11.303</b>
Depreciation and impairment losses beginning of the year	(35.476)	(3.702)	0
Depreciation for the year	(9.163)	(20)	0
Reversal regarding disposals	523	0	0
<b>Depreciation and impairment losses end of the year</b>	<b>(44.116)</b>	<b>(3.722)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>22.496</b>	<b>0</b>	<b>11.303</b>

	Deposits DKK'000
<b>8. Fixed asset investments</b>	
Cost beginning of year	2.034
Additions	450
Disposals	(666)
<b>Cost end of year</b>	<b>1.818</b>
<b>Carrying amount end of year</b>	<b>1.818</b>

## 9. Contract work in progress

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



# General Cargo





## Notes

	<b>2017</b>	<b>2016</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>10. Deferred tax</b>		
Intangible assets	1.799	3.111
Property, plant and equipment	2.118	2.037
Tax losses carried forward	29.725	4.312
	<b>33.642</b>	<b>9.460</b>

### Changes during the year

Beginning of year	9.460
Recognised in the income statement	24.182
<b>End of year</b>	<b>33.642</b>

The value of tax losses carried forward is recognized as deferred tax assets in the balance sheet, as the deficit is expected to be deducted over the next approx. 3 years. This expectation is primarily based on the significant positive impact on the Company's result as a consequence of major contracts related to the oil and energy sector.

### 11. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years

### 12. Contributed capital

	<b>Number</b>	<b>Par value DKK'000</b>	<b>Nominal Par value DKK'000</b>
Share capital	50.000.000	1	50.000
	<b>50.000.000</b>		<b>50.000</b>



## Notes

	<b>2017</b>	<b>2016</b>
	DKK'000	DKK'000
<b>13. Change in working capital</b>		
Increase/decrease in receivables	(142.731)	(5.639)
Increase/decrease in trade payables etc.	127.118	36.556
	<b>(15.613)</b>	<b>30.917</b>
<b>14. Unrecognised rental and lease commitments</b>		
Hereof liabilities under rental or lease agreements until maturity in total	<b>17.058</b>	<b>22.839</b>
<b>15. Contingent liabilities</b>		
Recourse and non-recourse guarantee commitments	121.463	56.728
<b>Contingent liabilities in total</b>	<b>121.463</b>	<b>56.728</b>
Recourse and non-recourse guarantee commitments	23.854	0
<b>Hereof contingent liabilities to group enterprises</b>	<b>23.854</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 2,000k. Net obligation at 31 December 2017 amounts to DKK 30k.

### 16. Mortgages and securities

None

### 17. Transactions with related parties

The Company has registered the following shareholders to hold 100% of the voting share capital or the nominal value of the share capital:

Blue Water Holding A/S, Esbjerg, Denmark

### 18. Transactions with related parties

The annual report discloses transactions with related parties that have not been completed on normal market terms.

Blue Water Shipping A/S has received group contributions DKK 88,000k from Blue Water Holding A/S.

### 19. 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.

### DERIVATIVE FINANCIAL INSTRUMENTS

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

## Accounting policies

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

### INCOME STATEMENT

#### Revenue

Revenue from the sale 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 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 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.

The entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income ( full allocation with a refund concerning tax losses).

## 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.

### 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.

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.