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United Cargo Handling ApS

St. Regnegade 5, 1., 1110 København

Company reg. no. 72 95 33 12

Annual report

1 January - 31 December 2018

The annual report was submitted and approved by the general meeting on the 21 June 2019.

Peter Aandahl
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of United Cargo Handling ApS for the financial year 1 January to 31 December 2018.

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

We consider the accounting policies used appropriate, and in our opinion, the consolidated annual accounts and the annual accounts provide a true and fair view of the assets, the liabilities and the financial position, consolidated and for the company respectively at 31 December 2018, and of the results of the activities and cash flows, consolidated and of the company respectively in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

København, 6 June 2019

Managing Director

Peter Aandahl

Board of directors

Bernd Vogelmann	David Nicholas Smith	Rasmus Tolstøj Stokholm

Peter Aandahl

Independent auditor's report

To the shareholders of United Cargo Handling ApS

Opinion

We have audited the consolidated annual accounts and the annual accounts of United Cargo Handling ApS for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity, cash flow statement and notes, consolidated and for the company respectively. The consolidated annual accounts and the annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated annual accounts and the annual accounts give a true and fair view of the assets, liabilities and financial position, consolidated and for the company respectively at 31 December 2018 and of the results of the company's operations and cash flows, consolidated and for the company respectively for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the consolidated annual accounts and the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the consolidated annual accounts and the annual accounts

The management is responsible for the preparation of consolidated annual accounts and annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of consolidated annual accounts and annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts and the annual accounts, the management is responsible for evaluating the group's and the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the consolidated annual accounts and the annual accounts, unless the management either intends to liquidate the group or the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated annual accounts and the annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts and the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the consolidated annual accounts and the annual accounts.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated annual accounts and the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 company's internal control.

- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's preparation of the consolidated annual accounts and the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts and the annual accounts 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated annual accounts and the annual accounts, including the disclosures in the notes, and whether the consolidated annual accounts and the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the business activities within the group to express an opinion on the consolidated annual accounts. 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Independent auditor's report

Our opinion on the consolidated annual accounts and the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the consolidated annual accounts and the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the consolidated annual accounts or the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the consolidated annual accounts and the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 6 June 2019

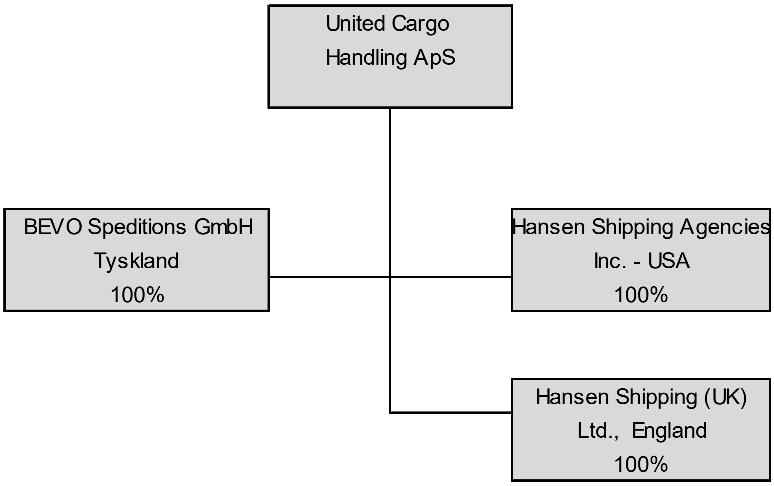
Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Steen K. Bager
State Authorised Public Accountant
mne28679

Company data

The company	United Cargo Handling ApS St. Regnegade 5, 1. 1110 København	
	Company reg. no.	72 95 33 12
	Established:	20 October 1983
	Domicile:	
	Financial year:	1 January - 31 December
Board of directors	Bernd Vogelmann David Nicholas Smith Rasmus Tolstøj Stokholm Peter Aandahl	
Managing Director	Peter Aandahl	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Subsidiaries	BEVO Speditions Gmbh, Germany Hansen Shipping Agencies Inc., USA Hansen Shipping Ltd., United Kingdom	

Koncernoversigt



Consolidated financial highlights

DKK in thousands.	2018	2017
Profit and loss account:		
Gross profit	17.276	-512
Results from operating activities	4.121	-512
Net financials	868	-214
Results for the year	4.009	-665
Balance sheet:		
Balance sheet sum	48.280	1.880
Equity	5.073	1.064
Cash flow:		
Operating activities	16.908	-1.114
Investment activities	-2.141	0
Financing activities	6.209	0
Cash flow in total	20.976	-1.114
Employees:		
Average number of full time employees	22	0
Key figures in %:		
Acid test ratio	127,8	230,4
Solvency ratio	10,5	56,6
Return on equity	130,7	-125,0

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.

Management's review

The principal activities of the group

The main purpose of the Company is to be parent company for the United Cargo Handling Group's companies. The Group main activities are international forwarding of Heavy Machinery, providing professional shipping services for the construction & mining industries since 1971 with offices in UK, USA & Germany.

Development in activities and financial matters

The gross profit for the year is DKK 228.000 against DKK -512.000 last year. The results from ordinary activities after tax are DKK 4.009.000 against DKK -665.000 last year. The management consider the results satisfactory.

The Group was formed during the year in connection with the reorganization of the former group, which all consolidated companies were a part of.

Special risks

Price risks

The Company's and the Group's result and equity are affected by the fluctuation in freight rates, interest, exchange rates and oil prices.

Environmental issues

The company is environmentally aware and continuously works to reduce the environmental impact from its operations. The company has no written environmental policies.

Know how resources

Each year the group invests resources in training and development of the group's employees at all levels of the organization.

Research and development activities

The company itself does not perform actual research and development activities

The expected development

The Group expects a positive result for 2019

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the group.

Profit and loss account 1 January - 31 December

All amounts in DKK.

Note		Group 2018	Group 2017	Parent company 2018	Parent company 2017
	Gross profit	**17.276.097**	**-511.896**	**227.551**	**-511.896**
1	Staff costs	-12.995.259	0	0	0
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-159.976	0	0	0
	Results before net financials	**4.120.862**	**-511.896**	**227.551**	**-511.896**
	Income from equity investments in group enterprises	0	0	3.842.211	0
	Other financial income from group enterprises	0	11.181	41.442	11.182
	Other financial income	1.058.519	0	9.369	0
	Other financial costs	-190.193	-224.824	-51.049	-224.824
	Results before tax	**4.989.188**	**-725.539**	**4.069.524**	**-725.538**
	Tax on ordinary results	-980.296	60.632	-60.632	60.632
2	**Results for the year**	**4.008.892**	**-664.907**	**4.008.892**	**-664.906**

Balance sheet 31 December

All amounts in DKK.

Assets

Note		Group 2018	Group 2017	Parent company 2018	Parent company 2017
	Fixed assets				
3	Goodwill	905.758	0	0	0
	Intangible fixed assets in total	905.758	0	0	0
4	Other plants, operating assets, and fixtures and furniture	614.277	0	0	0
	Tangible fixed assets in total	614.277	0	0	0
5	Equity investments in group enterprises	0	0	5.036.671	0
6	Amounts owed by group enterprises	0	0	5.641.917	0
	Financial fixed assets in total	0	0	10.678.588	0
	Fixed assets in total	**1.520.035**	**0**	**10.678.588**	**0**
	Current assets				
	Trade debtors	23.333.249	1.186.378	1.197.066	1.186.378
	Amounts owed by group enterprises	0	269.875	0	269.875
	Receivable corporate tax	0	60.632	0	60.632
	Other debtors	188.500	0	188.500	0
7	Deferred expenses	1.898.782	0	0	0
	Debtors in total	25.420.531	1.516.885	1.385.566	1.516.885
	Available funds	21.339.530	363.264	302.032	363.264
	Current assets in total	**46.760.061**	**1.880.149**	**1.687.598**	**1.880.149**
	Assets in total	**48.280.096**	**1.880.149**	**12.366.186**	**1.880.149**

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities

Note		Group 2018	Group 2017	Parent company 2018	Parent company 2017
	Equity				
	Contributed capital	500.000	500.000	500.000	500.000
	Reserves for net revaluation as per the equity method	0	0	1.535.861	0
	Results brought forward	2.122.830	563.938	586.969	563.938
	Proposed dividend for the financial year	2.450.000	0	2.450.000	0
	Equity in total	**5.072.830**	**1.063.938**	**5.072.830**	**1.063.938**
	Provisions				
9	Other provisions	413.136	0	0	0
	Provisions in total	**413.136**	**0**	**0**	**0**
	Liabilities				
	Other debts	6.209.124	0	6.209.124	0
	Long-term liabilities in total	6.209.124	0	6.209.124	0
	Prepayments received from customers	1.370.265	0	0	0
	Trade creditors	29.390.816	816.211	1.084.232	816.211
	Corporate tax	675.252	0	0	0
	Other debts	5.148.673	0	0	0
	Short-term liabilities in total	36.585.006	816.211	1.084.232	816.211
	Liabilities in total	**42.794.130**	**816.211**	**7.293.356**	**816.211**
	Equity and liabilities in total	**48.280.096**	**1.880.149**	**12.366.186**	**1.880.149**

10 Contingencies

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital	**Results brought forward**	**Proposed dividend for the financial year**	**In total**
Equity 1 January 2017	500.000	1.228.844	0	1.728.844
Profit or loss for the year brought forward	0	-664.906	0	-664.906
Equity 1 January 2018	500.000	563.938	0	1.063.938
Profit or loss for the year brought forward	0	1.558.892	2.450.000	4.008.892
	500.000	**2.122.830**	**2.450.000**	**5.072.830**

Statement of changes in equity of the parent company

All amounts in DKK.

	Contributed capital	Reserves for net revaluation as per the equity method	Results brought forward	Proposed dividend for the financial year	In total
Equity 1 January 2017	500.000	0	1.228.844	0	1.728.844
Share of results	0	0	-664.906	0	-664.906
Equity 1 January 2018	500.000	0	563.938	0	1.063.938
Share of results	0	1.535.861	23.031	2.450.000	4.008.892
	500.000	**1.535.861**	**586.969**	**2.450.000**	**5.072.830**

Cash flow statement 1 January - 31 December

All amounts in DKK.

Note		Group 2018	Group 2017	Parent company 2018	Parent company 2017
	Results for the year	4.008.892	-664.907	4.008.892	-664.906
11	Adjustments	132.577	288.896	-3.955.531	288.895
12	Change in working capital	11.900.715	-524.671	527.207	-524.671
	Interest received and similar amounts	1.056.072	11.181	41.442	11.181
	Interest paid and similar amounts	-190.193	-224.824	-51.049	-224.824
	Cash flow from ordinary activities	16.908.063	-1.114.325	570.961	-1.114.325
	Cash flow from operating activities	**16.908.063**	**-1.114.325**	**570.961**	**-1.114.325**
	Purchase of intangible fixed assets	-946.461	0	0	0
	Purchase of tangible fixed assets	-1.194.460	0	0	0
	Purchase of enterprise	0	0	-1.194.460	0
	Loans	0	0	-5.646.857	0
	Cash flow from investment activities	**-2.140.921**	**0**	**-6.841.317**	**0**
	Raising of long-term debts	6.209.124	0	6.209.124	0
	Cash flow from financing activities	**6.209.124**	**0**	**6.209.124**	**0**
	Changes in available funds	**20.976.266**	**-1.114.325**	**-61.232**	**-1.114.325**
	Available funds 1 January 2018	363.264	1.477.589	363.264	1.477.589
	Available funds 31 December 2018	**21.339.530**	**363.264**	**302.032**	**363.264**
	Available funds				
	Available funds	21.339.530	363.264	302.032	363.264
	Available funds 31 December 2018	**21.339.530**	**363.264**	**302.032**	**363.264**

Notes

All amounts in DKK.

		Group 2018	Group 2017
1.	**Staff costs**		
	Salaries and wages	9.945.091	0
	Pension costs	1.838.886	0
	Other staff costs	1.211.282	0
		12.995.259	**0**
	Average number of employees	22	0

		Parent company 2018	Parent company 2017
2.	**Proposed distribution of the results**		
	Reserves for net revaluation as per the equity method	1.535.861	0
	Dividend for the financial year	2.450.000	0
	Allocated to results brought forward	23.031	0
	Allocated from results brought forward	0	-664.906
	Distribution in total	**4.008.892**	**-664.906**

		Group 31/12 2018	Group 31/12 2017
3.	**Goodwill**		
	Cost 1 January 2018	946.461	0
	Cost 31 December 2018	**946.461**	**0**
	Amortisation and writedown 1 January 2018	-13.632	0
	Amortisation and writedown for the year	-27.071	0
	Amortisation and writedown 31 December 2018	**-40.703**	**0**
	Book value 31 December 2018	**905.758**	**0**

Notes

All amounts in DKK.

		Group 31/12 2018	31/12 2017
4.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January 2018	2.106.694	0
	Additions during the year	2.658	0
	Cost 31 December 2018	**2.109.352**	**0**
	Depreciation and writedown 1 January 2018	-1.364.838	0
	Depreciation and writedown for the year	-130.237	0
	Depreciation and writedown 31 December 2018	**-1.495.075**	**0**
	Book value 31 December 2018	**614.277**	**0**

Notes

All amounts in DKK.

		Parent company 31/12 2018	Parent company 31/12 2017
5.	**Equity investments in group enterprises**		
	Additions during the year	1.194.460	0
	Cost 31 December 2018	**1.194.460**	**0**
	Results for the year before goodwill amortisation	3.865.386	0
	Revaluation 31 December 2018	**3.865.386**	**0**
	Amortisation of goodwill for the year	-23.175	0
	Depreciation on goodwill 31 December 2018	**-23.175**	**0**
	Book value 31 December 2018	**5.036.671**	**0**
	The items include goodwill with an amount of	903.814	0
	Goodwill is recognised under the item "Additions during the year" with an amount of	926.989	0

The financial highlights for the enterprises according to the latest approved annual reports

	Share of ownership	**Equity DKK**	**Results for the year DKK**
BEVO Speditions Gmbh, Germany	100 %	382.213	180.596
Hansen Shipping Agencies Inc., USA	100 %	868.078	802.232
Hansen Shipping Ltd., United Kingdom	100 %	2.882.566	2.882.558
		4.132.857	**3.865.386**

		Parent company 31/12 2018	Parent company 31/12 2017
6.	**Amounts owed by group enterprises**		
	Additions during the year	5.646.857	0
	Conversion by use of the exchange rate valid on balance sheet date	-4.940	0
	Cost 31 December 2018	**5.641.917**	**0**
	Book value 31 December 2018	**5.641.917**	**0**

Notes

All amounts in DKK.

7. Deferred expenses

Prepayments recognised under assets comprise incurred costs concerning the next financial year, including insurance.

	Group		Parent company	
	31/12 2018	31/12 2017	31/12 2018	31/12 2017
8. Contributed capital				
Contributed capital 1 January 2018	500.000	500.000	500.000	500.000
	500.000	**500.000**	**500.000**	**500.000**

	Group	
	31/12 2018	31/12 2017
9. Other provisions		
Other provisions 1 January 2018	740.056	0
Change of the year in other provisions	-326.920	0
	413.136	**0**

10. Contingencies

Contingent liabilities

Leasing liabilities

The group has entered into operational leasing contracts. The leasing contracts have 24 months left to run, and the total outstanding leasing payment is t.DKK 478.

Joint taxation

United Cargo Handling was included in joint taxation with Aandahl A/S being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax. United Cargo Handling ApS left the joint taxation in October 2018.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

Notes

All amounts in DKK.

		Group 2018	Group 2017	Parent company 2018	Parent company 2017
11.	**Adjustments**				
	Depreciation and amortisation	159.976	0	0	0
	Income from equity investments in group enterprises	0	0	-3.842.211	0
	Other financial income	-1.056.072	-11.181	-50.811	-11.182
	Other financial costs	190.193	224.824	51.049	224.824
	Tax on ordinary results	884.871	-60.632	60.632	-60.632
	Other adjustments	-46.391	135.885	-174.190	135.885
		132.577	**288.896**	**-3.955.531**	**288.895**

		Group 2018	Group 2017	Parent company 2018	Parent company 2017
12.	**Change in working capital**				
	Change in debtors	-25.696.675	-37.626	259.187	-37.626
	Change in trade creditors and other liabilities	37.597.390	-487.045	268.020	-487.045
		11.900.715	**-524.671**	**527.207**	**-524.671**

Accounting policies used

The annual report for United Cargo Handling ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the group is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the group is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

The consolidated annual accounts

The consolidated annual accounts comprise the parent company United Cargo Handling ApS and those group enterprises of which United Cargo Handling ApS directly or indirectly owns more than 50 % of the voting rights or in other ways has controlling interest. As it appears from the group chart, enterprises of which the group owns between 20 and 50 % of the voting rights and exercises considerable, but not controlling interest are considered associated enterprises.

Accounting policies used

By the consolidation, elimination of intercompany income and costs, shareholding, intercompany balances and dividends and realised and unrealised gains and losses from transactions among the consolidated enterprises takes place.

Equity interests in group enterprises are settled by the proportional share of the group enterprises' trade value of net assets and liabilities at the date of acquisition.

Newly acquired or newly established enterprises are recognised in the consolidated annual accounts as of the date of acquisition. Disposed or terminated enterprises are recognised in the consolidated annual accounts until the date of disposal. In relation to newly acquired, disposed or terminated enterprises, comparative figures are not adjusted.

In connection with the acquisition of new enterprises, the acquisition method is applied, by which the acquirees' identifiable assets and liabilities are measured at fair value at the time of acquisition. Costs for restructuring which are recognised in the acquiree before the acquisition date and which have not been agreed upon as part of the acquisition, are recognised in the pre-acquisition balance sheet and thereby forms part of the measurement of goodwill. Restructuring decided by the acquiree is recognised in the profit and loss account. The tax effect of the revaluations carried out is taken into consideration.

Positive balances (goodwill) between cost and fair value of the acquired, identifiable assets and liabilities, including provisions for restructuring, are recognised under intangible fixed assets and in accordance with an individual evaluation allocated on a systematic basis over their useful lives in the profit and loss account. Negative balances (negative goodwill) is recognised as income in the profit and loss account at the date of acquisition when the general requirements for recognition of income are met.

Goodwill and negative goodwill from acquirees may be adjusted until 12 months after the acquisition.

Gains or losses from the disposal or termination of group enterprises or associated enterprises are recognised as the difference between the sales price or the termination sum and the book value of the net assets at the sales date and expected costs of sale or termination.

In case of business combinations such as acquisition and sale of equity investments, mergers, demergers, addition of assets and exchange of shares etc. with participation of enterprises under the control of the parent company, the book-value method is applied, in which case the merger is considered implemented at the date of acquisition without any restatement of the comparative figures.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, cost of sales and external costs.

Accounting policies used

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes cost ralation to services, including freight, delivery, repair and dismantle, handling, port and terminal ect.

Other external costs comprise costs for administration.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The parent company and the Danish group enterprises are subject to the Danish rules on compulsory joint taxation of the consolidated Danish enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

Accounting policies used

The balance sheet

Intangible fixed assets

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. As it is not possible to determine a reliable estimate of the useful life, the amortisation period is set at 10 years.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Other plants, operating assets, fixtures and furniture	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Accounting policies used

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

In connection with the acquisition of new group enterprises and associated enterprises, the acquisition method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for decided restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of the revaluations carried out is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable, acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises, and they are amortised over their estimated useful life. The useful life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a long-range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Equity

Reserves for net revaluation as per the equity method

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

Accounting policies used

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

It is not possible to recognise the reserves with a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, United Cargo Handling ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Other provisions

Provisions comprise expected costs for guarantee liabilities, loss on work in progress, restructuring, etc. Provisions are recognised when the group has a legal or actual liability which is due to a previous event and when it is likely that the settlement of the liability will result in expenditure of the financial resources of the group.

Liabilities

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

The cash flow statement

The cash flow statement shows the cash flow of the group and the parent company for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

Accounting policies used

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

Cash flow from operating activities

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Cash flow from investment activities

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Available funds

Available funds comprise cash funds with deduction of short-term bank debt and short-term securities with a term of less than 3 months which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.