

# Annual Report 2016

LEMAN International System Transport A/S



# QUALITY

- We provide quality
- We are competent
- We communicate clearly



# LEMAN International System Transport A/S

## Annual Report 2016

### CBR No. 41 95 56 19

The Annual General Meeting adopted the annual report on 11th May 2017

**Chairman of the General Meeting**

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Thomas Krøyer

# FOCUS

- We work with focus
- We are effective
- We develop our tools and products



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# Entity details

## Entity

LEMAN International System Transport A/S  
Ventrupvej 6, 2670 Greve  
Central Business Registration No: 41955619  
Registered in: Greve  
Financial year: 01.01.2016 - 31.12.2016

## Board of Directors

Philippe Ziegler, Chairman  
Charles Duro  
Hardy Petersen

## Executive Board

Thomas Krøyer, Chief Executive Officer

## Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
0900 Copenhagen C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of LEMAN International System Transport 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 consolidated financial statements and the Parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2016 and of the results of their operations and the Group's 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.

Greve, 11.05.2017

### Executive Board

Thomas Krøyer  
Chief Executive Officer

### Board of Directors

Philippe Ziegler  
Chairman

Charles Duro

Hardy Petersen

# COMMITMENT

- We never say no
- We are committed
- We offer personalised service





## Independent auditor's reports

To the shareholders of LEMAN International System Transport A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of LEMAN International System Transport A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2016, and of the results of their operations and the consolidated 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 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group 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 consolidated financial statements and parent financial statements**  
Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent'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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

## Independent auditor's reports

### Auditor's responsibilities for audit of the consolidated financial statements and parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

## Independent auditor's reports

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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.

Copenhagen, 11 May 2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No 33 96 35 56

Anders Kreiner

State Authorised Public Accountant

# Management commentary

## Financial highlights

	2016 DKK'000	2015 DKK'000	2014 DKK'000	2013 DKK'000	2012 DKK'000
<b>Key figures</b>					
Revenue	1.976.353	1.913.667	1.567.191	1.381.800	1.410.400
Gross profit/loss	368.930	345.963	290.297	252.627	243.531
EBIT	47.810	41.944	51.251	36.500	32.200
Net financials	8.771	7.603	4.654	2.200	2.300
EBT	56.581	49.547	55.905	38.692	34.533
Profit/loss for the year	41.604	34.368	39.843	27.900	24.200
Total assets	708.816	648.908	571.823	471.000	457.600
Investments in property, plant and equipment	28.784	46.149	33.446	11.617	14.234
Equity	397.120	357.081	317.790	272.500	247.600
Employees in average	632	597	518	483	494
<b>Ratios</b>					
Gross margin (%)	18,7	18,1	18,5	18,3	17,3
Return on equity (%)	11,0	10,2	13,5	10,7	10,3
Equity ratio (%)	56,0	55,0	55,6	57,9	54,1

## Management commentary

### Primary activities

The Parent and all its subsidiaries operate within transportation and freight forwarding.

### Development in activities and finances

The consolidated revenue for the year amounts to DKK 1,976 million against DKK 1,914 million last year. In addition to increasing the revenue of 3,2%, LEMAN has been able to improve the gross profit margin from 18.1% to 18.7%. The profit before tax amounts to DKK 56.6 million against DKK 49.5 million last year, which is 14,3% better than last year.

The result contains the full synergies of the finalized merge and integration of Dan Cargo and the benefits of the acquired assets of RSH, UK as per 01<sup>st</sup> of July 2015 and shares of DALPA, UK as per 20<sup>th</sup> of October 2015 is showing positive trends as of Q2 2016.

During 2016 the significant investments in IT continued and the warehouse expansion in Sturtevant, Wisconsin, USA was finalized.

In addition, LEMAN opened a new office in Charlotte, North Carolina, USA on 1st November 2016.

The market environment continued to be very competitive and regardless the all-time low sea freight rates as well as the collapse of Hanjin, then all activities developed better than the market.

The Management considers the profit very satisfying in view of the continued volatile market conditions.

### Outlook

The Company continues to execute on the launched series of profitable growth initiatives in order to strengthen the diversification and the solid foundation across the LEMAN Group.

Management expects that the world economy will remain volatile with an overall modest growth and associated competitive market conditions both nationally and internationally in 2017, why the Company is cautiously optimistic about earnings and revenue of 2017, which is expected to be slightly above 2016 level.

# Management commentary

## Particular risks

### Financial risks

The Group is only exposed to changes in interest rates to a limited extent as the Group's equity ratio and financial resources are considered very satisfactory.

### Currency risks

Purchase and sales transactions are carried out in DKK, EUR, USD and USD-related currencies. Further, the Company has made investments in USD, GBP, SEK, EUR and NOK. Management's policy is generally not to hedge currency risks by way of derivative financial instruments.

The Company's foreign currency exposures relating to sales transactions have as far as possible been hedged by offsetting purchase transactions in USD and USD-related currencies.

## Intellectual capital

To ensure continued growth and future development, it is important to the Company to be able to retain and attract highly skilled employees.

An important part of the Company's permanent staff is made up by experienced employees with many years of employment in the Company.

## Environmental issues

As a forwarding agent the Company is not directly impacting the external environment. However, Management and employees are focusing on any impact on the external environment of daily activities, including transport activities where the Company itself acts as the carrier.

## Statutory statement regarding social responsibility

LEMAN wants to meet the laws and regulations of the countries and local communities in which the Company operates. However the Company strategy does not comprise any agreed policies for voluntary integration of social responsibility.

The group has as a consequence of the size of the organization and limited resources not separate CSR-policies, why there in the management commentary is no specific statement for the groups work with social responsibility.

## Management commentary

### Women in Management and Board

In LEMAN we believe that our staff is the road to success. Our goal is to create an open and inspiring workplace where staff members can develop their full potential, and where, through a transparent structure, we work to ensure that there are relatively equal numbers of women and men in the various levels of management.

LEMAN want to develop a diversity and through the years to encourage and develop more female leaders. In this context, we aim at, no later than the year 2019, that 40% of the board is women. The number of female managers currently represents 20%, and the goal would be 30%.

Our equal opportunities policy is put into practice in the Company's employee manual. Based on the limited time frame, it has not yet been possible to record any effect of the above.

The staff at LEMAN must also find that the Company has an open and open-minded culture in which the individual can use his or hers skills best possible, regardless of gender.

### Events after balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

# 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 (large).

According to section 98b(3) of the Danish Financial Statements Act, remuneration for the Executive Board has not been disclosed in the Group's entities.

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year. However, some restatement of items in the consolidated financial statements and parent financial statements has been made for the comparative figures for 2014. The restatement has no effect on net income and equity.

## 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.

## Consolidated financial statements

The consolidated financial statements comprise the Parent and the Group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' fair value of net assets and net liabilities at the date of acquisition.



## Accounting policies

### Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

### Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years.

### 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.

# Accounting policies

## Income statement

### Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

The primary activities of the LEMAN Group comprise transportation and logistics to and from foreign destinations for Danish and foreign customers in Europe and USA. The transportations are arranged through an extended network of cooperation among agents.

The services rendered by the Company and the Group, respectively, comprise fairly uniform transport services which do not differ from each other significantly.

### Other operating income

Other operating income comprises salary refunds, external IT services, etc.

### Cost of sales

Cost of sales comprises costs for carrier, expenses as well as provisions for transport services rendered.

### Other external expenses

Other external expenses include expenses relating to the Group'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.

### Amortisation, depreciation 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.

### Income from investments in group enterprises

Income from investments in group enterprises comprise the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

## Accounting policies

### Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets 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, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Income taxes

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 Parent, LEMAN Holding A/S, 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).

## Balance sheet

### Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually ten years based on acquired market positions and a long-term earnings profile.

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

### Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub suppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

# Accounting policies

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:

Buildings	39-50 years
Plant and machinery	5 years
Other fixtures and fittings, tools and equipment	8 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

## Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method under equity.

## Receivables

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

## Prepayments

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

## Other investments

Other investments are measured at market value of the investment.

## Cash

Cash comprises cash in hand and bank deposits.

## Deferred tax

Deferred tax is recognised 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.

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.

Deferred tax relating to re-taxation of previously deducted losses of foreign subsidiaries is recognised based on a specific assessment of the purpose of the individual subsidiary.

## Accounting policies

### Other provisions

Other provisions comprise anticipated additional costs of completion of transports in progress or completed.

### Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction cost incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

### Other financial liabilities

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

### Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated in this year's taxable income, adjusted for prepaid tax.

### Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

### 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 short-term bank debt.

# Accounting policies

## Financial highlights

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
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The Entity's operating gearing.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.

# SOLUTIONS

- We are conscious of our customers' needs
- We seek solutions and alternatives
- We are flexible



## Consolidated income statement for 2016

	Notes	2016 DKK'000	2015 DKK'000
Revenue	1	1.976.353	1.913.667
Cost of sales		-1.499.575	-1.461.016
Other operating income		4.703	3.955
Other external expenses		-112.551	-110.643
<b>Gross profit/loss</b>		<b>368.930</b>	<b>345.963</b>
Staff costs	2	-303.423	-285.623
Depreciation, amortisation and impairment losses	3	-17.697	-18.396
<b>EBIT</b>		<b>47.810</b>	<b>41.944</b>
Other financial income	5	10.583	8.504
Other financial expenses	6	-1.812	-901
<b>EBT</b>		<b>56.581</b>	<b>49.547</b>
Tax on profit/loss from ordinary activities	7	-14.977	-15.179
<b>Profit/loss for the year</b>		<b>41.604</b>	<b>34.368</b>



## Consolidated balance sheet at 31.12.2016

	Notes	2016 DKK'000	2015 DKK'000
Goodwill		32.076	38.234
<b>Intangible assets</b>	8	<b>32.076</b>	<b>38.234</b>
Land and buildings		49.549	37.850
Plant and machinery		17.502	19.314
Other fixtures and fittings, tools and equipment		29.188	29.164
<b>Property, plant and equipment</b>	9	<b>96.239</b>	<b>86.328</b>
Deposits		648	465
<b>Fixed asset investments</b>	10	<b>648</b>	<b>465</b>
<b>Fixed assets</b>		<b>128.963</b>	<b>125.027</b>
Trade receivables		285.602	258.758
Receivables from group enterprises		137.861	104.666
Deferred tax assets		0	146
Other short-term receivables		640	4.257
Income tax receivables		0	682
Prepayments	12	14.662	16.780
<b>Receivables</b>		<b>438.765</b>	<b>385.289</b>
<b>Other investments</b>		<b>116</b>	<b>117</b>
Cash		140.972	138.475
<b>Current assets</b>		<b>579.853</b>	<b>523.881</b>
<b>Assets</b>		<b>708.816</b>	<b>648.908</b>

## Consolidated balance sheet at 31.12.2016

	Notes	2016 DKK'000	2015 DKK'000
Contributed capital		10.000	10.000
Retained earnings		387.120	347.081
<b>Equity</b>		<b>397.120</b>	<b>357.081</b>
Provisions for deferred tax	13	5.696	4.481
Other provision	14	2.956	3.217
<b>Provisions</b>		<b>8.652</b>	<b>7.698</b>
Montgage debt		1.022	2.336
<b>Non-current liabilities other than provisions</b>	15	<b>1.022</b>	<b>2.336</b>
Current portion of long-term liabilities other than provisions	15	1.281	1.209
Trade payables		178.064	210.429
Payables to group enterprises		18.178	10
Income tax payable		20.751	7.621
Other payables		60.555	62.093
Accrued expenses		23.193	431
<b>Current liabilities other than provisions</b>		<b>302.022</b>	<b>281.793</b>
<b>Liabilities other than provisions</b>		<b>303.044</b>	<b>284.129</b>
<b>Equity and liabilities</b>		<b>708.816</b>	<b>648.908</b>
Subsidiaries	11		
Unrecognised rental and lease commitments	17		
Contingent liabilities	18		
Consolidation	19		
Proposed distribution of profit/loss	20		

## Consolidated statement of changes in equity for 2016

	Notes	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year		10.000	347.081	357.081
Exchange rate adjustments		0	-1.565	-1.565
Other adjustments		0	0	0
Profit/loss for the year	20	0	41.604	41.604
<b>Equity end of year</b>		<b>10.000</b>	<b>387.120</b>	<b>397.120</b>

## Consolidated cash flow statement for 2016

	Notes	2016 DKK'000	2015 DKK'000
EBIT		47.810	41.944
Amortisation, depreciation and impairment losses		17.697	18.396
Working capital changes	16	-32.420	4.831
Other adjustments		0	1.061
<b>Cash flow from ordinary operating activities</b>		<b>33.087</b>	<b>66.232</b>
Financial income received		10.583	8.504
Financial income paid		-1.812	-901
Income taxes refunded/(paid)		-13.812	-6.100
<b>Cash flows from operating activities</b>		<b>28.046</b>	<b>67.735</b>
Acquisition etc of intangible assets		0	-14.256
Acquisition etc of property, plant and equipment		-28.784	-46.149
Sale of property, plant and equipment		4.377	2.700
Acquisition of enterprises		0	0
Dividends received		0	1.740
<b>Cash flows from investing activities</b>		<b>-24.407</b>	<b>-55.965</b>
Instalments on loans etc		-1.242	-639
<b>Cash flows from financing activities</b>		<b>-1.242</b>	<b>-639</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>2.397</b>	<b>11.131</b>
Cash and cash equivalents beginning of year		138.475	127.344
Currency translation adjustments of cash and cash equivalents		100	0
<b>Cash and cash equivalents end of year</b>		<b>140.972</b>	<b>138.475</b>

## Notes to consolidated financial statements

	2016 DKK'000	2015 DKK'000
1. Revenue		
Denmark	1.019.709	1.007.569
Other countries	956.644	906.098
	<b>1.976.353</b>	<b>1.913.667</b>

The Group operates only within the activity of global transportation and logistics.

	2016 DKK'000	2015 DKK'000
2. Staff costs		
Wages and salaries	274.082	246.907
Pension costs	19.314	16.051
Social security costs	2.972	18.889
Other staff costs	7.055	3.776
	<b>303.423</b>	<b>285.623</b>

Average number of employees	632	597
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	2016 DKK'000	2015 DKK'000
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	4.942	4.065
Depreciation of property, plant and equipment	14.714	15.088
Profit/loss from sale of intangible assets and property, plant and equipment	-1.959	-757
	<b>17.697</b>	<b>18.396</b>

## Notes to consolidated financial statements

	2016 DKK'000	2015 DKK'000
4. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit service	780	704
Other assurance engagement	62	56
Tax services	126	114
Other services	496	448
	<b>1.465</b>	<b>1.322</b>

	2016 DKK'000	2015 DKK'000
5. Other financial income		
Financial income arising from group enterprises	4.837	4.550
Interest income	5.746	3.954
	<b>10.583</b>	<b>8.504</b>

	2016 DKK'000	2015 DKK'000
6. Other financial expenses		
Financial expenses arising from group enterprises	950	0
Interest expenses	862	901
	<b>1.812</b>	<b>901</b>

## Notes to consolidated financial statements

	2016 DKK'000	2015 DKK'000
7. Tax on profit/loss from ordinary activities		
Tax on current year taxable income	14.394	14.763
Change in deferred tax for the year	583	401
Effect of changed tax rates	0	15
	<b>14.977</b>	<b>15.179</b>
8. Intangible assets		
		<b>Goodwill DKK'000</b>
Cost beginning of year		49.779
Exchange rate adjustment		-2.254
Additions		0
<b>Cost end of year</b>		<b>47.525</b>
Amortisation and impairment losses beginning of year		-11.545
Exchange rate adjustment amortisation		1.038
Amortisation for the year		-4.942
<b>Amortisation and impairment losses end of year</b>		<b>-15.449</b>
<b>Carrying amount end of year</b>		<b>32.076</b>

## Notes to consolidated financial statements

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fix- tures and fittings, tools and equipment DKK'000
9. Property, plant and equipment			
Cost beginning of year	43.883	41.054	83.475
Exchange rate adjustment	0	0	0
Additions	15.339	4.416	9.029
Disposals	0	-5.755	-8.811
<b>Cost end of year</b>	<b>59.222</b>	<b>39.715</b>	<b>83.693</b>
Depreciation and impairment losses beginning of the year	-6.033	-21.740	-54.311
Exchange rate adjustment amortisation	-436	-215	-1.090
Depreciation for the year	-3.204	-4.824	-6.686
Reversal regarding disposals	0	4.566	7.582
<b>Depreciation and impairment losses end of the year</b>	<b>-9.673</b>	<b>-22.213</b>	<b>-54.505</b>
<b>Carrying amount end of year</b>	<b>49.549</b>	<b>17.502</b>	<b>29.188</b>
10. Fixed asset investments			
Cost beginning of year			465
Additions			284
Disposals			-101
<b>Cost end of year</b>			<b>648</b>
<b>Carrying amount end of year</b>			<b>648</b>



## Notes to consolidated financial statements

	Registered in	Corporate form	Equity interest
11. Subsidiaries			
LEMAN U.S.A Inc.	Sturtevant	Inc.	100
LEMAN International Transport Limited	Leeds	Ltd.	100
LEMAN Int. System Transport AB	Helsingborg	AB	100
LEMAN Finland Oy	Helsinki	Oy	100
LEMAN Norge AS	Drammen	AS	100

### 12. Prepayments

Prepayments comprise prepaid expenses

	2016 DKK'000	2015 DKK'000
13. Deferred tax		
Deferred tax beginning of year	-4.481	-3.899
Deferred tax asset beginning of year	146	907
Exchange rate adjustments	-778	-1.088
Changes for the year	-583	-401
<b>Deferred tax end of the year</b>	<b>-5.696</b>	<b>-4.481</b>

### 14. Other provisions

Other provisions comprise anticipated additional costs of completion of transports in progress or completed.

## Notes to consolidated financial statements

	Instalments within 12 months 2016 DKK'000	Instalments within 12 months 2015 DKK'000	Instalments beyond 12 months 2016 DKK'000
15. Long-term liabilities other than provisions			
Mortgage debts	1.281	1.209	1.022
	<b>1.281</b>	<b>1.209</b>	<b>1.022</b>
		<b>2016 DKK'000</b>	<b>2015 DKK'000</b>
16. Change in working capital			
Increase/decrease in receivables		-54.304	-35.543
Increase/decrease in trade payables etc		7.027	29.798
Other changes		14.857	10.576
		<b>-32.420</b>	<b>4.831</b>
		<b>2016 DKK'000</b>	<b>2015 DKK'000</b>
17. Unrecognised rental and lease commitments			
Commitments under rental agreements or leases until expiry		39.209	36.131
		<b>39.209</b>	<b>36.131</b>

## Notes to consolidated financial statements

	2016	2015
	DKK'000	DKK'000
18. Contingent liabilities		
Recourse and non-recourse guarantee commitments	18.083	26.332
	<b>18.083</b>	<b>26.332</b>

### 19. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

LEMAN Holding A/S, Ventrupvej 6, 2670 Greve

	2016	2015
	DKK'000	DKK'000
20. Proposed distribution of profit/loss		
Retained earnings	41.604	34.368
	<b>41.604</b>	<b>34.368</b>

# RESPONSIBILITY

- We take responsibility
- We take ownership
- We establish and build trust



## Parent income statement for 2016

	Notes	2016 DKK'000	2015 DKK'000
Revenue		1.019.709	1.007.569
Cost of sales		-777.989	-779.010
Other operating income		10.119	9.660
Other external expenses		-50.349	-53.164
<b>Gross profit/loss</b>		<b>201.490</b>	<b>185.055</b>
Staff costs	1	-150.583	-156.659
Depreciation, amortisation and impairment losses	2	-11.950	-13.179
<b>EBIT</b>		<b>38.957</b>	<b>15.217</b>
Income from investments in group enterprises		7.206	17.516
Other financial income	3	6.528	8.516
Other financial expenses	4	-473	-335
<b>EBT</b>		<b>52.218</b>	<b>40.914</b>
Tax on profit/loss from ordinary activities	5	-10.614	-6.546
<b>Profit/loss for the year</b>		<b>41.604</b>	<b>34.368</b>

## Parent balance sheet at 31.12.2016

	Notes	2016 DKK'000	2015 DKK'000
Goodwill		19.880	23.048
<b>Intangible assets</b>	6	<b>19.880</b>	<b>23.048</b>
Land and buildings		312	379
Plant and machinery		17.468	19.314
Other fixtures and fittings, tools and equipment		18.734	17.838
<b>Property, plant and equipment</b>	7	<b>36.514</b>	<b>37.531</b>
Investments in group enterprises		104.894	113.242
Deposits		285	394
<b>Fixed asset investments</b>	8	<b>105.179</b>	<b>113.636</b>
<b>Fixed assets</b>		<b>161.573</b>	<b>174.215</b>
Trade receivables		130.694	121.668
Receivables from group enterprises		163.700	129.025
Other short-term receivables		49	490
Prepayments	9	4.997	2.372
<b>Receivables</b>		<b>299.440</b>	<b>253.555</b>
Other investments		116	117
<b>Other investments</b>		<b>116</b>	<b>117</b>
Cash		107.614	85.148
<b>Current assets</b>		<b>407.170</b>	<b>338.820</b>
<b>Assets</b>		<b>568.743</b>	<b>513.035</b>

## Parent balance sheet at 31.12.2016

	Notes	2016 DKK'000	2015 DKK'000
Contributed capital		10.000	10.000
Reserve for net revaluation according to the equity method		60.284	68.632
Retained earnings		326.836	278.449
<b>Equity</b>	10	<b>397.120</b>	<b>357.081</b>
Provisions for deferred tax	11	1.698	1.604
Other provision	12	2.956	3.217
<b>Provisions</b>		<b>4.654</b>	<b>4.821</b>
Trade payables		112.008	108.211
Income tax payable		16.783	6.262
Other payables		37.459	36.229
Accrued expenses		719	431
<b>Current liabilities other than provisions</b>		<b>166.969</b>	<b>151.133</b>
<b>Liabilities other than provisions</b>		<b>166.969</b>	<b>151.133</b>
<b>Equity and liabilities</b>		<b>568.743</b>	<b>513.035</b>
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Mortgages and securities	15		
Related parties with controlling interest	16		
Transactions with related parties	17		
Proposed distribution of profit/loss	18		

## Parent statement of changes in equity for 2016

		Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
	Notes				
Equity beginning of year		10.000	68.632	278.449	357.081
Exchange rate adjustments			-1.565		-1.565
Other adjustments					0
Profit/loss for the year	18		-6.783	48.387	41.604
<b>Equity end of year</b>		<b>10.000</b>	<b>60.284</b>	<b>326.836</b>	<b>397.120</b>



## Notes to parent financial statements

	2016	2015
	DKK'000	DKK'000
1. Staff costs		
Wages and salaries	137.360	143.637
Pension costs	10.530	10.216
Social security costs	2.320	2.387
Other staff costs	373	420
	<b>150.583</b>	<b>156.659</b>
Average number of employees	329	330

Pursuant to Section 98b(3)(2) of the Danish Financial Statements Act, the remuneration to Management has not been disclosed separately.

	2016	2015
	DKK'000	DKK'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	3.168	3.168
Depreciation of property, plant and equipment	10.560	10.768
Profit/loss from sale of intangible assets and property, plant and equipment	-1.778	-757
	<b>11.950</b>	<b>13.179</b>

	2016	2015
	DKK'000	DKK'000
3. Other financial income		
Financial income arising from group enterprises	5.012	4.550
Interest income	1.516	3.966
	<b>6.528</b>	<b>8.516</b>

## Notes to parent financial statements

	2016 DKK'000	2015 DKK'000
4. Other financial expenses		
Interest expenses	473	335
	<b>473</b>	<b>335</b>

	2016 DKK'000	2015 DKK'000
5. Tax on profit/loss from ordinary activities		
Tax on current year taxable income	10.520	6.262
Change in deferred tax for the year	94	284
	<b>10.614</b>	<b>6.546</b>

	Goodwill DKK'000
6. Intangible assets	
Cost beginning of year	31.675
<b>Cost end of year</b>	<b>31.675</b>
Amortisation and impairment losses beginning of year	-8.627
Amortisation for the year	-3.168
<b>Amortisation and impairment losses end of year</b>	<b>-11.795</b>
Carrying amount end of year	<b>19.880</b>

## Notes to parent financial statements

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fix- tures and fittings, tools and equipment DKK'000
7. Property, plant and equipment			
Cost beginning of year	545	41.053	41.169
Additions	28	4.280	6.999
Disposals	0	-5.755	-4.755
<b>Cost end of year</b>	<b>573</b>	<b>39.578</b>	<b>43.413</b>
Depreciation and impairment losses beginning of the year	-166	-21.739	-23.331
Depreciation for the year	-95	-4.937	-5.528
Reversal regarding disposals	0	4.566	4.180
<b>Depreciation and impairment losses end of the year</b>	<b>-261</b>	<b>-22.110</b>	<b>-24.679</b>
<b>Carrying amount end of year</b>	<b>312</b>	<b>17.468</b>	<b>18.734</b>

## Notes to parent financial statements

	Investments in group enterprises DKK'000	Deposits DKK'000
8. Fixed asset investments		
Cost beginning of year	44.610	386
Disposals	0	-101
<b>Cost end of year</b>	<b>44.610</b>	<b>285</b>
Revaluations beginning of year	68.632	0
Exchange rate adjustments	-1.565	0
Share of profit/loss for the year	7.206	0
Dividend	-13.989	0
<b>Revaluations end of year</b>	<b>60.284</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>104.894</b>	<b>285</b>

### 9. Prepayments

Prepayments comprise prepaid expenses

	Number	per value DKK'000	Nominal value DKK'000
10. Contributed capital			
Class A shares	10.000	1	10.000
	<b>10.000</b>		<b>10.000</b>

There has been no changes in contributed capital over the last 5 year.

## Notes to parent financial statements

	2016 DKK'000	2015 DKK'000
11. Deferred tax		
Defered tax beginning of year	-1.604	-1.320
Changes for the year	-94	-284
<b>Deferred tax end of the year</b>	<b>-1.698</b>	<b>-1.604</b>

### 12. Other provisions

Other provisions comprise anticipated additional costs of completion of transports in progress or completed.

	2016 DKK'000	2015 DKK'000
13. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	16.428	14.264
	<b>16.428</b>	<b>14.264</b>

	2016 DKK'000	2015 DKK'000
14. Contingent liabilities		
Recourse and non-recourse guarantee commitments	9.108	17.061
	<b>9.108</b>	<b>17.061</b>

The Company is jointly taxed with the other Danish entities of the LEMAN Group. The Company is unlimitedly, jointly and severally liable with the other jointly taxed entities for the Danish corporation tax etc. The jointly taxed entities' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

## Notes to parent financial statements

### 15. Mortgages and securities

The company has made a guarantee of 6.802 t.dk to Sydbank, for the balance in subsidiaries.

### 16. Related parties with controlling interest

Related parties with a controlling interest in LEMAN International System Transport A/S:

LEMAN Holding A/S, Ventrupvej 6, 2670 Greve

### 17. Transactions with related parties

No transactions with related parties were made in the financial year 2016 which were not made on arm's length basis.

	2016	2015
	DKK'000	DKK'000
18. Proposed distribution of profit/loss		
Reserve for net revaluation according to the equity method	-6.783	17.823
Retained earnings	48.387	16.545
	<b>41.604</b>	<b>34.368</b>



*live the LEMAN DNA*

# YOUR PERSONAL LINK TO GLOBAL TRANSPORTATION AND LOGISTICS



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