Grant Thornton
Statsautoriseret
Revisionspartnerselskab

Stockholmsgade 45
2100 København Ø
CVR-nr. 34209936

T (+45) 33 110 220

www.grantthornton.dk

United Cargo Handling ApS

St. Regnegade 5, 1., 1110 København

Company reg. no. 72 95 33 12

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 10 June 2020.

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 2019.

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 2019, and of the results of the activities, consolidated and of the company respectively and of consolidated cash flows in the financial year 1 January to 31 December 2019.

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

We recommend that the annual report be approved by the general meeting.

København, 10 June 2020

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 2019, which comprise accounting policies, profit and loss account, balance sheet, statement of changes in equity and notes, consolidated and for the company respectively and consolidated cash flow statement. 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 2019 and of the results of the company's operations, consolidated and for the company respectively and of consolidated cash flows for the financial year 1 January to 31 December 2019 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, 10 June 2020

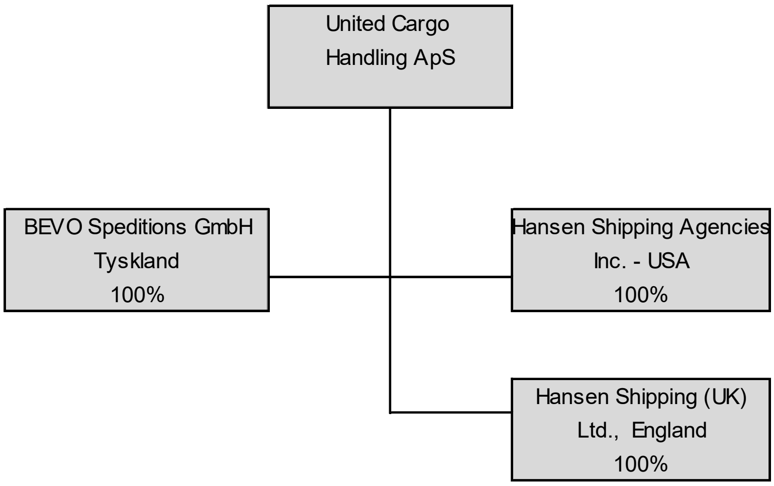
Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Steen K. Bager
State Authorised Public Accountant
mne28679

Company information

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.	2019	2018	2017
Income statement:			
Gross profit	16.122	17.276	-512
Profit from ordinary operating activities	4.047	4.121	-512
Net financials	-599	105	-214
Net profit or loss for the year	2.644	3.391	-665
Statement of financial position:			
Balance sheet total	32.050	48.025	1.880
Investments in property, plant and equip-ment	234	3	0
Equity	4.853	4.455	1.064
Cash flows:			
Operating activities	-5.874	16.908	-1.114
Investing activities	-234	-2.141	0
Financing activities	-3.253	6.209	0
Total cash flows	-9.361	20.976	-1.114
Key figures in %:			
Acid test ratio	145,0	125,9	-
Solvency ratio	15,1	9,3	56,6
Return on equity	56,8	122,9	-125,0

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

Management commentary

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 313.000 against DKK 228.000 last year. The results from ordinary activities after tax are DKK 2.644.000 against DKK 3.391.000 last year. The management consider the result as satisfactory.

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 2020,

Events subsequent to the financial year

At the moment, the management in the group can't assess the effect of the development of Covid-19 that occurred after the end of the financial year. In addition, no events have occurred after the end of the financial year that could significantly affect the financial position in the group.

Income statement 1 January - 31 December

All amounts in DKK.

		Group		Parent	
Note		2019	2018	2019	2018
	Gross profit	**16.121.840**	**17.276.097**	**312.931**	**227.551**
2	Staff costs	-11.711.885	-12.995.259	0	0
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-363.060	-159.976	0	0
	Operating profit	**4.046.895**	**4.120.862**	**312.931**	**227.551**
	Income from equity investments in group enterprises	0	0	2.388.549	3.223.936
	Other financial income from group enterprises	0	0	193.823	41.442
	Other financial income	25.907	295.213	19.186	9.369
	Other financial costs	-624.407	-190.193	-234.044	-51.049
	Pre-tax net profit or loss	**3.448.395**	**4.225.882**	**2.680.445**	**3.451.249**
	Tax on ordinary results	-803.898	-835.265	-35.948	-60.632
3	**Net profit or loss for the year**	**2.644.497**	**3.390.617**	**2.644.497**	**3.390.617**

Statement of financial position at 31 December

All amounts in DKK.

Assets

		Group		Parent	
Note		2019	2018	2019	2018
	Non-current assets				
4	Goodwill	811.115	905.758	0	0
	Total intangible assets	811.115	905.758	0	0
5	Other plants, operating assets, and fixtures and furniture	781.791	614.277	0	0
	Total property, plant, and equipment	781.791	614.277	0	0
6	Equity investments in group enterprises	0	0	7.010.665	4.418.396
7	Amounts owed by group enterprises	0	0	3.596.645	5.641.917
	Total investments	0	0	10.607.310	10.060.313
	Total non-current assets	**1.592.906**	**1.520.035**	**10.607.310**	**10.060.313**
	Current assets				
	Trade debtors	15.206.795	23.078.565	1.459.879	1.197.066
	Other debtors	1.066.903	188.500	367.950	188.500
8	Deferred expenses	2.204.696	1.898.782	0	0
	Total receivables	18.478.394	25.165.847	1.827.829	1.385.566
	Available funds	11.978.329	21.339.530	72.927	302.032
	Total current assets	**30.456.723**	**46.505.377**	**1.900.756**	**1.687.598**
	Total assets	**32.049.629**	**48.025.412**	**12.508.066**	**11.747.911**

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities

Note		Group 2019	Group 2018	Parent 2019	Parent 2018
	Equity				
	Contributed capital	500.000	500.000	500.000	500.000
	Reserve for net revaluation according to the equity method	0	0	5.816.205	917.586
	Retained earnings	4.352.772	1.504.555	-1.463.433	586.969
	Proposed dividend for the financial year	0	2.450.000	0	2.450.000
	Total equity	**4.852.772**	**4.454.555**	**4.852.772**	**4.454.555**
	Provisions				
10	Other provisions	788.486	413.136	0	0
	Total provisions	**788.486**	**413.136**	**0**	**0**
	Liabilities other than provisions				
	Other payables	5.406.581	6.209.124	5.406.581	6.209.124
11	Total long term liabilities other than provisions	5.406.581	6.209.124	5.406.581	6.209.124
	Prepayments received from customers	2.079.450	1.370.265	0	0
	Trade payables	15.001.712	29.900.183	886.455	1.084.232
	Corporate tax	553.668	529.476	35.948	0
	Other payables	3.366.960	5.148.673	1.326.310	0
	Total short term liabilities other than provisions	21.001.790	36.948.597	2.248.713	1.084.232
	Total liabilities other than provisions	**26.408.371**	**43.157.721**	**7.655.294**	**7.293.356**
	Total equity and liabilities	**32.049.629**	**48.025.412**	**12.508.066**	**11.747.911**

1 Subsequent events

12 Contingencies

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital not paid	Reserve for net revaluation according to the equity method	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2019	500.000	0	2.122.830	2.450.000	5.072.830
Adjustment due to correction prior year	0	0	-618.275	0	-618.275
Adjusted equity 1 January 2019	500.000	0	1.504.555	2.450.000	4.454.555
Distributed dividend	0	0	0	-2.450.000	-2.450.000
Foreign currency translation adjustment of enterprises	0	0	203.720	0	203.720
Share of results	0	0	2.644.497	0	2.644.497
	500.000	**0**	**4.352.772**	**0**	**4.852.772**

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2019	500.000	1.535.861	586.969	2.450.000	5.072.830
Adjustment due to correction prior year	0	-618.275	0	0	-618.275
Adjusted equity 1 January 2019	500.000	917.586	586.969	2.450.000	4.454.555
Distributed dividend	0	0	0	-2.450.000	-2.450.000
Share of results	0	4.898.619	-2.254.122	0	2.644.497
Foreign currency translation adjustment of enterprises	0	0	203.720	0	203.720
	500.000	**5.816.205**	**-1.463.433**	**0**	**4.852.772**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		Group 2019	2018
	Results for the year	2.644.497	3.390.617
13	Adjustments	2.264.482	132.577
14	Change in working capital	-10.184.795	12.518.990
	Interest received and similar amounts	25.907	1.056.072
	Interest paid and similar amounts	-624.405	-190.193
	Cash flow from ordinary activities	-5.874.314	16.908.063
	Cash flow from operating activities	**-5.874.314**	**16.908.063**
	Purchase of intangible fixed assets	0	-946.461
	Purchase of tangible fixed assets	-234.344	-1.194.460
	Cash flow from investment activities	**-234.344**	**-2.140.921**
	Raising of long-term debts	0	6.209.124
	Repayments of long-term debt	-802.543	0
	Dividend paid	-2.450.000	0
	Cash flow from financing activities	**-3.252.543**	**6.209.124**
	Changes in available funds	**-9.361.201**	**20.976.266**
	Available funds 1 January 2019	21.339.530	363.264
	Available funds 31 December 2019	**11.978.329**	**21.339.530**
	Available funds		
	Available funds	11.978.329	21.339.530
	Available funds 31 December 2019	**11.978.329**	**21.339.530**

Notes

All amounts in DKK.

1. Subsequent events

At the moment, the management in the group can't assess the effect of the development of Covid-19 that occurred after the end of the financial year. In addition, no events have occurred after the end of the financial year that could significantly affect the financial position in the group.

		Group 2019	Group 2018
2.	**Staff costs**		
	Salaries and wages	9.161.886	9.945.091
	Pension costs	1.857.768	1.838.886
	Other costs for social security	692.231	1.211.282
		11.711.885	**12.995.259**
	Average number of employees	24	

		Parent 2019	Parent 2018
3.	**Proposed distribution of the results**		
	Reserves for net revaluation as per the equity method	4.898.619	917.586
	Dividend for the financial year	0	2.450.000
	Allocated to results brought forward	0	23.031
	Allocated from results brought forward	-2.254.122	0
	Distribution in total	**2.644.497**	**3.390.617**

Notes

All amounts in DKK.

		Group 31/12 2019	31/12 2018
4.	**Goodwill**		
	Cost 1 January 2019	946.461	946.461
	Cost 31 December 2019	**946.461**	**946.461**
	Amortisation and writedown 1 January 2019	-40.703	-13.632
	Amortisation and writedown for the year	-94.643	-27.071
	Amortisation and writedown 31 December 2019	**-135.346**	**-40.703**
	Book value 31 December 2019	**811.115**	**905.758**

		Group 31/12 2019	31/12 2018
5.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January 2019	2.109.352	2.106.694
	Translation by use of the exchange rate valid on balance sheet date 31 December 2019	220.944	0
	Additions during the year	234.344	2.658
	Disposals during the year	-183.787	0
	Cost 31 December 2019	**2.380.853**	**2.109.352**
	Depreciation and writedown 1 January 2019	-1.495.075	-1.364.838
	Translation by use of the exchange rate valid on balance sheet date 31 December 2019	-19.413	0
	Depreciation and writedown for the year	-268.362	-130.237
	Depreciation and writedown, assets disposed of	183.788	0
	Depreciation and writedown 31 December 2019	**-1.599.062**	**-1.495.075**
	Book value 31 December 2019	**781.791**	**614.277**

Notes

All amounts in DKK.

		Parent 31/12 2019	31/12 2018
6.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance 1 January 2019	1.194.460	0
	Additions during the year	0	1.194.460
	Cost 31 December 2019	**1.194.460**	**1.194.460**
	Revaluations, opening balance 1 January 2019	3.865.386	0
	Adjustment of previous revaluations	-618.275	0
	Translation by use of the exchange rate valid on b	203.720	0
	Results for the year before goodwill amortisation	2.481.248	3.247.111
	Revaluation 31 December 2019	**5.932.079**	**3.247.111**
	Amortisation of goodwill, opening balance 1 January 2019	-23.175	0
	Amortisation of goodwill for the year	-92.699	-23.175
	Depreciation on goodwill 31 December 2019	**-115.874**	**-23.175**
	Book value 31 December 2019	**7.010.665**	**4.418.396**
	The items include goodwill with an amount of	811.115	905.758

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 %	1.202.072	808.573
Hansen Shipping Agencies Inc., USA	100 %	1.362.558	473.241
Hansen Shipping Ltd., United Kingdom	100 %	3.635.321	1.199.434
		6.199.951	**2.481.248**

		Parent 31/12 2019	31/12 2018
7.	**Amounts owed by group enterprises**		
	Cost 1 January 2019	5.641.917	0
	Additions during the year	0	5.646.857
	Disposals during the year	-2.045.272	0
	Conversion by use of the exchange rate valid on balance sheet date	0	-4.940
	Cost 31 December 2019	**3.596.645**	**5.641.917**
	Book value 31 December 2019	**3.596.645**	**5.641.917**

Notes

All amounts in DKK.

8. Deferred expenses

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

9. Contributed capital

The share capital consists of 500.000 shares, of which DKK 250.000 are A-shares and DKK 250.000 are B-shares

	Group 31/12 2019	Group 31/12 2018
10. Other provisions		
Other provisions 1 January 2019	413.136	740.056
Change of the year in other provisions	375.350	-326.920
	788.486	**413.136**

11. Liabilities other than provision

Group

	Total payables 31 Dec 2019	**Current portion of long term payables**	**Long term payables 31 Dec 2019**	**Outstanding payables after 5 years**
Other payables	5.406.581	0	5.406.581	0
	5.406.581	**0**	**5.406.581**	**0**

12. 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.

Notes

All amounts in DKK.

		Group 2019	2018
13.	**Adjustments**		
	Depreciation and amortisation	363.060	159.976
	Other financial income	-25.907	-1.056.072
	Other financial costs	624.405	190.193
	Tax on ordinary results	803.898	884.871
	Other adjustments	499.026	-46.391
		2.264.482	**132.577**

		Group 2019	2018
14.	**Change in working capital**		
	Change in debtors	6.942.137	-25.078.400
	Change in trade creditors and other liabilities	-17.126.932	37.597.390
		-10.184.795	**12.518.990**

Accounting policies

The annual report for United Cargo Handling ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

Significant errors

It has been stated that in the accounts of United Cargo Handling ApS for 2018 were there errors. Management has considered the error to be significant and has therefore chosen to correct this in the financial statements for 2019, and therefore have the comparative figures been adjusted. The error is due to incorrectly applied currency rates on receivables and payables.

The above means that the comparative figures in the consolidated financial statements for 2018 have been adjusted so that other financial income has been reduced by k.DKK. 763, tax on profit for the year has been reduced by k.DKK. 145, trade receivables are reduced by k.DKK. 255, payables are increased with k.DKK. 509 and the corporation tax has been reduced by k.DKK. 145. In the consolidated financial statements, the total net effect in the income statement is a reduction of the result 2018 with k.DKK. 618.

In the parent company's accounts, the comparative figures for 2018 have also been restated. Income from equity investment in group enterprises is reduced by k.DKK. 618 and Equity investments in group enterprises have also been reduced by k.DKK. 618.

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.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

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.

Accounting policies

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.

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.

Accounting policies

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.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

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 distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

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 less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement of the parent as a proportional share of the group enterprises' post-tax profit or loss.

Accounting policies

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 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).

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.

Accounting policies

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.

Leases

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the group holds all essential risks and advantages associated with the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Financial fixed assets

Equity in group enterprises

Equity in group enterprises recognised in the statement of financial position as a proportional share of the enterprise’s equity value. This is calculated on the basis of the accounting policies of the parent less/plus unrealised intercompany profits and losses, and less/plus residual value of positive or negative goodwill measured by applying the purchase method.

Accounting policies

Group enterprises with negative equity are recognised at no value and, to the extent they are considered irrevocable, amounts owed by these companies are made subject to impairment by the parent's share of the equity. If the negative equity exceeds the receivables, the residual amount is recognised under liability provisions to the extent that the parent has a legal or actual liability to cover the negative equity of these subsidiaries.

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

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Profit or loss in connection with the disposal of group enterprises are measured as the difference between the sales amount and the carrying amount of net assets at the time of sale, inclusive of remaining consolidated goodwill and expected costs of sale or liquidation. Profit and loss are recognised in the income statement under net financials.

For the acquisition of new group enterprises, the purchase 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 pre-determined restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of revaluations 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 are amortised over their estimated useful economic life. The useful life is determined on the basis of management's experience in the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a longterm earnings potential. The carrying amount of goodwill is subject to impairment tests on a continuing basis and written down in the income statement in those cases when the carrying amount exceeds the expected future net income from the enterprise or the activity to which the goodwill is attached.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to 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

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries and associates proportional to cost.

Accounting policies

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Dividend

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

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.