



SHIPPING HOLDING A/S

The Annual Report was presented and adopted at the Annual General Meeting on 1 July 2016

Michael Keldsen

Chairman of the meeting Michael Keldsen

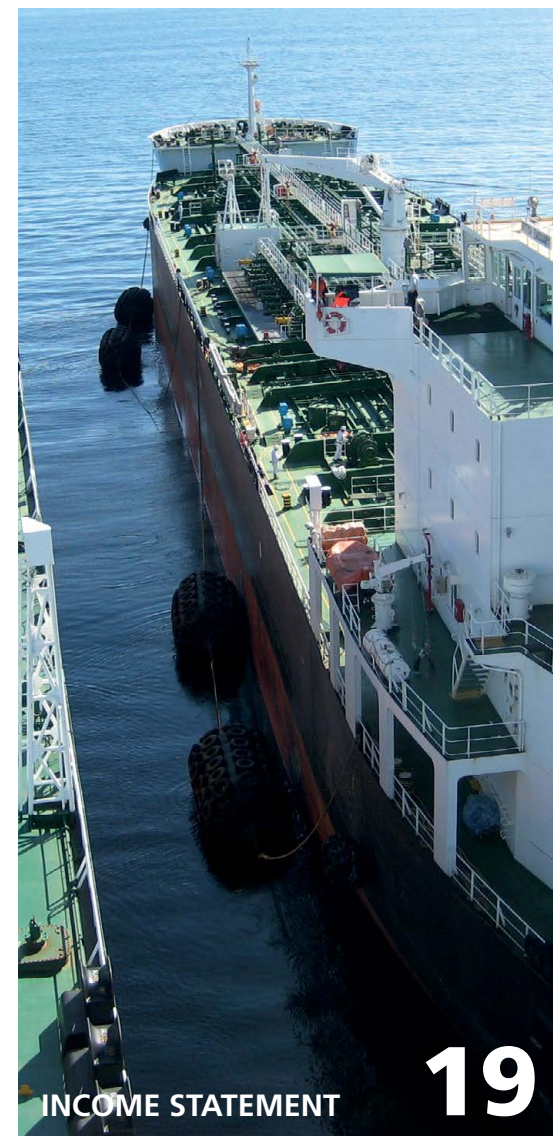
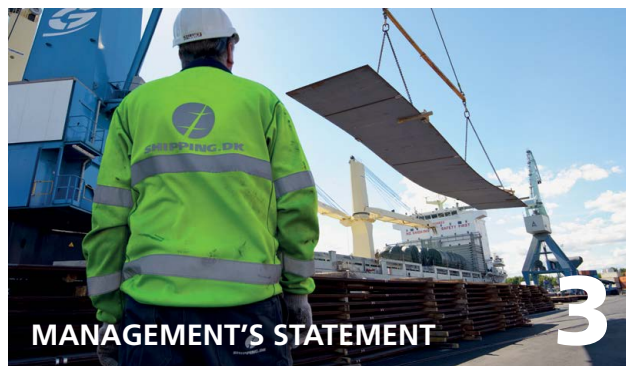
Financial year: 1 May 2015 – 30 April 2016
Oceankajen 12, DK-7000 Fredericia, company reg. no. 56 25 23 12

ANNUAL REPORT 2015/16

CVR NO. 56 25 23 12

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COMPANY INFORMATION

THE COMPANY

Shipping Holding A/S
Oceankajen 12
DK-7000 Fredericia

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CVR No: 56 25 23 12
Financial year: 1 May - 30 April
Municipality of reg. office: Fredericia

BOARD OF DIRECTORS

Torben Østergaard-Nielsen, Chairman
Michael Keldsen
Nina Østergaard Borris
Henrik Holm
Lars Krejberg Petersen
Flemming Dalgaard

EXECUTIVE BOARD

Søren Gran Hansen

AUDITORS

PricewaterhouseCoopers
Herredsvej 32
DK-7100 Vejle

MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Shipping Holding A/S for the financial year 1 May 2015 - 30 April 2016.

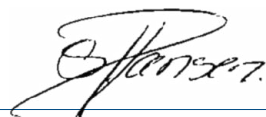
The Annual Report was prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Parent Company Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position of the Parent Company and the Group at 30 April 2016 and of the results of the Parent Company and Group operations and consolidated cash flows for 2015/16.

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

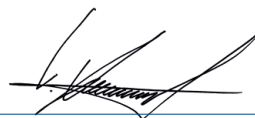
Fredericia, 1 July 2016

Executive Board



Søren Gran Hansen

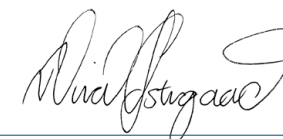
Board of Directors



Torben Østergaard-Nielsen
Chairman



Michael Keldsen



Nina Østergaard Borris



Henrik Holm



Lars Krejberg Petersen



Flemming Dalgaard

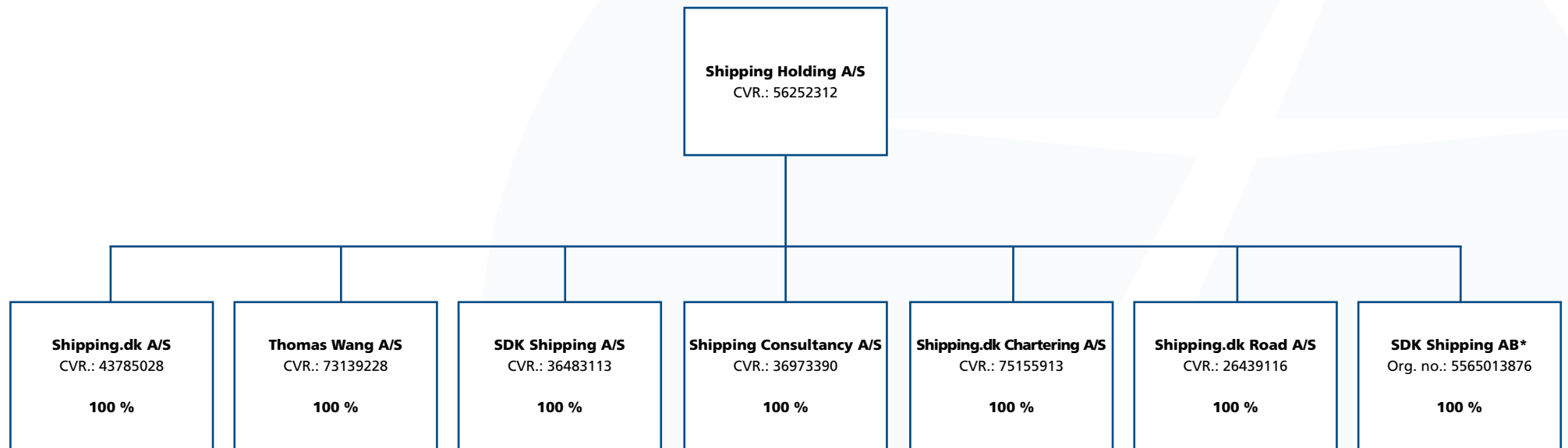
The Annual Report was presented and adopted at the Annual General Meeting of the Company on 1 July 2016



Chairman of the meeting



GROUP STRUCTURE



Note:

* SDK Shipping AB is per April 30, 2016 owned by Shipping.dk A/S. After close of the financial year SDK Shipping AB is transferred to Shipping Holding A/S for a clearer corporate structure.



SHIPPING HOLDING A/S – BOARD OF DIRECTORS



Torben Østergaard-Nielsen

Chairman

Born in 1954.
Board member since 1991 and Chairman since 2014.
CEO, founder and owner of the USTC Group (A/S United Shipping & Trading Company).

Special competences

Extensive background and global experience within the shipping industry.

Other directorships

Chairman and member of the boards in several USTC Group companies.
Chairman of the board in Middelfart Bycenter A/S. Member of the boards in H.J. Hansen Holding A/S, Fayard A/S, Fiberline A/S, Gottfred Petersen Holding A/S and Angel Holding ApS.

Other

German Honorary Consul since 1988, member of Corps Consulaire since 1988. Member of Nykredit Regionsråd and member of Danske Bank Erhvervsråd.



Michael Keldsen

Board Member

Born in 1950.
Board member since 1991. Chairman of the board from 1998-2014.
Of Counsel, Kromann Reumert Law firm, former partner.

Special competences

In-depth knowledge and experience within corporate and foundation/trust law as well as mergers and acquisitions and shipbuilding contracts.

Other directorships

Member of the boards in A/S United Shipping & Trading Company, Uni-Tankers A/S, Bunker Holding A/S, Iron Pump A/S, Nemco Machinery A/S, Autronica Fire & Security A/S, Stanley Nordic Aps, GW Sprinkler A/S and Better CPH A/S.

Education

LL.M. (Master of Law).



Nina Østergaard Borris

Board Member

Born in 1983.
Board member since 2014.
Executive Assistant Bunker Holding A/S.

Special competences

Company evaluations, mergers and acquisitions, financial due diligence business restructuring, reorganization, turnarounds.

Other directorships

Member of the board in Uni-Tankers A/S.

Education

Master degree in applied economics and finance (Cand.merc. AEF).



Henrik Holm

Board Member

Born in 1959.
Board member since 2012.
CEO GDL Transport AB, headquarter Helsingborg Sweden.

Special competences

35 years of experience in Transportation and Logistics.
General Management
Mergers and acquisitions.

Other directorships

Member of the boards in Kathrineholm Rail Point AB and HTL AB.

Education

General management, logistics and market and sales.



Lars Krejberg Petersen

Board Member

Born 1963.
Board member since 2012.
CEO Dansk Retursystem A/S.

Special competences

Supply Chain, Logistics and Business Processes.

Other directorships

Member of the boards in Nemco 98 A/S and IAA.

Education

BBA and BBA(M).



Flemming Dalgaard

Board Member

Born in 1964.
Board member since 2015.
CEO Gulfainer Group of Companies, UAE.

Special competences

Executive management within the ports, logistics and shipping industry including M&A activities. 30 years of global experience both in mature/developed as well as emerging markets.

Other directorships

Board Member at Gulfainer Sharjah LTD and Momentum Logistics UAE.

Education

Shipping education from A.P. Moller-Maersk as well as Chartered Director (CDIR) from IOD and Chartered Fellow at the UK Institute for Logistics and Transport (FCILT).



EXECUTIVE BOARD



Søren Gran Hansen

CEO Shipping Holding A/S.
Born in 1968.
Employed since September 2013.

Education/Background

Bachelor of economy.
Global experience with listed companies and extensive background within freight and logistics industry, primarily through 24 years with DSV A/S, with different director and board positions.



Henrik Klausen

CFO Shipping Holding A/S.
Born in 1964.
Employed since August 2014.

Education/Background

Master of Science in Business Economics and Auditing.



Lars Jespersen

CEO Shipping.dk A/S
& SDK Shipping AB.
Born in 1968.
Employed since November 1998.

Education/Background

Bachelor, Insead.

Other external positions:

Deputy chairman Danish Harbour Associations.
Chairman Aabenraa Employers Association.
British consul.



Henrik Gydesen

CEO Shipping.dk Road A/S.
Born in 1974.
Employed since January 2014.

Education/Background

Bachelor Transport & Logistics.

Other external position:

Board member DASP Nord.



Morten Dreyer

CEO Shipping.dk Road A/S.
Born in 1970.
Employed since January 2015.

Education/Background

Forwarding Agent, Head of Department, Head of Division Transport & Logistics.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the Parent Company Financial Statements and the Consolidated Financial Statements of Shipping Holding A/S for the financial year 1 May 2015 – 30 April 2016, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement, notes and summary of significant accounting policies. The Parent Company Financial Statements and the Consolidated Financial Statements are prepared in accordance with the Danish Financial Statements Act.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation of Parent Company Financial Statements and Consolidated 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 Parent Company Financial Statements and Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Parent Company Financial Statements and the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements in accordance with Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.



An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The audit procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Parent Company Financial Statements and Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall

presentation of the Parent Company Financial Statements and the Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

OPINION

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2016 and of the results of Company operations and cash flows for the financial year 1 May 2015 – 30 April 2016 in accordance with the Danish Financial Statements Act.

STATEMENT ON MANAGEMENT'S REVIEW

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Parent Company Financial Statements and the Consolidated Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Parent Company Financial Statements and the Consolidated Financial Statements.

Trekantområdet, 1 July 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31



Gert Fisker Tomczyk
State Authorised Public Accountant



Jan Bunk Harbo Larsen
State Authorised Public Accountant



FINANCIAL HIGHLIGHTS OF THE GROUP

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

DKK '000	2015/16	2014/15	2013/14	2012/13	2011/12
Profit					
Net revenue	549,823	486,649	467,732	439,107	472,810
EBITDA	21,136	19,443	2,098	6,146	4,193
EBIT	13,601	9,858	(14,395)	(6,761)	(11,653)
Net financials	(2,553)	(753)	(5,526)	(4,846)	(5,440)
EBT	11,048	9,105	(19,921)	(11,607)	(17,092)
Net profit for the year	8,627	7,327	(18,957)	(9,983)	(14,726)
Balance sheet					
Balance sheet total	230,831	217,627	164,368	185,125	188,913
Equity	49,877	44,587	22,011	23,124	20,792
Cash flows					
Cash flows from:					
- operating activities	13,706	48,624	13,978	(3,796)	(3,370)
- investing activities	(2,703)	(44,216)	(3,197)	(5,160)	(9,235)
hereof investment in tangibel and intangible assets	(3,889)	(46.273)	(3,493)	(4,807)	(9,824)
- financing activities	6,113	10,916	8,190	3,796	11,409
Change in cash and cash equivalents for the year	17,116	15,324	18,971	(5,160)	(1,196)
Ratios (%)					
Gross margin	26,2 %	25,0 %	24,0 %	22,0 %	21,0 %
Profit margin	2,5 %	2,0 %	-3,0 %	-2,0 %	-2,0 %
Return on equity	18,3 %	22,0 %	-84,0 %	-45,0 %	-71,0 %
Liquidity ratio	0,91	0,76	0,87	0,77	0,73
Solvency ratio	21,6 %	20,0 %	13,0 %	12,0 %	11,0 %
Number of employees	186	182	143	145	156

For definitions, see under accounting policies

REVIEW

ACTIVITIES

The main activities of the Shipping Holding Group include stevedoring and providing warehousing, agency, customs clearing, commercial chartering, liner services, cruise services and freight forwarding (road, air and sea).

The main object of the Parent Company is as a holding company to hold shares in the subsidiaries and to contribute to the continued development of these.

DEVELOPMENT IN THE YEAR

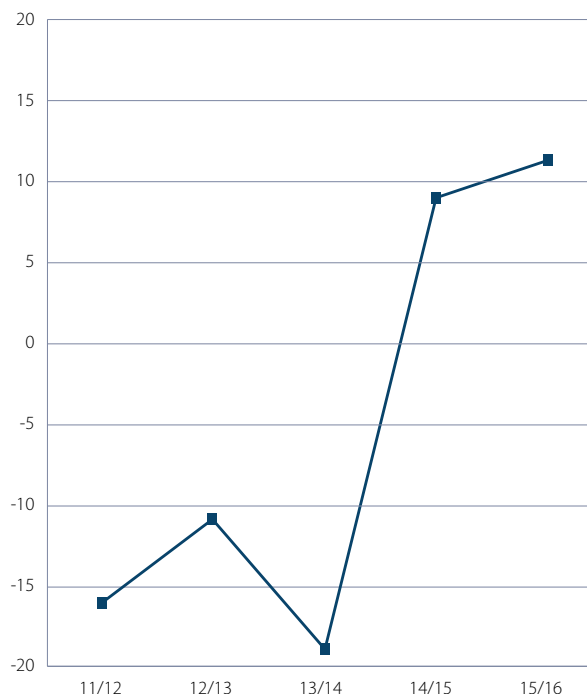
The Shipping Holding Group achieved revenue of DKK 549.823k and a profit before tax of DKK 11.048k. At the end of the year, equity amounted to DKK 49.877k, corresponding to 21,6 % of the total assets.

Compared to last year the profit before tax has increased by DKK 1.943k corresponding to a 21 % increase. The increased profit comes from two sources: organic growth/ optimization of existing activities and new business.

The growing profitability is considered a result of a strong and focused implementation of the Group's strategy together with a very strong performing and motivated staff of employees.

During the year new businesses have been established and already in their first year of operation they have managed to contribute positively to the profits of the Group. The new business areas include Cruise handling.

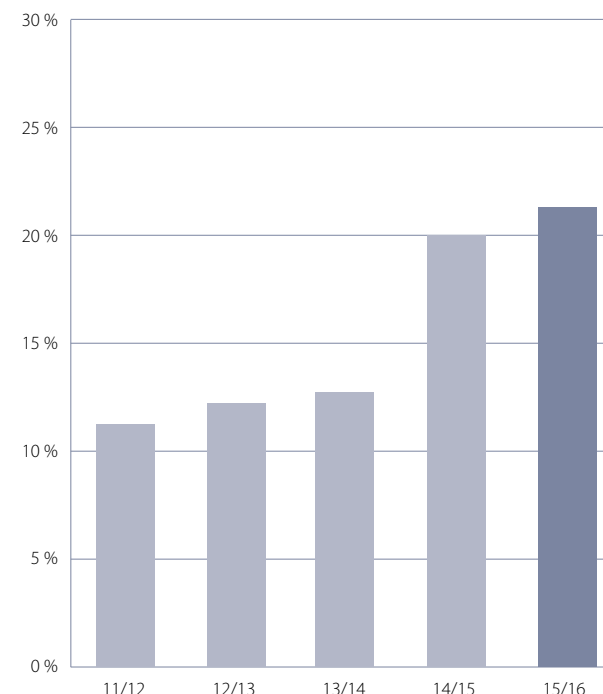
Profit before tax



The Group has focus on risk management and has procedures and culture for observing risks and mitigating risks.

The Group's financial strength continued to improve over the last year. Equity grew and the solvency ratio ended at 21,6 % (20,0 % in 2015) end of the year.

Solvency ratio



The improved profits along with a going forward focus on lower working capital will improve cash flow.

The results for the year are considered satisfactory by Management.

STRATEGY AND OBJECTIVE

Shipping Holding A/S vision is to be a growing and leading supplier of shipping services seen in a broader perspective.

Shipping Holding A/S will on a continuous basis develop its business in line with the customers' wishes and requirements. The Group wants to be known for its high quality in a wide sense, and the quality of our services must follow the highest international standards.

The Group's strategy plan contains clear objectives for Shipping Holding A/S as a whole and for the individual enterprises of the Group to support growth in activities and earnings. Current follow-up is made on the realisation of the goals set.

Shipping Holding A/S focuses on organic growth, as well as growth through acquisitions should the opportunities arise.

Our offices in Europe



FINANCIAL AND OPERATIONAL RISKS

Foreign exchange risks

The Group hedges against commercial foreign exchange exposure on a current basis and moreover assesses the need to hedge against foreign exchange exposure of future cash flows. Hedging mainly takes place by means of forward exchange contracts. Future expected cash flows are hedged for a maximum period of the first succeeding 12 months.

Credit risks

The Group is exposed to credit risk relating to its customers, and all customers and other business partners are credit rated regularly in accordance with the Group's policy for assuming credit risks.

Interest rate risks

The Group's interest-bearing debt is based on a mix between fixed and variable interest rates, and therefore earnings are partly affected by any changes in the level of interest. The Group monitors and assesses on a current basis the financial consequences of interest rate changes and hedges the interest rate risk if considered adequate.

Trading risks

The Group's trading activities are widely spread on the various shipping segments and no single customer or supplier has a significant part of the Group's sales or purchases.

CORPORATE SOCIAL RESPONSIBILITY, CF. SECTION 99 A & B OF THE DANISH FINANCIAL STATEMENTS ACT

Reference is made to Parent Company A/S United Shipping & Trading Company CSR report including policy on gender equality.

Targets for the under-represented gender on the board of directors

Shipping Holding A/S Board of Directors is the supreme management body in the company and currently consists of 6 members. Today the percentage of female members of the board elected by the shareholder's committee is 17 %. The target for the underrepresented gender is set as 17 % for 2017.

The gender composition in the Board of Directors changed in 2015/16 as a new member were elected at the general assembly.

Composition of the Board is intended to ensure that it has a diverse competency profile to be able to perform its duties as effectively as possible.

EXPECTATIONS FOR THE YEAR AHEAD

The Group's level of activity, revenues and earnings are affected by a number of external factors, such as the development on the global shipping and freight market.

In the financial year 2016/17, Management expects further growth in year profit compared to the year just ended.

SUBSEQUENT EVENTS

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





INCOME STATEMENT

1 May - 30 April

	Note	Group		Parent Company	
DKK '000		2015/16	2014/15	2015/16	2014/15
Net revenue	1	549,823	486,649	0	0
Direct costs		405,957	366,825	0	0
Gross profit		143,866	119,824	0	0
Other operating income		745	816	0	0
Other external expenses		20,585	13,074	240	232
Staff costs	2	102,890	88,123	652	721
Operating profit (EBITDA)		21,136	19,443	(892)	(953)
Depreciation and amortisation of intangible assets, property, plant and equipment	3	7,535	9,585	0	0
Profit before financial income and expenses (EBIT)		13,601	9,858	(892)	(953)
Profit from investments in group enterprises and associates	4	205	953	9,715	8,768
Financial income	5	2,098	1,448	1,111	634
Financial expenses	6	4,856	3,154	1,664	1,536
Profit before tax (EBT)		11,048	9,105	8,270	6,913
Tax on profit for the year	7	2,431	2,722	(357)	(413)
Profit before minority interests		8,617	6,383	8,627	7,326
Minority interests' share of profit in group enterprises		10	944	0	0
Profit for the year		8,627	7,327	8,627	7,326
Proposed distribution of profit					
Proposed dividend				0	0
Retained earnings				8,627	7,326
				8,627	7,326

BALANCE SHEET AT 30 APRIL

Assets

	Note	Group		Parent Company	
		2015/2016	2014/2015	2015/2016	2014/2015
DKK '000					
Goodwill		40,254	42,465	0	0
Intangible assets	8	40,254	42,465	0	0
Land and buildings		58,058	64,797	0	0
Fixtures and fittings, tools and equipment		8,606	8,503	0	0
Property, plant and equipment	9	66,664	73,300	0	0
Investments in subsidiaries		0	0	63,806	71,205
Investments in associates		5	36	0	0
Deposits		1,743	1,659	0	0
Fixed asset investments	10	1,748	1,695	63,806	71,205
Fixed assets		108,666	117,460	63,806	71,205
Inventories		383	657	0	0
Trade receivables		75,936	76,020	0	0
Receivables from group enterprises		1,113	418	13,828	35,510
Other receivables		5,830	2,695	5	0
Prepayments		4,395	4,114	0	0
Corporation tax		3,750	2,788	1,285	352
Deferred tax asset	12	0	0	0	576
Receivables		91,024	86,035	15,118	36,438
Cash at bank and in hand		30,758	13,475	1,111	90
Current assets		122,165	100,167	16,229	36,528
Assets		230,831	217,627	80,035	107,733

Liabilities and equity

	Note	Group		Parent Company	
		2015/2016	2014/2015	2015/2016	2014/2015
DKK '000					
Share capital		5,000	5,000	5,000	5,000
Revaluation reserve		0	5,530	0	0
Retained earnings		44,877	34,057	44,877	39,587
Equity		49,877	44,587	49,877	44,587
Minority interests	11	-82	-89	0	0
Provision for deferred tax	12	3,717	2,687	0	0
Other provisions	13	54	163	0	0
Provisions		3,771	2,850	0	0
Mortgage debt		42,226	33,845	0	0
Credit institutions		0	3,150	0	3,150
Leasing debt		403	687	0	0
Long-term debt	14	42,629	37,682	0	3,150
Mortgage debt		2,047	3,964	0	0
Credit institutions		9,707	6,390	9,175	6,143
Leasing debt		283	349	0	0
Trade payables		74,303	78,670	0	0
Prepayments received		8,286	6,802	0	0
Payables to group enterprises		4,586	1,746	19,301	52,368
Corporation tax		4,734	3,016	0	0
Other payables		30,690	31,660	1,682	1,485
Short-term debt		134,636	132,597	30,158	59,996
Debt		177,265	170,279	30,158	63,146
Liabilities and equity		230,831	217,627	80,035	107,733
Security and contingent liabilities	15				
Related parties	16				
Fee to auditors appointed at the general meeting	17				



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2015/16 Group DKK '000	Share capital	Reserve for net revaluation	Retained earnings	Proposed dividend	Total
Equity at 1 May	5,000	5,530	34,057	0	44,587
Net profit for the year	0	0	8,627	0	8,627
Exchange adjustment	0	0	61	0	61
Capital adjustments	0	(5,530)	1,820	0	(3,710)
Fair value adjustment of derivative financial instruments	0	0	312	0	312
Equity at 30 April	5,000	0	44,877	0	49,877

2014/15 Group DKK '000	Share capital	Reserve for net revaluation	Retained earnings	Proposed dividend	Total
Equity at 1 May	4,100	5,530	12,381	0	22,011
Cash capital increase	900	0	14,100	0	15,000
Net profit for the year	0	0	7,326	0	7,326
Exchange adjustment	0	0	(24)		(24)
Fair value adjustment of derivative financial instruments	0	0	274	0	274
Equity at 30 April	5,000	5,530	34,057	0	44,587



PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

2015/16 Parent Company DKK '000	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 May	5,000	39,587	0	44,587
Net profit for the year	0	8,627	0	8,627
Exchange adjustment	0	61	0	61
Capital adjustments	0	(3,710)	0	(3,710)
Fair value adjustment of derivative financial instruments	0	312	0	312
Equity at 30 April	5,000	44,877	0	49,877

The share capital consists of 5,000 shares of a nominal value of DKK 1,000. No shares carry any special rights.
The share capital is in 2014/15 increased by 900 shares of nominal DKK 1,000.

2014/15 Parent Company DKK '000	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 May	4,100	17,911	0	22,011
Cash capital increase	900	14,100	0	15,000
Net profit for the year	0	7,326	0	7,326
Exchange adjustment	0	(24)	0	(24)
Fair value adjustment of derivative financial instruments	0	274	0	274
Equity at 30 April	5,000	39,587	0	44,587



CASH FLOW STATEMENT

1 May - 30 April

	Group	
DKK '000	2015/16	2014/15
Profit for the year before tax	11,048	9,105
Amortisation and depreciation for the year	7,535	8,769
Changes in receivables	(3,830)	(26,509)
Changes in inventories	274	0
Changes in trade payables, other payables, etc	(1,009)	50,981
Exchange adjustments and other adjustments	(411)	3,676
Cash flows from ordinary activities	13,607	46,022
Corporation tax paid	99	2,602
Cash flows from operating activities	13,706	48,624
Purchase of intangible assets	(403)	(37,051)
Sale of intangible assets	144	0
Purchase of tangible assets	(3,486)	(9,222)
Sale of tangible assets	1,042	1,539
Purchase of financial assets	0	(421)
Sale of financial assets	0	939
Cash flows from investing activities	(2,703)	(44,216)
Change in debt to mortgage credit institutes	6,113	(4,084)
Cash capital increase	0	15,000
Cash flows from financing activities	6,113	10,916
Change in cash and cash equivalents	17,116	15,324
Cash and cash equivalents at 1 May	3,935	(11,389)
Cash and cash equivalents at 30 April	21,051	3,935

Cash and cash equivalents comprise cash at bank and in hand, and the portion of the item "bank loans" under short-term debt relating to operating activities.

NOTES TO THE ANNUAL REPORT

1

Segment information

The Group's activities are considered one segment.

2

Staff expenses 'DKK '000	2015/16	2014/15
Group		
Wages and salaries	92,780	80,845
Pensions	5,629	4,647
Other social security expenses	4,481	2,631
	102,890	88,123
Number of employees, including hired crew	186	182
Salaries and remuneration to the Board of Directors and the Executive Board amount to:		
Board of Directors and Executive Board	3,098	3,957
Parent Company	Besides the Executive Board, the Company has no employees.	

3

Amortisation and depreciation DKK '000	2015/16	2014/15
Group		
Goodwill	2,469	4,165
Buildings	2,451	2,346
Fixtures and fittings, tools and equipment	2,615	3,074
	7,535	9,585

4

Profit from investments in group enterprises and associates DKK '000	2015/16	2014/15
Parent Company		
Shares of profit for the year	10,641	11,311
Amortisation of goodwill	(926)	(2,823)
	9,715	8,488
Profit on liquidation of fixed asset investments	0	280
Profit from investments in group enterprises	9,715	8,768

5

Financial income DKK '000	2015/16	2014/15
Parent Company		
Intercompany interest	430	310

6

Financial expences DKK '000	2015/16	2014/15
Parent Company		
Intercompany interest	127	499

7	Group		Parent Company	
	2015/2016	2014/2015	2015/2016	2014/2015
Corporation tax DKK '000				
Current tax for the year	1,836	637	(230)	(352)
Tax concerning previous years	(673)	119	(614)	(10)
Adjustment of provision for deferred tax	310	2,050	575	33
Total tax for the year	1,473	2,806	(269)	(329)
Allocated as follows:				
Tax in profit & loss	2,431	2,722	(357)	(413)
Tax on equity adjustments	(958)	84	88	84
Total tax for the year	1,473	2,806	(269)	(329)

8	Goodwill
Intangible assets DKK '000	
Group	
Cost at 1 May	76,982
Additions for the year	402
Disposals for the year	(144)
Cost at 30 April	77,240
Amortisation at 1 May	34,517
Amortisation for the year	2,469
Amortisation at 30 April	36,986
Carrying amount at 30 April	40,254

9

Property, plant and equipment DKK '000	Land and buildings	Fixtures and fittings, tools and equipment
Group		
Cost at 1 May	109,152	51,042
Additions for the year	468	3,018
Disposals for the year	0	(1,977)
Cost at 30 April	109,620	52,083
Revaluation at 1 May	10,039	0
Revaluation for the year	(10,039)	0
Revaluation at 30 April	0	0
Depreciation at 1 May	54,394	42,539
Depreciation for the year	2,451	2,618
Reversed depreciation of disposals for the year	(5,283)	(1,680)
Depreciation at 30 April	51,562	43,477
Carrying amount at 30 April	58,058	8,606

10

Fixed asset investments DKK '000	Investments in associates
Group	
Cost at 1 May	5,361
Adjustment	(36)
Disposals for the year	(5,319)
Cost at 30 April	6
Value adjustments at 1 May	(5,487)
Exchange adjustment	428
Value adjustments for the year	204
Other adjustments	(392)
Disposals for the year	5,192
Value adjustments at 30 April	(55)
Investments with negative value transferred to provisions	54
Carrying amount at 30 April	5

The Groups investments in associates comprise:

Name	Place of reg. office	Votes and ownership
Partrederiet Dan Fighter	Denmark	30 %
Partrederiet Dan Viking	Denmark	30 %
K/S Dan Supporter	Denmark	26 %

10

Fixed asset investments (continued) DKK '000	Investments in subsidiaries
Parent Company	
Cost at 1 May	197,277
Additions for the year	8,580
Disposals for the year	(144)
Cost at 30 April	205,713
Value adjustments at 1 May	(126,072)
Exchange adjustment	0
Shares of profit for the year	9,715
Other adjustments	(3,650)
Dividend	(21,900)
Value adjustments at 30 April	(141,907)
Carrying amount at 30 April	63,806
Remaining positive differences included in the above carrying amount at 30 April 2016	11.718

The Parent Company's investments in subsidiaries comprise:

Name	Place of reg. office	Votes and ownership
Shipping.dk A/S	Denmark	100 %
Shipping.dk Road A/S	Denmark	100 %
Shipping.dk Chartering A/S	Denmark	100 %
Thomas Wang A/S	Denmark	100 %
Shipping Conculancy A/S	Denmark	100 %

11

Minority interests DKK '000	2016	2015
Group		
Minority interests at 1 May	(89)	456
Additions for the year	17	246
Share of profit/loss for the year	(10)	(943)
Equity movements	0	152
	(82)	(89)

12

Deferred tax DKK '000	2016	2015
Group		
Deferred tax at 1 May	2,687	1,178
Change for the year	1,030	1,509
Deferred tax at 30 April	3,717	2,687

Deferred tax relates to intangible assets, property, plant and equipment and other debt

Parent Company		
Deferred tax at 1 May	(576)	(426)
Change for the year	576	(150)
Deferred tax at 30 April	0	(576)

Deferred tax relates to intangible assets and property, plant and equipment as well as tax loss carry-forwards.

13**Other provisions****Group**

Other provisions comprise investments with negative equity value as well as other provisions. All other provisions falls due within 1 year.

14**Long-term debt****Group**

Of the long-term debt, DKK 34,368k falls due after more than 5 years.

15**Security, contingent liabilities and lease and contractual obligations**

DKK '000

Group**Guarantees**

Through credit institutions, guarantees have been issued in respect of employee bonds etc.

2016**2015**

0

629

Security

At the balance sheet date, the carrying amount of the assets provided as security was

54,618

61,188

Deposited owner's mortgage on buildings on owned and leased land provided as security for balance with mortgage credit and credit institutions

19,886

23,267

Mortgage deed registered to the mortgagor with charge on buildings on owned and leased land has been provided as security for balance with mortgage credit and credit institutions

45,991

61,810

Mortgage deed on movable property with charge on fixtures and fittings, tools and equipment has been provided as security for debt to credit institutions

4,300

4,300

A financial guarantee has been provided through a mortgage bank

987

0

15 (continued)

Security, contingent liabilities and lease and contractual obligations DKK '000	2016	2015
Group		
Lease and rent obligations		
Lease and rent obligations	35,046	38,493

Contingent liabilities

The Group's Danish companies are jointly and severally liable for the tax on the Group's jointly taxed income etc. Total accrued corporation tax appears from the Annual Report of Selfinvest ApS which acts as management company in the jointly taxed group. Moreover, the Group's Danish enterprises are jointly and severally liable for Danish withholding tax. Any subsequent adjustments to the corporation tax or withholding tax may result in an increase of the Company's liability.

Parent Company		
Guarantees		
The Company has provided subsidiary shares as security for the Company's obligations towards credit institutions	44,273	40,959
The Company has provided subsidiary shares as security for the Company's obligations towards banks	523	247
A payment guarantee has been provided to leasing companies, cars	891	0

Contingent liabilities

The Group's Danish companies are jointly and severally liable for the tax on the Group's jointly taxed income etc. Total accrued corporation tax appears from the Annual Report of Selfinvest ApS which acts as management company in the jointly taxed group. Moreover, the Group's Danish enterprises are jointly and severally liable for Danish withholding tax. Any subsequent adjustments to the corporation tax or withholding tax may result in an increase of the Company's liability.

16**Related parties**

Related parties comprise the Board of Directors, the Executive Board and senior executives in group enterprises as well as companies in which these persons have significant interests.

The Company is included in the Consolidated Financial Statements of the immediate Parent Company, A/S United Shipping & Trading Company.

Controlling interest is exercised through the Company's immediate Parent Company, A/S United Shipping & Trading Company. The Company's ultimate Parent Company which prepares Consolidated Financial Statements is Selfinvest ApS, in which Torben Østergaard-Nielsen, CEO, exercises control.

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	Group		Parent Company	
	2015/2016	2014/2015	2015/2016	2014/2015
Fee to auditors appointed at the general meeting DKK '000				
PricewaterhouseCoopers				
Audit	400	326	50	50
Non-audit services	1.344	53	170	169
Total tax for the year	1,744	379	220	219



ACCOUNTING POLICIES

BASIS OF PREPARATION

The Annual Report of Shipping Holding A/S for 2015/16 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from previous years.

The Annual Report for 2015/16 is presented in DKK thousands.

Recognition and measurement

The Financial Statements have been prepared based on the historic cost principle.

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

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

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

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

DKK is used as the measurement currency. All other currencies are regarded as foreign currencies.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Shipping Holding A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50 % of the votes or otherwise exercises control. Enterprises in which the Group holds between

20 % and 50 % of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). This includes allowing for any restructuring provisions determined in relation to the enterprise acquired. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straight-line basis over its estimated useful life, but not exceeding 20 years. Any remaining negative differences are recognised in deferred income in the balance sheet as negative goodwill. Amounts attributable to expected losses or expenses are recognised as income in the income statement as the affairs and conditions to which the amounts relate materialise. Negative goodwill not related to expected losses or expenses is recognised at an amount equal to the fair value of non-monetary assets in the income statement over the average useful life of the non-monetary assets.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and

measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Leasing

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognized in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under the finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognized in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

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

Minority interests

On statement of group results and group equity, the shares of results and equity of subsidiaries attributable

to minority interests are recognised as separate items in the income statement and the balance sheet.

In case of subsequent changes in minority interests, the changed shares are recognised in results as from the time of the change.

Translation policies

Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the paragraph on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are recognised in "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised.

The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Segment information

Segment information on activities is presented.

INCOME STATEMENT

Net revenue

Revenue comprises the sale of goods and services and is recognised based on the following criteria:

- *delivery has been made before year end;*
- *a binding sales agreement has been made;*
- *the sales price has been determined; and*
- *payment has been received or may with reasonable certainty be expected to be received.*

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Direct cost

Direct expenses include expenses for the purchase of goods for resale.

Other external expenses

Other external expenses include expenses for sales, administration as well as the running of office facilities, etc.

Staff expenses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement of the Parent Company includes the proportionate share of net profit for the year less goodwill amortisation.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

BALANCE SHEET

Intangible assets

Intangible assets are measured at cost less accumulated amortisation.

The period of amortisation of goodwill is longest for enterprises acquired for strategic purposes with a strong market position and a long earnings profile.

Amortisation based on cost is calculated on a straight line basis over the expected useful lives of the assets, which are:

Goodwill max. 20 years

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Land is measured at cost. No depreciation is made on land.

Interest paid on loans raised for indirect or direct financing or production of property, plant and equipment is recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets:

<i>Buildings</i>	10-60 years
<i>Other fixtures and fittings,</i>	
<i>tools and equipment</i>	3-12 years

Gains and losses on sale of property, plant and equipment are recognised in the income statement under other operating income and other external expenses, respectively.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of

impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items "Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by

dividend distributions and adjusted for other equity movements in subsidiaries and associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Group to cover the negative balance of the enterprise is recognised in provisions.

Gains or losses on disposal or liquidation of subsidiaries and associates are calculated as the difference between the sales sum or the liquidation amount and the carrying amount of net assets at the time of sale or liquidation, including unamortised goodwill and expected sales or liquidation expenses. Gains or losses are recognised in the income statement.

Securities and investments

Securities and investments recognised in fixed asset investments are recognised and measured at fair value.

Inventories

The cost of goods for resale, raw materials and consumables equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions, interest and hire on ships.

Dividend

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

Provisions

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

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

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

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year and adjusted for tax on taxable incomes for prior years. Tax receivables

and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Prepayments received

Deferred income consists of payments received in respect of income in subsequent years.

Financial debts

Fixed-interest loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

CASH FLOW STATEMENT

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

No cash flow statement has been prepared for the Parent Company as the Parent Company cash flows are included in the Consolidated Cash Flow Statement.

Cash flows from operating activities

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

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise the items "Cash at bank and in hand" under current assets as well as "Credit institutions" under short-term debt.

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

DEFINITION OF FINANCIAL RATIOS

$$\text{Gross margin} = \frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

$$\text{Profit margin} = \frac{\text{Profit before financials} \times 100}{\text{Revenue}}$$

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

$$\text{Liquidity ratio} = \frac{\text{Current assets}}{\text{Short-term debt}}$$

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

$$\text{Number of employees} = \text{Employees are converted to annual full-time employees}$$









SHIPPING HOLDING A/S



SHIPPING.DK



SHIPPING.DK
CHARTERING



SHIPPING.DK
ROAD DIVISION



SDK CRUISE



SDK LOGISTICS