ANNUAL REPORT 2016/17

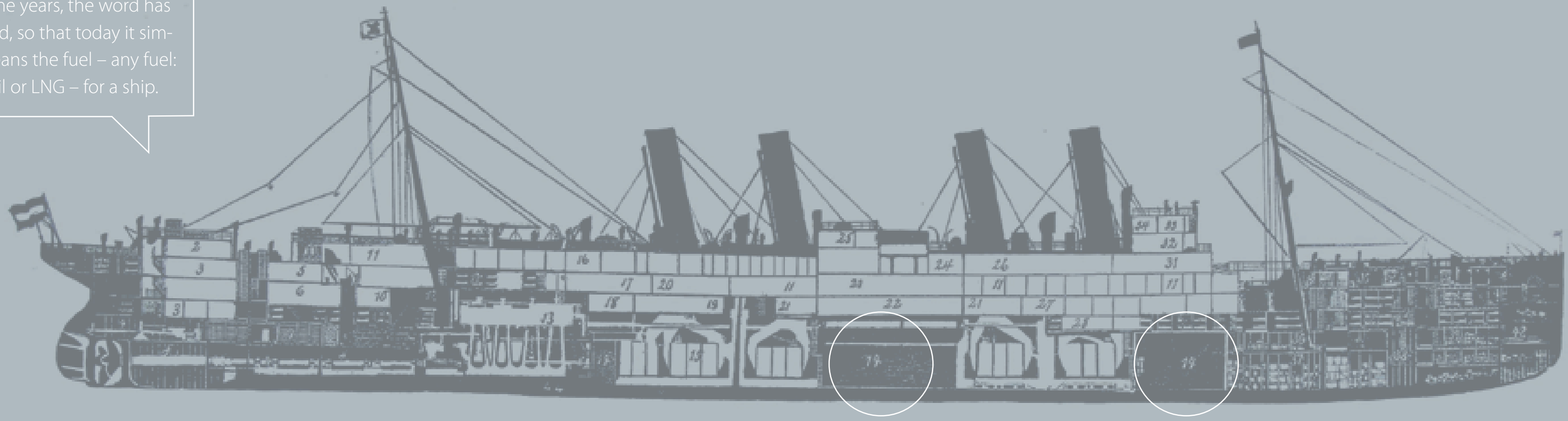
The Annual Report was presented and adopted at the Company's Annual General Meeting on 3 July 2017

Chairman of the meeting   Michael Keldsen

Financial year: 1 May 2016 – 30 April 2017
Strandvejen 5, DK-5500 Middelfart, company reg. no.75 26 63 16

BUNKER HOLDING GROUP

Originally, a coal-bunker was a large storage room on a steamship where the coal for the furnaces was stored. Over the years, the word has evolved, so that today it simply means the fuel – any fuel: coal, oil or LNG – for a ship.



EARNINGS	REVENUE	EQUITY
27.3	**6,459**	**253**
MILLION USD	MILLION USD	MILLION USD

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INTRODUCING BUNKER HOLDING

Old, yet also modern. Grounded in traditional values, yet also agile and innovative. Already one of the world's leading bunker traders, yet also with a healthy appetite for growth.

Singapore is the world's biggest bunkering port, and the city state is one of 27 countries where Bunker Holding is represented with own offices.

With roots tracing back more than 140 years, one of the bunkering pioneers of the 1980s, and still family-owned, Bunker Holding is one of the world's leading companies in bunker trading, and also has a significant presence in physical operations and risk management.
Operating from a solid and robust financial position and enjoying strong creditworthiness, Bunker Holding is committed to sustainable and profitable growth, always with an unwavering focus on risk management.
Grounded by its history and ownership, and guided by values such as confidence and respect, Bunker Holding is an innovative, agile and modern organisation constantly looking towards future opportunities and ways to create value for its clients.

BUNKER **TRADING**

Bunker Holding is one of the world's leading companies in bunker trading. With 43 of its own offices in 27 countries, represented on every continent but Antarctica, and present in every bunkering hub, Bunker Holding has an unparalleled global reach. Each company specialises in the purchase, sale and supply of fuel and lube oil to ships, and creates value for its clients with expert local knowledge on everything from suppliers to ports.

RISK **MANAGEMENT**

Global Risk Management is the Group's own risk management unit. Many external clients – including several of the biggest shipping companies and airlines in Europe – also rely on GRM to protect their margins from the risk posed by volatile fuel prices. Founded in 2004 and with offices in Middelfart, Copenhagen and Singapore, GRM has seen a steady increase in both revenue and earnings over the past years. Because the company also services external clients, it is subject to strict international regulations on solvency, transparency, governance, reporting practices and other areas.

PHYSICAL **OPERATIONS**

Over the past several years, Bunker Holding has established physical operations in niche areas as well as sourcing entities in the world's main bunkering ports. This has given Bunker Holding a strong competitive edge and access to new customer segments, and the company will continue along this path. In the financial year 2016/17, physical activities account for 10% of the total volume handled by the Group.

UNPARALLELED GLOBAL REACH

43 own offices in 27 countries, and represented on every continent. No other bunkering company can match Bunker Holding's global reach.

GROWING MARKET SHARE

By increasing its volume in a retracting market, Bunker Holding has seen a significant increase in market share over the past year.

INVESTING IN THE FUTURE

Whilst other bunkering companies have been forced to scale down over the past year, Bunker Holding has opened more offices and invested heavily in its employees.

PRESENT IN ALL MAJOR BUNKERING HUBS

Singapore, Rotterdam, Antwerp, Fujairah, Houston – and all the others: Bunker Holding is in all the world's major bunkering hubs.

STRONG CREDIT-WORTHINESS

So strong, in fact, that the Group's long term loan facility was achieved without pledging its trade receivables to the banks. Few bunkering companies enjoy this level of trust.

PREPARING FOR THE NEXT ERA IN BUNKERING

In the coming decades, shipping will slowly transition to new and cleaner fuels. As a first-mover, Bunker Holding is already gaining knowledge and experience of this future.

TRUSTED RISK MANAGEMENT

Several external clients, including some of the biggest shipping companies and airlines in Europe, rely on Bunker Holding's risk management unit to protect their margins.

GROWING VOLUME

Whilst the global volume of traded oil fell over the past year, Bunker Holding managed to increase its volume.

FAMILY OWNED

Alone amongst the world's largest bunkering companies, Bunker Holding is owned by its founder - and will remain in private ownership.

BUNKERING PIONEER

In 1980, Bunker Holding was amongst the first companies in the world to recognise and enter the emerging market for bunker trades.

CEO's LETTER:
SHOWING OUR STRENGTH IN CHALLENGING SEAS

In a tough year for shipping, Bunker Holding delivered a strong performance and continues to stay the course for future growth.

When people ask me how Bunker Holding looks at its position in today's challenging market, I often compare us to a transatlantic liner on a winter crossing.
For a liner, with her fortified steel hull and superior power, a North Atlantic winter storm presents not a threat, but rather an opportunity to show her mettle. As the only ship built to brave such a storm, the strong headwinds and big waves actually play to the liner's strengths, allowing her to stay the course while other ships must retreat.
2016/17 was that kind of year. Bunker Holding has demonstrated its strength through a strong performance in a challenging market. We have delivered a satisfactory and profitable result, grown our market share, strengthened our strategic foundation, and set the course for future growth.

With weak global economic growth and a low level of shipping demand, this was a tough year for shipping. The bunkering industry faced an imbalance between supply and demand, and global bunker volumes were down.
At the same time, competition temporarily heated up in our industry. As bunker prices fell to multi-year lows in 2015 and part of 2016, smaller players gained access to more product than their credit facilities would otherwise have allowed. The resulting increase in competition created tighter margins that made an impact across the industry. Many bunker suppliers (but not Bunker Holding) felt pressured to lower their margins to rock-bottom levels.
With headwinds like these, we can only be proud of our progress. Whilst most other companies have experienced a drop in bunker volumes, we have managed to slightly increase ours, resulting in a notable increase of our market share and a strengthening of our position as one of the biggest bunkering companies in the world. And we did this while retaining healthy and sustainable margins.
Throughout the year, Bunker Holding continued to stay the course.

"With weak global economic growth and a low level of shipping demand, this was a tough year for shipping.


Keld Rosenbæk Demant
CEO

Therefore we are now in a strong position to gather steam, as we are entering calmer waters and smoother sailing ahead: The shipping industry is finally feeling some light wind at its back. In the waning months of our financial year, shipping indexes and Asian trade figures all indicated that the world's biggest economic region is gaining some momentum; that both dry bulk and container shipping appear to rebound from their historic lows; and that seaborne trade is increasing and should grow further this year.

At the same time, the market situation is developing in a way that plays to our strengths. Bunker prices rose dramatically during the financial year. With Bunker Holding operating from a solid and robust financial position, and enjoying strong creditworthiness, this is an advantage for us.

"The shipping industry is finally feeling some wind at its back

The international bunker industry is in a phase that will see growth for large international players like Bunker Holding, and challenges for small companies. The low bunker prices of 2015 and part of 2016 gave the latter group a reprieve, as they temporarily could afford to compete more aggressively in the market, but now many of them will face an increasingly uncomfortable truth: if you do not have the economies of scale and the necessary capital, bunkering can be a very tough business.

Looking forward, we expect a better result for the financial year 2017/18. Our second half of the last financial year was markedly better than the first, not least because we optimised our business and also benefitted from the effects of the shipping industry enjoying better days. As these trends seem to continue unabated, we have grounds for optimism. And with our highly skilled employees, our strong capital structure, and our unparalleled global reach, we have a rock-solid strategic foundation to build on.

HIGHLIGHTS OF THE YEAR

Just as predicted, last year served up fierce competition amid an imbalance of supply and demand. And as expected, Bunker Holding performed strongly in this challenging market.

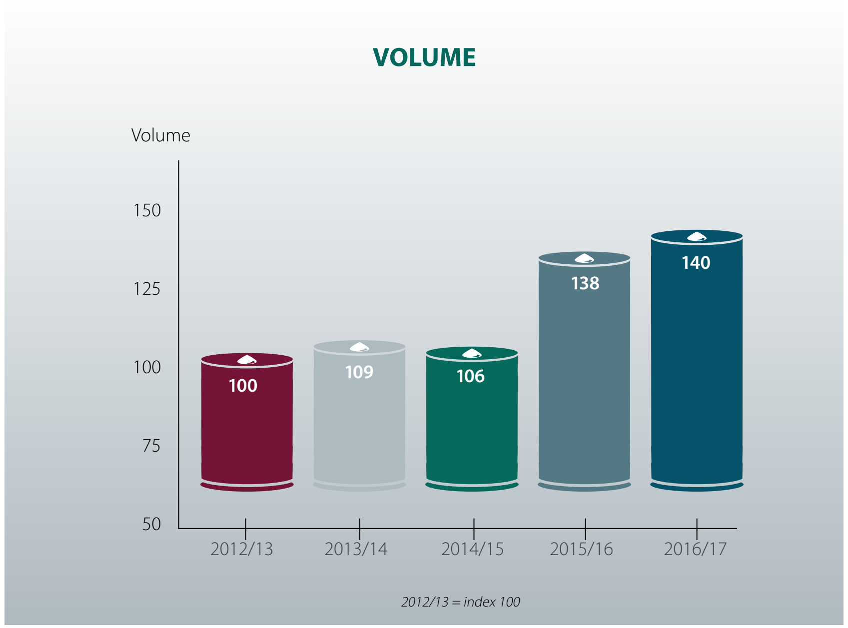
In a challenging year for the shipping industry, where many bunker companies struggled, Bunker Holding achieved solid and satisfactory results that were in line with expectations. The Group was able to grow in a declining market, sustain healthy margins in a period of aggressive competition, and increase investments in the organisation at a time when others had to scale back. This is the result of our enviable ability to operate from a solid and robust financial position, our strong credit worthiness, and our highly skilled workforce.

VOLUME

Higher volume in a struggling market: In a shipping business under siege, global demand for bunkers was down. But whilst most other companies consequently experienced a drop in bunker volumes, the Group saw a slight increase, resulting in a notable increase of its market share and a strengthening of its position as one of the biggest bunkering companies in the world.

REVENUE

Volume and bunker prices increased: Revenue rose by USD 814 million, or 14 percent. This was the result of a moderate increase in volume and a significant increase in bunker prices.



PROFITS

Healthy and sustainable profits: In a volatile shipping market, many bunker companies resorted to aggressive price-setting, and some companies lowered their margins dramatically. Bunker Holding has experienced lower profits than in previous years, but they remain at a healthy and sustainable level. The Group saw an increase in profits in the last few months of the financial year.

EXTERNAL EXPENSES

Higher level of activity and investments in the organisation: A rise in external expenses can be traced to an increased level of activity and investments in the organisation, including digitalisation.

EARNINGS

In line with expectations in a challenging market: Earnings after tax for the year were USD 27.3 million, down from USD 46.9 million the previous year. This is in line with expectations and is regarded as a satisfactory result, given the challenging market conditions.

CURRENT ASSETS

Higher bunker prices fuelled higher trade receivables: Trade receivables increased dramatically compared to the year before. This is a natural consequence of an equally dramatic increase in bunker prices between the waning months of the 2015/16 financial year and the last few months of this financial year. The Group's trade payables rose at a similar rate.

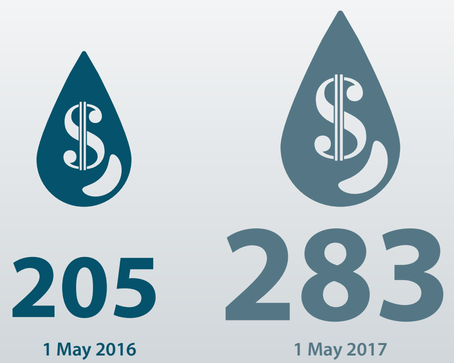
BORROWINGS AND CASH FLOW

More working capital: The Group increased its short-term borrowings from USD 148 million to USD 318 million. This was because of a need for more working capital due to an increase in receivables owing to higher oil prices.

EQUITY

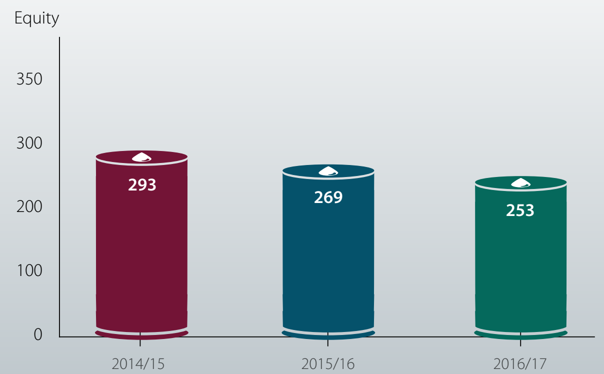
Equity remained at a steady level: At USD 253 million, equity was at the same level as seen in previous years. The significant increase in oil prices over the year, accompanied by a similar increase in trade receivables and thus also total assets, has meant a smaller, although still perfectly solid, equity ratio.

FUEL PRICE



380 CST Rotterdam spot (USD per tonnes)

EQUITY



millions USD

EMPLOYEES

Solid growth over five years: Over the past five years, Bunker Holding's global workforce has increased 21 percent so that it now stands at 630 employees. The Group has invested heavily in training and education over the past year, as it regards its highly skilled employees as one of its strategic strengths.

EXPECTATIONS FOR THE YEAR AHEAD

We expect a better result for the financial year 2017/18. Positive developments for both global trade and the shipping industry were some of the reasons that our second half of the last financial year was markedly better than the first. Whilst the outlook for the shipping industry remains volatile, we cautiously expect the positive market trends to continue in the new year.

KEY FIGURES AND FINANCIAL RATIOS

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

USD'000	2016/17	2015/16	2014/15*	2013/14*	2012/13*
Income statement					
Revenue	6,459,080	5,645,263	8,370,200	10,911,596	10,500,069
Gross profit	206,937	219,010	248,494	209,089	215,720
Earnings before interest and tax (EBIT)	40,699	65,289	82,319	69,897	64,246
Earnings before tax (EBT)	34,648	59,157	91,198**	63,293	59,559
Earnings after tax (EAT)	27,299	46,920	68,108**	52,277	47,687
Balance Sheet					
Total assets	1,046,787	756,852	895,206	1,176,541	1,097,253
Total equity	252,953	268,516	295,223	258,437	224,055
Cash Flow Statement					
Cash flows from operating activities	(109,012)	39,646	138,893	45,728	1,271
Cash flows from investing activities	(6,850)	(23,377)	(7,197)	(10,143)	(2,487)
Cash flows from financing activities	(44,375)	(70,507)	(28,973)	(19,673)	(31,838)
Change in cash and cash equivalents	(160,237)	(54,238)	102,723	15,913	(33,054)
Financial ratios					
Gross margin	3.2%	3.9%	3.0%	1.9%	2.1%
Profit margin	0.6%	1,2%	1.0%	0.6%	0.6%
Return on equity	10.5%	16.6%	24.6%	21.7%	22.2%
Liquidity ratio	1.26	1.47	1.44	1.25	1.22
Solvency ratio	24.2%	35.5%	33.0%	22.0%	20.4%
Number of employees	630	653	625	539	537

** Danish GAAP*

*** Includes a non-recurring financial income of USD 12,800k before tax (USD 10,600k after tax) from a legal case.*

The ratios have been prepared in accordance with the definitions set out in note 18 to the Financial Statements.

SHIPPING FORECAST:

FEWER HEADWINDS, SMALLER WAVES

2016 served up some of the roughest weather in many years for the shipping industry. But the forecast is for smoother sailing ahead.

For the shipping industry, 2016 could be adequately described in just two words: not good. The year started with dry bulk rates at historic lows, and container shipping did not fare much better. One shipping company estimated that it was the worst year on record for the container charter market. 2017, however, calls for a somewhat more optimistic outlook. In the last few months of our financial year, freight rates increased, container shipping seemed to recover, and Asia's three biggest economies grew faster than expected. This does not necessarily mean full steam ahead for the shipping industry. It is a volatile world, and we are not out of the storm yet. But the industry does finally seem to have a bit of wind at its back.

In a shipping business under siege, global demand for bunkers was down in 2016, and the effect could be felt across the bunker industry. Several companies announced staff cuts and office closures as they looked to restructure. Some resorted to aggressive price-setting and lowered their margins to rock-bottom levels.

For the past decade, it has been a clear trend that the biggest bunker companies are getting bigger, and the smaller players smaller. 2016 certainly did seem like an example of how a major company like Bunker Holding was in a position to sail faster against the wind, while others had to wait out the turbulent weather. While most other companies experienced a drop in bunker volumes, Bunker Holding saw a slight increase, resulting in a notable increase of its market share and a strengthening of its position as one of the biggest bunkering companies in the world. While other companies closed offices and laid off staff, Bunker Holding launched two new companies, in South Africa and Mexico, and invested heavily in its employees.
And while Bunker Holding also experienced lower margins than in previous years, they were only slightly lower, and still at a healthy and sustainable level. The Group even saw an increase in margins in the last few months of the financial year.

The sharply higher bunker fuel prices that we are seeing today compared to a year ago are not only bad news for ship-owners, but also for the smaller players in the bunker industry. The very low bunker prices in 2015 and early 2016 gave them access to more products than their limited credit facilities would normally have allowed. Today's higher bunker prices put pressure on them as their price of entry into the market increases significantly, and many of these less well-capitalised companies will struggle in their efforts to grow.
For Bunker Holding, however, the weather forecast looks ideal. Operating from a solid and robust financial position, and enjoying strong credit worthiness, the Group is coming into a market situation that plays to its strengths.

THE WORLD IN 2017

DRY BULK IS IN BETTER SHAPE

Dry bulk is in much better shape. At the beginning of 2016, the world's dry bulk carriers were officially in their worst shape ever. The Baltic Dry Index, a key barometer covering 23 global shipping routes, was at an all-time low of 290 in February 2016. However, in the final two months of our financial year, the BDI was above 1,000. Although this impressive rebound was then followed by a retreat, it still hopefully augurs well for dry bulk shipping.

CONTAINER SHIPPING MAY BE RECOVERING

Near the end of our financial year, container charterers started complaining of rising lead times to order new containers, as not enough were available to meet demand. This was one of several indicators that seaborne trade is finally having some wind at its back after languishing in the doldrums. The main index for container shipping, the HARPEX, suffered low and falling levels throughout 2016, but the index recovered in the early months of 2017. Although falling back in early summer, prices for shipping containers remained far higher than at any point in 2016.

ASIA IS GAINING MOMENTUM

Asia's three biggest economies grew unexpectedly quickly in the first quarter of 2017. At the same time, the average export volumes from East Asia were more than five percent higher than a year earlier. This all adds up to a picture of the world's biggest economic region gaining momentum in early 2017.

BUNKER PRICES CAME ROARING BACK

Not only did crude oil prices in early 2016 fall to their lowest levels in many years, bunker fuel prices collapsed even more, with prices that were much lower compared to crude than usual. Since then, bunker fuel prices have roared back. From beginning to end of our financial year, they increased significantly (and much more than crude oil prices).

FUEL COSTS WILL CONTINUE TO RISE SLIGHTLY

OPEC's revised strategy of cutting production to support prices has driven up prices. As a side-effect, shale oil production in the U.S. has gotten its second wind: rig counts are up, and production has increased. This will help put a damper on any price increase, and Bunker Holding's Global Risk Management unit predicts that crude oil prices will hover just below USD 60 in the first quarter of 2018, while bunker fuel (specifically 380 CST) will increase to a level of around USD 330. This means that bunker fuel is predicted to cost over three times more compared to its low point two years earlier.

THE SHIPPING INDUSTRY FACES TOUGH BUNKER CHOICES

In October 2016, the International Maritime Organisation struck a blow for the environment, and in the process also made life significantly more challenging for the shipping industry. The IMO announced that a 0.50 percent sulphur cap (as opposed to the much more lenient 3.5 percent limit today) will be implemented from 2020. This is five years earlier than many in the industry had expected and hoped for. As a result, the debate will soon intensify over whether to switch to liquid natural gas, install scrubbers, purchase compliant (and more expensive) bunkers, or pursue yet another costly strategy.

Xue Mei

GLOBAL WORKFORCE

Xue Mei works out of Bunker Holding's Middelfart and China offices, and is one of the Group's 630 employees. They are spread around the globe and work in 27 different countries on six different continents. Between them, they represent every major nationality, language, culture and faith. We believe that as a world-wide company serving global partners, and intent on delivering local expertise, this is not just a great advantage - it is an absolute must.

RISK MANAGEMENT:

GLOBAL EXPERTS IN MANAGING RISK

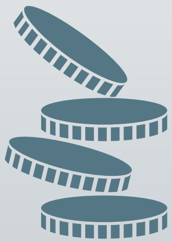
In an industry associated with risk, Bunker Holding consistently shows that this need not be the case. The Group's expertise in risk management is internationally recognised, and utilised by many other companies.

Recently, bunker companies around the globe participated in the ultimate stress test of their ability to manage risk and volatility. Over the course of 18 months, from late 2014 to early 2016, the price of crude oil plunged from a plateau around USD 120 to below USD 30. Some of the falls were steep and sudden: one month saw the biggest monthly fall in the price of crude oil since the financial crisis of 2008.
These were some of the more dramatic times for crude oil in recent years, but if you read Bunker Holding's annual reports covering this period, you would never have guessed it. The volatility did not even register on the scale, and did not make the slightest dent in the annual results.

Understandably in the light of some events in the industry over the past few years, many associate bunker trading with high risk. But Bunker Holding's performance every year has served as proof positive that with strong and diligent risk management, it can be mitigated to predictable and acceptable levels.

Bunker Holding's expertise in managing the price risk on fuel expenses is internationally recognised, and a multitude of companies outside of the Group depend on it. Bunker Holding has established its own company to provide customised hedging solutions, and today Global Risk Management (GRM) actually has far more clients externally than internally, including several of the biggest shipping companies and airlines in Europe.
This servicing of other clients entails much higher levels of compliance and transparency in the Group's risk management than would otherwise be expected. Indeed, GRM is preparing to be in compliance with the upcoming MiFID II regulations, and has applied to the Danish Financial Supervisory Authority for status as an asset management company. This will require GRM to adhere to strict regulations regarding governance, transparency, reporting practices, solvency and other areas.

Surprisingly for many, the volatility in oil prices is not a major issue for Bunker Holding; this is a risk that can be controlled and eliminated. Rather, it is credit risk that requires the most diligent effort. The Group operates with thorough internal procedures and insures credit risk on receivables whenever it is deemed prudent.



CREDIT

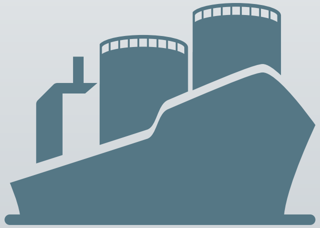
All customers and other business partners are credit rated regularly. Thorough internal procedures are in place to minimise the credit risks and the international conventions for obtaining maritime lien for bunker deliveries mitigates the negative impact from defaulting payers.

In addition, the Group insures credit risk on certain receivables where considered adequate due to the credit worthiness of the counter party or the size of the credit exposure.

TRADING

The major bulk of the Group´s trading activities is back-to-back trading of bunker products with delivery on short notice where sale and purchases are made simultaneously. This eliminates the oil price risk as there are no open positions in such transactions.

When the Group enters into fixed price agreements with customers for delivery of bunker products on future dates, the oil price exposure of such contracts is always hedged to mitigate any oil price risk that may arise.



PHYSICAL

When it comes to physical activities, the Group possesses stocks of oil as the bunker products are bought in larger quantities and stored for blending and resale.

The oil price risk arising from these oil price stocks is mitigated by entering into hedge agreements and only a small risk is allowed for each company involved in physical activities - this risk allowed for operational reasons.

THE NEXT ERA IN BUNKERING

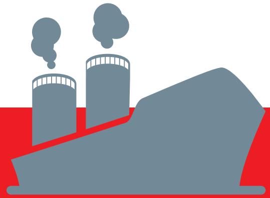
Over the next decades, the shipping industry will slowly but steadily transition from oil to liquid natural gas. It will be the third kind of bunker in 100 years.

When Winston Churchill, as First Lord of the Admiralty in the years leading up to the First World War, audaciously concluded that a fleet with oil fuel would have an overwhelming strategic advantage over a coal fleet, he helped set in motion a slow but inevitable global transition to oil as the preferred bunker fuel. Some four decades later, the change-over to the fuel of the 20th century was complete.

A century later, the shipping industry stands on the cusp of a potentially equally significant shift. By the middle of this century, oil may have been supplanted by liquefied natural gas as the dominant bunker fuel.
The advantages of LNG are as strategically convincing as was the case of oil over coal. LNG is compliant with the strict environmental regulations coming into force in the coming years, there are plenty of natural supplies, and prices seem steady and competitive.

On top of that, it is also a proven technology already successfully in use on a small number of ferries and containerships. But it also faces many of the same challenges as oil did when that was the innovative choice. New ships must be built, and this will not happen before LNG bunkering facilities are available to serve the new-builds.
Last year, Bunker Holding became one of the lead partners in a project developing one of Europe's first LNG-producing facilities. It is located in the Northern Jutland port of Frederikshavn. This is an ideal spot, since the shipping route that passes the northern part of Denmark is one of the most trafficked routes in the world with more than 100,000 ships passing the strait every year. The port is also situated in the centre of ECA emission control areas encompassing the North Sea, Kattegat and the Baltic.

While Bunker Holding is already supplying LNG in Europe, the fuel will remain a negligible business case for the company for the coming several years. However, Bunker Holding regards the project as an important learning opportunity and an investment in the future: it is important for the Group to be at the cutting edge of developments. LNG is part of the future, and Bunker Holding expects a rising demand for LNG in the years ahead. Indeed, several shipping companies have already taken great interest in the project.

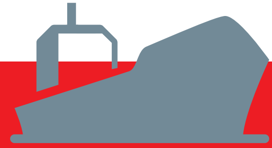


1900 - **COAL**

The transition: Winston Churchill was a first-mover when he ordered the British navy to transition to oil prior to World War I. Oil offered many benefits compared to coal. With twice the thermal content of coal, boilers could be smaller and ships could travel further at greater speed. Globally, coal became obsolete in the 1950s.

The bunker: The oil that is used for bunkers is a derivative of crude oil. It is the thick and heavy leftover at the bottom of the barrel after refineries have processed all the lighter fuels, and is only ideal for large ships that have the big engines and fuel capacity to handle it.

The effect: Oil is vastly easier to transport and load than coal, but the bunkering of it still comes with some caveats. Fuel oil is not readily available like gasoline, but is typically stored at major ports. As a result, bunker prices can vary widely from port to port.



2020 - **OIL**

The transition: A century old, oil is about to get a facelift. The IMO has ordered that from 2020 onwards, the present 3.5 percent global sulphur cap on bunker fuel will be lowered to just 0.5 percent.

The bunker: Oil as a bunker fuel will become much greener and better for the planet, with the emission of sulphur dioxide and NOx particles lowered to levels that will have a positive effect on public health.

The effect: In a shipping industry already under siege, ship-owners are understandably anxious to learn which price premium they should expect over the current standard, but there is as of yet no consensus. An unknown number of ship-owners will opt to install scrubbers and thus be able to continue using high-sulphur bunkers.

2050 - **LNG**

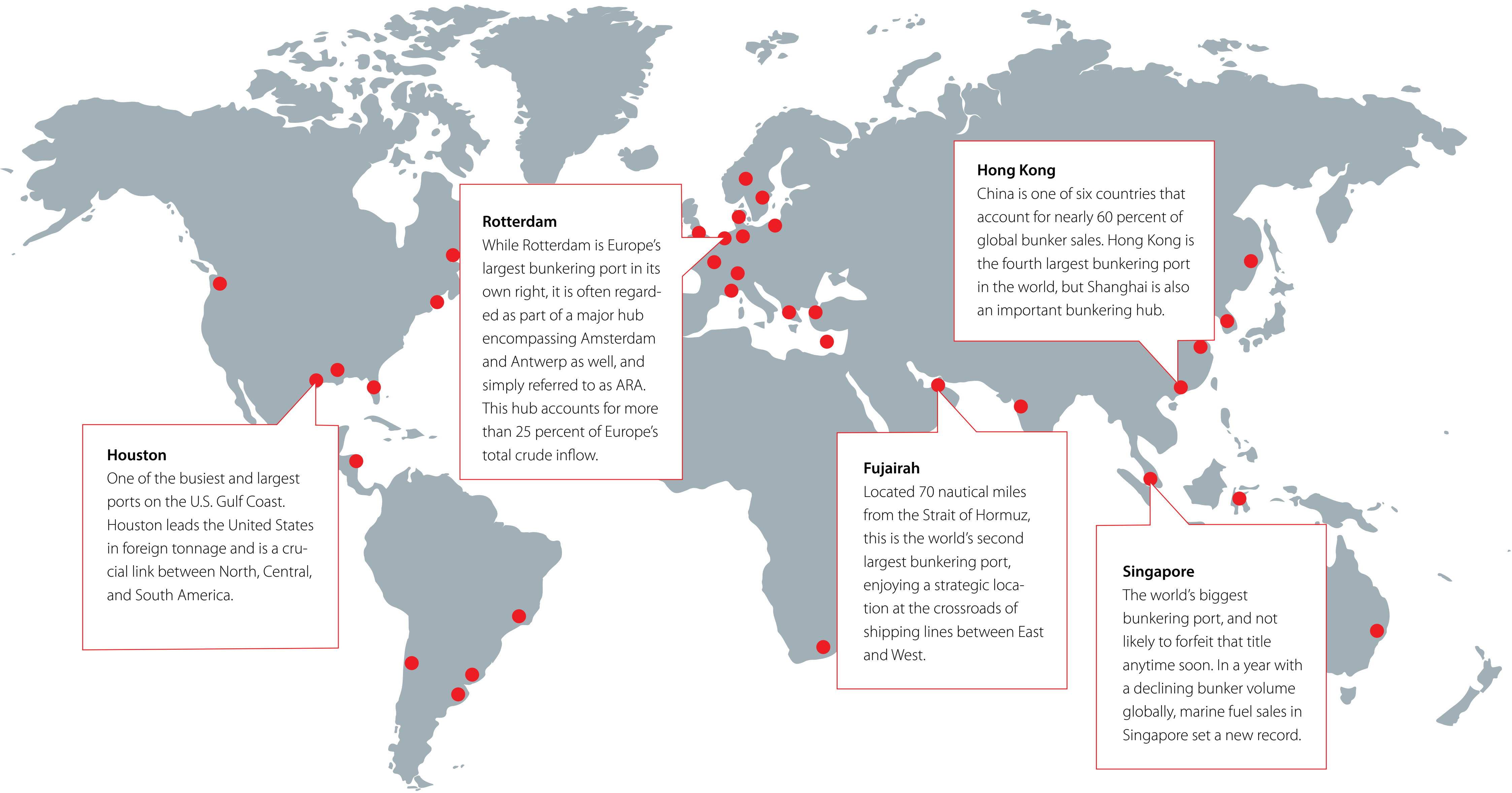
The transition: During the next decade, the shipping industry will begin its most dramatic transition since the 1950s, as liquefied natural gas is poised to begin slowly but steadily encroaching on oil as the favoured bunker fuel.

The bunker: LNG offers several advantages for ship-owners: not only is it a greener alternative to today's bunker fuel and able to meet existing and upcoming requirements for the main types of emissions, it is also a proven concept with plenty of supply and relatively stable and competitive prices.

The effect: LNG also faces a number of challenges, not least the investment required in bunkering facilities. Few ship-owners will construct LNG fuelled ships before they are confident that supplies will be readily available throughout their routes.

UNPARALLELED GLOBAL REACH

No bunker company can put more pins on a world map.
Bunker Holding's global reach is without parallel. The Group is represented by 43 own offices in 27 countries, serving every continent, and which are ideally located in relation to the world's important shipping routes. Naturally, Bunker Holding is present in every major bunkering port, including Singapore, Fujairah and Rotterdam (the three largest bunkering ports in the world, listed here in descending order). In 2016/17, Bunker Holding expanded its reach with new companies in Mexico and South Africa.



Rotterdam
While Rotterdam is Europe's largest bunkering port in its own right, it is often regarded as part of a major hub encompassing Amsterdam and Antwerp as well, and simply referred to as ARA. This hub accounts for more than 25 percent of Europe's total crude inflow.

Hong Kong
China is one of six countries that account for nearly 60 percent of global bunker sales. Hong Kong is the fourth largest bunkering port in the world, but Shanghai is also an important bunkering hub.

Houston
One of the busiest and largest ports on the U.S. Gulf Coast. Houston leads the United States in foreign tonnage and is a crucial link between North, Central, and South America.

Fujairah
Located 70 nautical miles from the Strait of Hormuz, this is the world's second largest bunkering port, enjoying a strategic location at the crossroads of shipping lines between East and West.

Singapore
The world's biggest bunkering port, and not likely to forfeit that title anytime soon. In a year with a declining bunker volume globally, marine fuel sales in Singapore set a new record.

Torben Østergaard-Nielsen

BUNKER TRADING'S GRAND OLD MAN

Lone amongst the pioneers who invented bunker trading in the early 1980s, Torben Østergaard-Nielsen is still actively involved in his life's work.

One day in around 1980, the young managing director of a local Danish shipbroker at the small strait of Lillebælt noticed something odd about the bills he was handling for his clients. Like most shipping companies back then, his clients bought their fuel directly from the major oil companies. But the bills showed that the prices they paid varied wildly. Torben Østergaard-Nielsen realised that there must be a market for an independent bunker trading company that monitored the markets and secured the lowest price every day. In doing so, he became one of a small group of pioneers who transformed the way the world's shipping companies buy bunkers.
After a few years operating in local waters, Mr. Østergaard-Nielsen – now the owner of the company – opened the first international office. Over the next decades, his vision grew into a global success story and a Group that includes Bunker Holding, one of the world's leading companies in bunker trading.

Lone amongst the grand old men who invented bunker trading in the early 1980s, the founder is still actively involved in his life's work, now as Chairman of the Board. His values continue to pervade the company, a natural consequence of the fact that Bunker Holding stands out amongst the world's major bunkering companies as the only one that is privately owned.

"I cherish the respect and trust we have earned over the years, and there is no doubt in my mind that, in the long term, private ownership creates the most value," says Mr. Østergaard-Nielsen.

Recently he set up a single family office in order to establish a solid and future-proof organisational structure for the family's continued ownership.
"This company will remain in the family's ownership for generations to come, led by an able and experienced management team but guided by the continuity and principles that have served us so well," states the founder.

Ibo Cördük

GLOBAL SUCCESS

Ibo Cördük is one of Bunker Holding's global team of bunker traders. In the last financial year, while global demand for bunkers was down and most companies struggled with a drop in bunker volumes sold, our traders worldwide managed to sell slightly more bunkers, and thus contributed to a notable increase in Bunker Holding's market share and a strengthening of its position as one of the leading bunkering companies in the world.

CORPORATE SOCIAL RESPONSIBILITY

cf. section 99a of the Danish Financial Statements Act

Bunker Holding supports local charities and humanitarian events around the globe. We also actively seek to protect the environment. At the same time, we constantly work to ensure that our employees enjoy a safe and respectful working environment where each is given the opportunity to grow professionally and personally.

HEALTH AND SAFETY

Bunker Holding strives to create optimal working conditions for our employees. Routines ensuring the health and safety of all employees are continually being developed and improved.

STAFF DEVELOPMENT

Bunker Holding regards staff development as a key factor in the further growth and success of the Group, and conducted over 10,000 hours of internal training in the financial year. All employees are provided with ample opportunity to continually develop their professional and personal competences through internal and external education and training programmes. Many employees from around the world are invited to attend the Bunker Holding Academy at the global headquarters in Middelfart, Denmark, while extensive internal training is also conducted at the individual offices.

ENVIRONMENT

Bunker Holding strives to minimalise our impact on the environment, and we are constantly looking for ways to improve our environmental and operational performance. A particularly important area of focus is the prevention of oil spills. The Group is also actively engaged in projects to lower sulphur emissions, and we are at the forefront in helping develop alternative fuels for the shipping industry, including a new LNG facility.

COMMUNITY ENGAGEMENT

Every Bunker Holding offices around the globe supports charities or events that make a difference in their local community. The following examples are just a few of our many local initiatives: in London, a charity rowing race raises money for disadvantaged young people. In Dubai, employees and their families help serve 600 labour workers a traditional "Iftar" during the holy month of Ramadan. In Mumbai, street children are provided with a safe and stimulating learning environment.

HUMAN RIGHTS

Bunker Holding does not tolerate any form of discrimination, be it on the grounds of gender, nationality, skin colour, sexual orientation or religion. On the contrary, the Group celebrates diversity and actively seeks to be a workplace with a multitude of different cultural backgrounds. As of 30 April, 2017, the Group employed more than 50 different nationalities.

GENDER COMPOSITION

cf. section 99b of the Danish Financial Statements Act

TARGETS FOR THE UNDER-REPRESENTED GENDER ON THE BOARD OF DIRECTORS

Bunker Holding's Board of Directors is the supreme management board in the company and currently consists of seven members. Today the percentage of female members of the board elected by the shareholder's committee is zero. The target for the under-represented gender is set as 20% for 2018 and 35% for 2020. The gender composition in the Board of Directors did not change in 2016/17 as the members were re-elected at the general assembly. In an effort to achieve the target, Bunker Holding will ensure that the under-represented gender is included on the list of candidates. Bunker Holding does, however, reserve the right to decide on the most qualified candidate regardless of gender.

The following subsidiaries are subject to section 99b of the Danish Financial Statements Act, and have the following targets:

Company	Under-represented gender, today*	Target for the under-represented gender
A/S Dan-Bunkering Ltd	0%	Year 2020: 35%
A/S Global Risk Management Ltd	0%	Year 2020: 35%
Unioil Supply A/S	0%	Year 2020: 35%

**The gender composition in the Board of Directors did not change in 2016/17 as the members were re-elected at the general assembly.*

POLICY FOR THE UNDER-REPRESENTED GENDER AT OTHER MANAGEMENT LEVELS

We recruit reliable, respectful and competent professionals of any orientation. Our policy is that all employees, irrespective of gender, nationality, skin colour, sexual orientation and religion, must have equal career and management opportunities. This philosophy is supported by our open-minded, unprejudiced culture which allows each individual employee to make the best possible use of his/her skills. Likewise, Bunker Holding's internal management training programmes are available to anyone with the right skills. When recruiting new colleagues, we evaluate the professional and personal skills of candidates. In our view, gender says nothing about a person's competencies, level of commitment or ability to cooperate with others, which is why it is no decisive factor for us. In the Bunker Holding offices across the world, our highly skilled staff – male and female – work together in making the most of their talents. The industry in which we operate is characterised by a high degree of multiplicity – and so is Bunker Holding. We believe that, as an international group with business partners across the globe, it is not just a great advantage to be represented by employees with different cultural backgrounds and nationalities, it is an absolute must. Over the past years, we have implemented a mobility programme for all our employees. The programme ensures that employees with the best skills are always hired for right positions, no matter of gender, nationality, skin colour, sexual orientation and religion.

COMPLIANCE

Bunker Holding regards it as a fundamental principle to always act in full compliance with competition laws and anti-corruption laws. The Group has taken steps to ensure that we have the adequate procedures to prevent fraudulent behaviour among individuals within the Group or persons associated with the Group. We ensure that everyone in the company – board members, managers and employees – each posses a general understanding of competition and anti-corruption laws. This is achieved through specific programmes on the subjects, including manuals, recurring training, and the mandatory annual completion by all staff of compliance e-learning. Our activities are subject to a number of strict anti-corruption laws: The Danish Criminal Code, the UK Bribery Act, and the US Foreign Corrupt Practices Act.

Bunker Holding regards it as of imperative importance that the Group complies with all applicable rules and legislation in each country we operate in. This includes observing all international trade sanctions. The Group is regarded as one of the most compliant companies in our business, and we constantly work to safeguard this reputation, among other things by updating systems and procedures in order to make all information on sanctions as easily accessible to all employees as possible.

Personal data protection is an increasingly important focus area. Legislation and regulations are being rolled out globally, including in the European Union and Denmark, to ensure that companies are in compliance with ever stricter requirements on the protection of personal data. In Denmark, new legislation is likely to entail requirements for internal training, the preparation of guidelines and policies, and risk and impact assessments.

Bunker Holding always works proactively with these and other matters in order to remain at the forefront of new regulations.

BOARD OF DIRECTORS

From left:
Peter Frederiksen
Michael Keldsen
Torben Østergaard-Nielsen
Peter Korsholm
Morten H. Buchgreitz
Klaus Nyborg
Torben Janholt

Torben Østergaard-Nielsen
Chairman

Born in 1954.
Board member since 1994 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 board in most USTC Group companies. Member of the boards of FAYARD Holding A/S, Fiberline Composites A/S, H.J. Hansen Holding A/S, Gottfred Petersen Holding A/S and Selected Car Leasing A/S. Chairman of the board in Middelfart Bycenter A/S.

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

Klaus Nyborg
Vice Chairman

Born in 1963.
Board member since 2012 and Vice Chairman since 2014.
Professional board member and investor.

Special competences
Global experience with management of listed shipping companies incl. CEO of Pacific Basin Shipping, Hong Kong. Strategic and financial expertise as well as in-depth knowledge of risk management.

Other directorships
Chairman of the board of A/S United Shipping & Trading Company, Norden A/S and Bawat A/S. Vice Chairman of the board in Uni-Tankers A/S. Member of the board in Odfjell SE, Karen og Poul F. Hansens Familiefond, DFDS A/S and X-Press Feeders Ltd.

Education
Msc in Business & Law, Copenhagen Business School supplemented with management courses at London Business School and IMD.

Morten H. Buchgreitz
Board member

Born in 1967.
Board member since 2014.
Member of the Group Executive Management of DONG Energy A/S (Distribution and Customer Solutions).

Special competences
Extensive and in-depth knowledge and experience of economics and finance, including credit and risk management.

Other directorships
Chairman and member of the board in several DONG Energy Group companies. Member of the board in A/S United Shipping & Trading Company and Uni-Tankers A/S.

Education
MSc in Business Administration and Computer Science.

Peter Frederiksen
Board member

Born in 1963.
Board member since 2012.
Member of the Executive Board of Hamburg Süd (Sales & Marketing).

Special competences
Extensive experience within the shipping industry from leading global positions in liner shipping at A.P. Møller Mærsk for more than 25 years and Hamburg Süd for 9 years. Broad management and strategy skills as well as financial experience.

Other directorships
Chairman of the board in Sund & Bælt Holding A/S, A/S Storebælt, A/S Øresund, Femern A/S and A/S Femern Landanlæg. Vice Chairman of Oeresundsbro Konsortiet I/S. Member of the board in A/S United Shipping & Trading Company and Uni-Tankers A/S.

Education
Shipping education at A.P. Møller Mærsk supplemented with management training at INSEAD and Cornell University.

Torben Janholt
Board member

Born in 1946.
Board member since 2006.
Professional board member.

Special competences
Extensive background and global experience within the shipping industry, primarily through 28 years with J. Lauritzen A/S, the last 14 years as CEO, and as chairman of the Danish Shipowners' Association from 2005-2009.

Other directorships
Chairman of the board in Otto Suenson A/S. Member of the board in A/S United Shipping & Trading Company, Uni-Tankers A/S, Torm A/S and Pioneer Marine Pty.

Education
Bachelor of Commerce supplemented with executive management training at IMD and IESE.

Michael Keldsen
Board member

Born in 1950.
Board member since 1994.
Chairman of the board from 2005-2014.
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 board in A/S United Shipping & Trading Company, Uni-Tankers A/S, Shipping 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).

Peter Korsholm
Board member

Born in 1971.
Board member since 2014.
Professional board member and investor.

Special competences
Extensive experience from private equity and developing international companies, as well as mergers & acquisitions, financing and management of financial risks.

Other directorships
Chairman of the board in Lomax A/S, GDL Transport AB, DSVM Renovation A/S and Nymølle Stenindustrier A/S. Member of the board in A/S United Shipping & Trading Company, Uni-Tankers A/S, RebelPenguin Aps, DSV Miljø Holding A/S and certain subsidiaries, Bones Restauranter A/S and Dong Energy A/S

Education
MBA from INSEAD, MSc from London School of Economics, BA from University of Copenhagen.

EXECUTIVE BOARD

From left:
Jesper Klokker Hansen
Keld R. Demant

Keld R. Demant
Group CEO

Born in 1966.
Joined Bunker Holding in 1998.
Member of the Executive Board since 2004, appointed Group CEO in 2013.

Special competences
Substantial experience from leading positions in international companies. Strong operational competences and extensive knowledge within strategic management and marketing as well as substantial management experience.

Other directorships
Chairman and member of the board in several Bunker Holding Group companies. Chairman of the board in Strib Idrætsefterskole. Member of the board in Tradepoint A/S.

Education
Management training at INSEAD supplemented by shipping training at Oxford University and Lorange Institute.

Jesper Klokker Hansen
Group CFO

Born in 1964.
Joined Bunker Holding in 2004 as member of the Executive Board and Group CFO.

Special competences
Strong experience and in-depth knowledge within financial management, funding, risk management, IT and strategy.

Other directorships
Chairman and member of the board in several Bunker Holding Group companies. Member of the board in FJ Industries A/S and TOGT Ejendomme A/S.

Education
Holds a Diploma in Business Administration and Economics supplemented by executive management training at INSEAD and Columbia Business School.

CONSOLIDATED
FINANCIAL STATEMENTS

INCOME STATEMENT

USD'000	Note	2016/17	2015/16
Revenue		6,459,080	5,645,263
Operating expenses	1	(6,252,143)	(5,426,253)
Gross Profit		**206,937**	**219,010**
Other operating income		244	1,786
Other external expenses	2	(158,483)	(147,154)
Depreciation, amortisation and impairment	7/8	(7,999)	(8,353)
Earnings before interest and tax (EBIT)		**40,699**	**65,289**
Share of profit/loss in associated companies	9	1,092	998
Financial income	3	7,788	6,993
Financial expenses	3	(14,931)	(14,123)
Earnings before tax (EBT)		**34,648**	**59,157**
Corporation tax	4	(7,349)	(12,237)
Earnings after tax (EAT) for continuing operations		**27,299**	**46,920**
Earnings after tax from discontinued operations	6	0	582
Earnings after tax (EAT)		**27,299**	**47,502**
Attributable to:			
Non-controlling interests		144	228
Shareholder in Bunker Holding A/S		27,155	47,274

STATEMENT OF COMPREHENSIVE INCOME

USD'000	Note	2016/17	2015/16
Profit for the year		**27,299**	**47,502**
Items that may be reclassified to Income statement			
Fair value adjustment of derivative financial instruments	12	6,515	(2,918)
Currency exchange rate adjustments		(1,468)	117
Other adjustments		(204)	160
Income tax relating to derivative financial instruments		(1,705)	660
Other comprehensive income		**3,138**	**(1,981)**
Total comprehensive income		**30,437**	**45,521**
Attributable to:			
Non-controlling interests		95	194
Shareholder in Bunker Holding A/S		30,342	45,327

STATEMENT OF FINANCIAL POSITION

USD'000	Note	2016/17	2015/16	2014/15
Non-current assets				
Intangible assets	7	28,474	27,742	12,379
Property, plant and equipment	8	17,163	18,648	20,278
Investments in associates	9	2,971	1,703	1,976
Receivables		15	15	15
Deferred tax	4	6,348	1,641	7,535
Total non-current assets		**54,971**	**49,749**	**42,183**
Current assets				
Inventories		99,071	98,401	72,880
Trade receivables	12	779,193	483,501	628,110
Tax receivables		2,663	7,113	2,707
Other receivables		36,041	36,866	47,380
Derivatives	10	36,766	51,762	84,498
Cash and cash equivalents		38,082	29,460	37,841
Total current assets		**991,816**	**707,103**	**873,416**
Assets		**1,046,787**	**756,852**	**915,599**

USD'000	Note	2016/17	2015/16	2014/15
Equity				
Share capital		1,781	1,781	1,781
Reserves		3,473	(985)	1,529
Retained earnings		247,253	267,369	289,528
Equity, shareholders		**252,507**	**268,165**	**292,838**
Non-controlling interests		446	351	157
Equity	**13**	**252,953**	**268,516**	**292,995**
Non-current liabilities				
Borrowings	12	5,539	4,950	6,057
Deferred tax	4	2,722	2,246	2,349
Total non-current liabilities		**8,261**	**7,196**	**8,406**
Current liabilities				
Borrowings	12	317,575	148,717	102,860
Trade payables		394,760	260,931	389,242
Corporation tax		11,527	9,337	13,328
Derivatives	10	28,264	27,918	72,561
Other payables		33,447	34,237	36,207
Total current liabilities		**785,573**	**481,140**	**614,198**
Total liabilities		**793,834**	**488,336**	**622,604**
Total equity and liabilities		**1,046,787**	**756,852**	**915,599**

STATEMENT OF CHANGES IN EQUITY

USD'000	Share Capital	Hedging Reserve	Foreign Currency Translation Reserve	Reserve for Other Equity Investment	Retained Earnings	Equity Attributable to Owners	Non-Controlling Interests	Total Equity
2016/17								
Equity at 1 May	1,781	(912)	(1,624)	1,551	267,369	268,165	351	268,516
Earnings after tax (EAT)	0	0		1,092	26,063	27,155	144	27,299
Other comprehensive income net of tax	0	4,810	(1,468)	24	(179)	3,187	(49)	3,138
Total comprehensive income for the year	**0**	**4,810**	**(1,468)**	**1,116**	**25,884**	**30,342**	**95**	**30,437**
Dividends to shareholders	0	0	0	0	(46,000)	(46,000)	0	(46,000)
Total transactions with shareholders	**0**	**0**	**0**	**0**	**(46,000)**	**(46,000)**	**0**	**(46,000)**
Equity at 30 April	**1,781**	**3,898**	**(3,092)**	**2,667**	**247,253**	**252,507**	**446**	**252,953**
2015/16								
Equity at 1 May	1,781	1,346	(1,741)	1,924	289,528	292,838	157	292,995
Earnings after tax (EAT)	0	0	0	(351)	47,625	47,274	228	47,502
Other comprehensive income net of tax	0	(2,258)	117	(22)	216	(1,947)	(34)	(1,981)
Total comprehensive income for the year	**0**	**(2,258)**	**117**	**(373)**	**47,841**	**45,327**	**194**	**45,521**
Dividends to shareholders	0	0	0	0	(97,000)	(97,000)	0	(97,000)
Sale of own shares	0	0	0	0	27,000	27,000	0	27,000
Total transactions with shareholders	**0**	**0**	**0**	**0**	**(70,000)**	**(70,000)**	**0**	**(70,000)**
Equity at 30 April	**1,781**	**(912)**	**(1,624)**	**1,551**	**267,369**	**268,165**	**351**	**268,516**

CASH FLOW STATEMENT

USD'000	2016/17	2015/16
Earnings before interest and tax (EBIT)	40,699	65,289
Amortisation and depreciation for the year	7,999	8,353
Cash flow from discontinued operations	0	155
Changes in receivables	(278,863)	186,851
Changes in inventories	(670)	(25,521)
Changes in trade payables, other payables, etc	132,301	(173,840)
Cash flow from operating activities before financial items and tax	**(98,534)**	**61,287**
Financial income received	7,788	6,993
Financial expenses paid	(14,931)	(14,123)
Corporation tax paid	(5,410)	(14,373)
Exchange adjustments and other adjustments	2,075	(138)
Cash flows from operating activities	**(109,012)**	**39,646**
Business acquisition	(2,893)	(20,357)
Sale of subsidiaries and activities	0	757
Purchase of intangible assets	(2,817)	(771)
Purchase of property, plant and equipment	(1,562)	(5,348)
Sale of property, plant and equipment	422	2,342
Cash flows from investing activities	**(6,850)**	**(23,377)**
Proceeds from borrowings	949	0
Repayment of borrowings	(360)	(1,107)
Dividend paid and sale of own shares	(46,000)	(70,000)
Dividend received from associates	1,037	600
Cash flows from financing activities	**(44,374)**	**(70,507)**
Change in cash and cash equivalents	**(160,236)**	**(54,238)**

USD'000	2016/17	2015/16
Cash and cash equivalents at 1 May	(119,257)	(65,019)
Change in cash and cash equivalents	(160,236)	(54,238)
Cash and cash equivalents at 30 April	**(279,493)**	**(119,257)**
Cash and cash equivalents	38,082	29,460
Borrowings	(317,575)	(148,717)
Cash and cash equivalents at 30 April	**(279,493)**	**(119,257)**

NOTES

NOTE 1 - REVENUE

USD'000	2016/17	2015/16
Sale of goods and services	6,438,707	5,629,553
Commodity derivatives	20,373	15,710
Total	**6,459,080**	**5,645,263**

NOTE 2 - OTHER EXTERNAL EXPENSES

Other external expenses consists of staff expenses, administration, bad debts and credit risk protection etc.

USD'000	2016/17	2015/16
Staff expenses		
Wages and salaries	75,250	81,714
Pensions	4,027	3,918
Other social security expenses	4,032	5,216
Total	**83,309**	**90,848**
Number of employees	**630**	**653**

NOTE 3 - FINANCIAL INCOME AND EXPENSES

USD'000	2016/17	2015/16
Interest expenses on liabilities	(13,177)	(11,661)
Interest income on loans and receivables	6,767	6,604
Securities, capital losses	(868)	(578)
Net interest expenses	**(7,278)**	**(5,635)**
Net foreign exchange gains/losses	731	165
Fair value gains/loss from currency derivatives	(596)	(1,660)
Net fair value gains/losses	**135**	**(1,495)**
Financial expenses, Net	**(7,143)**	**(7,130)**
Of which:		
Financial income	7,788	6,993
Financial expenses	(14,931)	(14,123)

NOTE 4 - TAXES

USD'000	Income Statement	Other Comprehensive Income	Total
2016/17			
Current tax for the year	(11,480)	(1,705)	(13,185)
Tax concerning previous years	91	0	91
Adjustment of provision for deferred tax	4,040	0	4,040
Total tax for the year	**(7,349)**	**(1,705)**	**(9,054)**
2015/16			
Current tax for the year	(7,335)	660	(6,675)
Tax concerning previous years	807	0	807
Adjustment of provision for deferred tax	(3,736)	0	(3,736)
Deferred tax, previous years	(1,973)	0	(1,973)
Total tax for the year	**(12,237)**	**660**	**(11,577)**

RECONCILIATION OF TAX EXPENSES

USD'000	2016/17	2015/16
Profit before tax	34,648	59,157
Share of profit/loss in associated companies	(1,092)	(998)
Other adjustments	2,541	786
Profit before tax adjusted	**36,097**	**58,945**
Tax using the Danish corporation tax rate	(7,941)	(12,968)
Tax rate deviations in foreign jurisdictions	1,347	3,141
Foreign tax	(291)	(306)
Adjustment to previous years' taxes	91	807
Other differences, net	(555)	(2,911)
Total Income tax	**(7,349)**	**(12,237)**

NOTE 4 - TAXES (CONTINUED)

DEFERRED TAXES

USD'000	2016/17	2015/16
Deferred tax at 1 May	(605)	5,186
Foreign exchange adjustments	185	(82)
Adjustment to previous years	6	(1,973)
Recognised in the income statment	4,040	(3,736)
Deferred tax at 30 April	**3,626**	**(605)**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	6,348	1,641
Deferred tax liability	(2,722)	(2,246)
Deferred tax at 30 April	**3,626**	**(605)**

Deferred tax assets including the tax base of tax loss carry forwards are recognised at the amount by which they are estimated to reduce future tax payments.

Unused tax losses for which no deferred tax asset has been recognised amount to USD 996k in 2016/17 (2015/16: USD 1,112k).

Unrecognised tax asset may be carried forward for an unlimited period of time, but it is uncertain whether the tax loss can be utilised.

THE BALANCE COMPRISES TEMPORARY DIFFERENCES ATTRIBUTABLE TO:

USD'000	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
	2016/17	2015/16	2016/17	2015/16
Intangible assets	834	544	(1,156)	(431)
Property, plant and equipment	429	310	(65)	(112)
Other assets	530	83	(1,494)	(1,703)
Provisions and other	913	263	(7)	0
Fair value adjustments	0	0	0	0
Tax losses etc.	3,642	441	0	0
Deferred tax at 30 April	**6,348**	**1,641**	**(2,722)**	**(2,246)**
Expected to be used as follows:				
Within 12 months	1,270	328	(544)	(449)
More than 12 months	5,078	1,313	(2,178)	(1,797)
Total	**6,348**	**1,641**	**(2,722)**	**(2,246)**

NOTE 5 - BUSINESS COMBINATIONS

USD'000	Country	Acquired Ownership	Acquisition Date	Main Activity
2015/16				
LQM Petroleum Services LLC	United States	100%	1 july 2015	Bunker broking
2016/17				
Amoil (Pty) Ltd	South Africa	100%	1 August 2016	Bunker trading and mediation

In 2016/17 Bunker Holding Group gained control of Amoil (Pty) Ltd located in South Africa. Bunker Holding Group is very strong in the area around Cape Town and west South Africa. With the acquisition of Amoil (Pty) this now also applies to Durban and eastern South Africa.

Acquisition-related costs of USD 128k that were not directly attributable to the issue of shares are included in other external expenses in profit or loss and in cash flows from operating activities in the cash flow statement.

The fair value has been determined in accordance with generally accepted discounted cash flow analysis, where significant inputs are the entity's earnings and the discount rate. This is a level 3 in the fair value hierarchy.

The goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes.

In 2015/16, Bunker Holding Group gained control of LQM Petroleum Services LLC. The acquisition of LQM Petroleum Services LLC was a natural step in gaining further market shares in the United States and growing the business.

Acquisition-related costs of USD 401k that were not directly attributable to the issue of shares are included in other external expenses in profit or loss and in cash flows from operating activities in the cash flow statement.

The fair value has been determined in accordance with generally accepted discounted cash flow analysis, where significant inputs are the entity's earnings and the discount rate. This is a level 3 in the fair value hierarchy.

The goodwill is attributable to the workforce and the high profitability of the acquired business. It will be deductible for tax purposes.

ASSETS ACQUIRED AND LIABILITIES RECOGNISED AT THE DATE OF ACQUISTION:

USD'000	1 August 2016	1 July 2015
Non-current assets		
Intangible assets	3,093	14,770
Property, plant and equipment	77	36
Receivables	6	0
Current assets		
Trade receivables	6,088	740
Other receivables	0	115
Cash at bank and in hand	1,125	18
Equity	(71)	210
Current Liabilities		
Trade payables	(5,426)	(46)
Other liabilities	(1,799)	(1,073)
Total allocation to net assets	**3,093**	**14,770**
Goodwill arising on acquistion	773	5,569
Total purchase price allocation	**3,866**	**20,339**

THE ACQUIRED BUSINESS CONTRIBUTED TO THE GROUP WITH:

USD'000	1 August 2016	1 July 2015
Since date of acquistion		
Revenue	70,647	4,436
Net Profit	(233)	446
If acquired 1 of May:		
Revenue	98,643	5,323
Net Profit	(224)	535

NOTE 6 - DISCONTINUED OPERATIONS

Discontinued operations in 2015/16 comprise Outforce A/S. Outforce is an IT company specialised within it-infrastructure and hosting services.

Outforce is not considered to be within the scope of the strategic direction of Bunker Holding Group and was therefore divested.

The subsidiary was sold on 30 April 2016 and is reported as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

USD'000	2016/17	2015/16
Earnings for the year		
Revenue	0	6,779
Expenses	0	(6,031)
Earnings before tax	0	748
Income tax	0	(166)
Earnings from discontinued operations	**0**	**582**
Cash flows from discontinued operations		
Cash flows from operation activities	0	1,081
Cash flows from investing activities	0	(581)
Cash flows from financing activities	0	(345)
Net cash flow from discontinued operations	**0**	**155**

NOTE 7 - INTANGIBLE ASSETS

USD'000	Goodwill	Patents, Trademarks and Other Rights	IT Development and Software	Customer Relationships	Total
2016/17					
Cost at 1 May	11,551	9,686	3,808	27,922	52,967
Exchange rate adjustment	0	0	(71)	0	(71)
Additions	0	0	2,817	0	2,817
Acquired in business combinations	773	773	0	2,320	3,866
Disposals	0	0	(17)	0	(17)
Cost at 30 April	**12,324**	**10,459**	**6,537**	**30,242**	**59,562**
Depreciation at 1 May	0	(7,680)	(1,355)	(16,190)	(25,225)
Exchange rate adjustment	0	0	33	0	33
Depreciation	0	(1,241)	(1,058)	(3,613)	(5,912)
Reversed depreciation of disposals	0	0	0	0	0
Impairment losses	0	0	16	0	16
Depreciation at 30 April	**0**	**(8,921)**	**(2,364)**	**(19,803)**	**(31,088)**
Carrying amount at 30 April	**12,324**	**1,538**	**4,173**	**10,439**	**28,474**
2015/16					
Cost at 1 May	5,982	7,346	2,130	16,692	32,150
Exchange rate adjustment	0	0	30	0	30
Additions	0	0	771	0	771
Acquired in business combinations	5,569	2,340	1,200	11,230	20,339
Disposals	0	0	(323)	0	(323)
Cost at 30 April	**11,551**	**9,686**	**3,808**	**27,922**	**52,967**
Depreciation at 1 May	0	(6,593)	(741)	(12,437)	(19,771)
Exchange rate adjustment	0	0	(22)	0	(22)
Depreciation	0	(1,087)	(914)	(3,753)	(5,754)
Reversed depreciation of disposals	0	0	322	0	322
Impairment losses	0	0	0	0	0
Depreciation at 30 April	**0**	**(7,680)**	**(1,355)**	**(16,190)**	**(25,225)**
Carrying amount at 30 April	**11,551**	**2,006**	**2,453**	**11,732**	**27,742**

NOTE 7 - INTANGIBLE ASSETS (CONTINUED)

GOODWILL ON CASH GENERATING UNITS

USD'000	2016/17	2015/16
LQM Petroleum Services LLC	5,569	5,569
Amoil (Pty) Ltd	773	0
Other	5,982	5,982
Carrying amount at 30 April	**12,324**	**11,551**

IMPAIRMENT TEST

Goodwill is monitored by management at CGU level.

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets and forecasts approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

USD'000	2016/17	2015/16
Annual growth rate %	2.0%	2.0%
EBIT margin %	25.0%	25.0%
Pre-tax discount rate % (avg.)	7.9%	7.9%

MANAGEMENT MUST DETERMINE THE VALUES ASSIGNED TO EACH OF THE ABOVE KEY ASSUMPTIONS AS FOLLOWS:

Annual growth This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

EBIT margin Defined as EBIT divided by gross profit. Based on past performance and management's expectations.

Pre-tax discount Reflects specific risks relating to the relevant segments and the countries in which they operate.

During the impairment tests we have concluded that there were no impairment losses for 2016/17 (2015/16: 0).

Management finds that no reasonable change in key assumptions upon which recoverable amount is based would lead to an impairment loss.

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

USD'000	Land and Buildings	Leasehold Improve-ments	Fixtures and Fittings, Tools and Equipment	Total
2016/17				
Cost at 1 May	15,065	3,499	11,942	30,506
Exchange rate adjustment	(589)	(94)	(215)	(898)
Reclassification	0	708	(708)	0
Additions	333	608	698	1,639
Acquired in business combinations	0	17	60	77
Disposals	(96)	(736)	(1,084)	(1,916)
Cost at 30 April	**14,713**	**4,002**	**10,693**	**29,408**
Revaluation at 1 May	0	0	0	0
Exchange rate adjustment	0	0	0	0
Revaluation	0	0	0	0
Revaluation at 30 April	**0**	**0**	**0**	**0**
Depreciation at 1 May	(1,790)	(1,694)	(8,374)	(11,858)
Exchange rate adjustment	68	75	176	319
Depreciation	(276)	(962)	(849)	(2,087)
Reversed depreciation of disposals	21	489	871	1,381
Impairment losses	0	0	0	0
Depreciation at 30 April	**(1,977)**	**(2,092)**	**(8,176)**	**(12,245)**
Carrying amount at 30 April	**12,736**	**1,910**	**2,517**	**17,163**
Finance leases amounts	**0**	**0**	**0**	**0**

USD'000	Land and Buildings	Leasehold Improve-ments	Fixtures and Fittings, Tools and Equipment	Total
2015/16				
Cost at 1 May	11,711	3,621	17,152	32,484
Exchange rate adjustment	255	(16)	(95)	144
Reclassification	0	0	0	0
Additions	4,395	0	989	5,384
Acquired in business combinations	0	0	36	36
Disposals	(1,297)	(105)	(6,140)	(7,542)
Cost at 30 April	**15,065**	**3,499**	**11,942**	**30,506**
Revaluation at 1 May	127	0	0	127
Exchange rate adjustment	(2)	0	0	(2)
Revaluation	(125)	0	0	(125)
Revaluation at 30 April	**0**	**0**	**0**	**0**
Depreciation at 1 May	(800)	(1,274)	(10,259)	(12,333)
Exchange rate adjustment	(19)	16	45	42
Depreciation	(996)	(490)	(1,113)	(2,599)
Reversed depreciation of disposals	26	53	2,953	3,032
Impairment losses	0	0	0	0
Depreciation at 30 April	**(1,790)**	**(1,694)**	**(8,374)**	**(11,858)**
Carrying amount at 30 April	**13,275**	**1,805**	**3,568**	**18,648**
Finance leases amounts	**0**	**0**	**0**	**0**

NOTE 9 - INVESTMENTS IN ASSOCIATES

USD'000	2016/17	2015/16
Cost at 1 May	152	152
Additions	152	0
Cost at 30 April	**304**	**152**
Value adjustments at 1 May	1,551	1,825
Exchange rate adjustment	24	(22)
Share of profit for the year	1,092	998
Dividend	0	(1,250)
Value adjustments at 30 April	**2,667**	**1,551**
Carrying amount at 30 April	**2,971**	**1,703**

USD'000	Country	Currency	Method	2016/17	2015/16
Kaeline Investment Ltd	Cyprus	USD	Equity	50%	50%
Nordliq A/S	Denmark	DKK	Equity	25%	0%

NOTE 10 - DERIVATIVES

Derivatives are used only for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedging criteria, they are classified as 'held for trading' for accounting purposes below. The group has the following derivative financial instruments:

USD'000	2016/17		2015/16	
	Assets	Liabilities	Assets	Liabilities
Commodity swaps	161,256	(341,098)	194,229	(306,984)
Commodity futures	308,308	(125,765)	318,176	(191,482)
Fixed price physical	1,049	0	0	(40)
Commodity options	5,722	(3,516)	2,728	(2,247)
Forward foreign exchange contracts	2,345	0	516	(972)
Gross balance	**478,680**	**(470,379)**	**515,649**	**(501,725)**
Balances qualifying for offsetting				
Commodity swaps, -futures and -options	(463,562)	443,954	(505,135)	497,187
Net balance	**15,118**	**(26,425)**	**10,514**	**(4,538)**
Margin deposits	21,648	(1,839)	41,248	(23,380)
Amounts presented in the balance sheet	**36,766**	**(28,264)**	**51,762**	**(27,918)**
Amounts with right to set-off	(12,239)	12,239	(9,237)	9,237
Net exposure	**24,527**	**(16,025)**	**42,525**	**(18,681)**

Bunker Holding Group has a master netting agreement with all customers and obtains and provides collateral in excess of agreed credit limits. In the balance sheet, derivative assets and liabliites and related collateral with the same counterparty is presented net to the extent that the amounts will be settled net.

Offsetting is typically limited within specific products. According to IFRS, financial assets and liabilities are presented net, if there is both a legal right and intention to settle amounts with a counter party net or simultaneously.

Derivatives are classified as held for trading and accounted for at fair value through profit or loss unless they are designated as hedges. They are presented as current assets or liabilities if they are expected to be settled within 12 months after the end of the reporting period.

NOTE 10 - DERIVATIVES (CONTINUED)

FAIR VALUE HIERACHY - FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Financial instruments measured at fair value comprise only derivatives and can be divided into three levels:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). To a large extent level 2 is based on observable quoted prices, however in some instances forward prices are not observable. In these situations we use the most liquid forward curves and derive a spread to the specific location. For options theoretical pricing models with implied volatilities from Ice are used to calculate market prices.
These valuation techniques maximise the use of observable market data where it is avaliable and rely as little as possible on entity specific estimates. If all significant inputs required to calculate the fair value of an instrument are observable, the instrument is included in Level 2;

Level 3 Inputs for the asset or liability that are not based on observable market data.

Fair value of listed securities falls within level 1 of the fair value hierarchy. Non-listed shares and other securities fall within level 3 of the fair value hierarchy.

Fair value of derivatives falls mainly within level 2 of the fair value hierarchy and is calculated on the basis of observable market data as of the end of the reporting period. A minor amount of crude oil price derivatives fall within level 1 of the fair value hierarchy.

Fair value of level 3 assets and liabilities is primarily based on the present value of expected future cash flows. A reasonably possible change in the discount rate is not estimated to affect the Group's profit or equity significantly.

USD '000	Level 1	Level 2	Level 3	Total
2016/17				
Financial assets				
Derivatives	312,027	164,855	1,798	478,680
Total	**312,027**	**164,855**	**1,798**	**478,680**
Financial liabilities				
Derivatives	(129,732)	(340,377)	(270)	(470,379)
Total	**(129,732)**	**(340,377)**	**(270)**	**(470,379)**
2015/16				
Financial assets				
Derivatives	332,626	183,023	0	515,649
Total	**332,626**	**183,023**	**0**	**515,649**
Financial liabilities				
Derivatives	(195,910)	(305,775)	(40)	(501,725)
Total	**(195,910)**	**(305,775)**	**(40)**	**(501,725)**

NOTE 11 - FINANCIAL INSTRUMENTS BY CATEGORY

Categories of financial assets and liabilities as defined in IAS 39. The classification depends on the purpose for which the investments were made. Management determines the classification of its investments on initial recognition and revaluates this at the end of every reporting period to the extent that such a classification is permitted and required.

USD'000	Fair value through profit or loss	Amortised cost
2016/17		
Financial assets		
Trade and other receivables	15	815,234
Derivative financial instruments	36,766	0
Cash and cash equivalents	0	38,082
Total financial assets	**36,781**	**853,316**
Financial liabilities		
Trade and other payables	0	428,207
Borrowings	0	323,114
Derivative financial instruments	28,264	0
Total financial liabilities	**28,264**	**751,321**
Total	**8,517**	**101,995**
2015/16		
Financial assets		
Trade and other receivables	15	520,367
Derivative financial instruments	51,762	0
Cash and cash equivalents	0	29,460
Total financial assets	**51,777**	**549,827**
Financial liabilities		
Trade and other payables	0	295,168
Borrowings	0	153,667
Derivative financial instruments	27,918	0
Total financial liabilities	**27,918**	**448,835**
Total	**23,859**	**100,992**

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Bunker Holding Group has entered into financial bunker sale agreements with customers with the bunker price in places where the price is not observable as the underlying. Fair value is determined as the present value of the difference between the price fixed in the agreement and the forward price for the same quality of bunker in a liquid place (Rotterdam, Singapore) with the addition of an estimated spread between the liquid place and the place of delivery under the contract for the same quality of bunker and an estimated margin. The spread is determined on the basis of an analysis of the historical difference between the actual price in the liquid place and available price observations for the place of delivery. The margin is estimated to be equal to the margin on inception of the contract over the term of the agreement. Refer to note 10 for futher information.

FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

Fair value of the short term financial assets and other financial liabilities carried at amortised cost is not materially different from the carrying amount. In general, fair value is determined primarily based on the present value of expected future cash flows, discounted with an interest rate reflecting thre credit rating of the company. Where a market price was available, however, this was deemed to be the fair value. Fair value of borrowing items fall within level 2 of the fair value hierarchy and is calculated on the basis of discounted future cash flows. Carrying amount of borrowings differs from fair value due to capitalised borrowing costs of USD 2.1 million.

NOTE 12 - FINANCIAL RISKS

Bunker Holding Group is exposed to a variety of financial risks herein market risks such as currency risks, interest rate risks and price risks. Besides these significant risks, there are credit risks and liquidity risks.

Market risk is the risk of losses on financial positions arising from movements in market prices to which the Group is exposed through financial instruments. Market risks are regularly assessed and prioritised based on how likely they are to occur and their potential impact. Bunker Holding Group's risk management programme seeks to minimise the potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central department under policies approved by the Board of Directors.

The below sensitivity analyses relate to the position of financial instruments at 30 April 2017.

CURRENCY RISK

The functional currency is USD and thus all amounts are recorded and reported in USD. Nearly all of revenues and costs of sales are denominated in USD. However, payments of local costs such as office expenses, local taxes, local employee compensation and GST/VAT payments may be denominated in local currency. In some limited locations, suppliers are paid in local currency. The largest gross exposures are to the Danish Krone, the Singapore Dollar and Euro. However the risk management policy requires the use of hedging strategies to mitigate the impact of foreign currency exchange risk. Therefore, the net exposure to foreign currency exchange risk is insignificant.

An increase in the USD exchange rate of 10% against all other significant currencies to which the Group is exposed is estimated to have a positive impact on the Group's EBT by USD 0.3 million (2015/16: USD 0.1 million) and to affect the Group's equity, excluding tax, positively by USD 0.3 million (2015/16: USD 0.1 million). The sensitivities are based only on the impact of financial instruments that are outstanding at the balance sheet date and are thus not an expression of the Group's total currency risk.

INTEREST RATE RISK

The Group has most of its debt denominated in USD. Borrowings issued at variable interest rates expose the Group to interest rate risk. The Group's policy is to have its borrowings mainly in floating rate instruments, as the borrowings are mainly financing short term assets.

A general increase in interest rates by one percentage point is estimated, all other things being equal, to have a negative impact on profit before tax and equity, excluding tax by USD 2.9 million (2015/16: negatively by USD 1.3 million), as a result of higher interest cost on borrowings.

The pricing model of the Group allows to a large extent the pass-through of interest costs to customers. Hence, from an operational point of view the Group is not as exposed as the analysis indicates. As such the analysis is therefore not representative for the Group.

NET INTEREST-BEARING DEBT

USD'000	2016/17	2015/16
Non-current liabilities		
Mortgages	5,539	4,950
Current liabilities		
Mortgages	152	40
Bank borrowings	317,423	148,677
Interest-bearing debt	**323,114**	**153,667**
Cash and cash equivalents	**(38,082)**	**(29,460)**
Net interest-bearing debt	**285,032**	**124,207**

CREDIT RISK

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. Thorough internal procedures are in place to minimise the credit risks and the international conventions for obtaining maritime lien for bunker deliveries mitigate the negative impact from defaulting payers. In addition, the Group insures the credit risk on certain receivables where considered adequate due to the credit worthiness of the counter party or the size of the credit exposure.

The Group's cash at bank and in hand is deposited with banks that meet the appropriate credit criteria. In terms of credit rank banks must be at an acceptable level. Risk Management services are offered to our customers. These services include derivatives on fixed price contracts to customers which have been approved in line with the group´s credit policy.

NOTE 12 - FINANCIAL RISKS (CONTINUED)

The ageing of receivables is as follows:

USD'000	Trade Receivables	Provision for Impairment		Net Trade Receivables
2016/17				
Receivables not due	580,223	0.2%	(1,160)	579,063
Less than 90 days overdue	147,513	0.5%	(738)	146,775
More than 90 days overdue	66,457	19.7%	(13,102)	53,355
Carrying amount	**794,193**	**1.9%**	**(15,000)**	**779,193**
2015/16				
Receivables not due	342,714	0.3%	(1,028)	341,686
Less than 90 days overdue	86,913	1.0%	(869)	86,044
More than 90 days overdue	71,374	21.9%	(15,603)	55,771
Carrying amount	**501,001**	**3.5%**	**(17,500)**	**483,501**

During the year, the following gains/(losses) were recognised in profit or loss in relation to impaired receivables:

USD'000	2016/17	2015/16
Individually impaired receivables	(30,265)	(20,049)
Movement in provision for impairment	2,500	7,500
Reversal of previous impairment losses	3,544	4,224
Carrying amount	**(24,221)**	**(8,325)**

During the year, the following movements in provision were recognised in balance in relation to impaired receivables:

USD'000	2016/17	2015/16
Provision 1 May	(17,500)	(25,000)
Movement in provision for impairment	2,500	7,500
Carrying amount	**(15,000)**	**(17,500)**

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment.

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in profit or loss within other expenses.

LIQUIDITY RISK

Funding and adequate liquidity are fundamental factors in driving an expanding business, and management of both is an integrated part of Bunker Holding's continuous budget and forecasting process. To ensure focus on managing the risks related to funding and liquidity, Bunker Holding's Group Treasury department manages and monitors funding and liquidity for the entire Group and ensures sufficient cash and bank credit facility reserves to enable the Group to meet the operating liquidity needs, having an adequate amount of committed credit facilities and monitoring forecast and actual cash flow by matching the maturity profiles.

The borrowings are based on loan facilities committed by the banks for a 3-year period ending July 2020. The financing is granted as overdraft facilities without an agreed repayment profile and are as such classified as short term borrowings according to the IFRS accounting principles despite the 3-year commitment from the banks.

The Group's borrowings are subject to standard clauses, according to which the Group's debt must be repaid in case of a change of control. The credit facilities with banks are furthermore subject to a few covenants focusing on the Group's ability to generate sufficient cash flow and meet its obligations. The covenants have not been breached in 2016/17, and neither were they breached in 2015/16.

It is crucial for the Group to maintain a financial reserve to cover the Group's obligations and investment opportunities and to provide the capital necessary to offset changes in the Group's liquidity due to changes in the cash flow from operating activities. At 30 April 2017 Bunker Holding Group had total unutilised credit facilities of USD 314.4 million (2015/16: USD 442.8 million). Besides the unutilised credit facilities the Group has factoring lines and inventory financing facilities of USD 400.0 million.

MATURITIES OF LIABILITIES AND COMMITMENTS

The tables below detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilites based on the earliest date on which the Group can be required to pay.

NOTE 12 - FINANCIAL RISKS (CONTINUED)

USD '000	Carrying Amount	0-1 year	1-5 years	After 5 years	Total
2016/17					
Borrowings	323,114	317,575	1,810	3,729	323,114
Payables to related parties	2,047	2,047	0	0	2,047
Trade payables	392,713	392,713	0	0	392,713
Other payables	33,447	33,447	0	0	33,447
Derivatives	28,264	28,264	0	0	28,264
Financial instruments	**779,585**	**774,046**	**1,810**	**3,729**	**779,585**
Operating lease capital commitments		16,672	9,757	351	26,780
Total	**779,585**	**790,718**	**11,567**	**4,080**	**806,365**
2015/16					
Borrowings	153,667	148,717	1,523	3,427	153,667
Payables to related parties	854	854	0	0	854
Trade payables	260,077	260,077	0	0	260,077
Other payables	34,237	34,237	0	0	34,237
Derivatives	27,918	27,918	0	0	27,918
Financial instruments	**476,753**	**471,803**	**1,523**	**3,427**	**476,753**
Operating lease capital commitments		14,913	10,775	446	26,134
Total	**476,753**	**486,716**	**12,298**	**3,873**	**502,887**

OIL PRICE RISK

The major bulk of the Group´s trading activities is back-to-back trading of bunker products with delivery on short notice (so called spot trading), where sale and purchases are made simultaneously. This eliminates the oil price risk as there are no open positions in such transaction. The same is the case when the Group enters into fixed price agreements with customers for delivery of bunker products on future dates. Here the oil price exposure of such contracts is always hedged to mitigate any oil price risk arising. When it comes to physical activities the Group possesses stocks of oil as the bunker products are bought in larger quantities and stored for blending and resale. The oil price risk arising from these oil price stocks is mitigated by entering into hedge agreements and only a small risk is allowed for each company involved in physical activities - this risk allowed for operational reasons.

The overall risk limit set in the policy is defined by a maximum net open (unhedged) position for the Group and for the individual companies involved in physical exposure having a limit for open oil-price-risk. The sensitivity of the consolidated net open position is calculated every day on a 1 day Value-at-Risk basis, based on a confidence level of 95% and 500 days of historical observations. Measured on these terms Value-at-Risk was respectively USD 0.3 million and USD 0.1 million for 2016/17 and 2015/16.

NOTE 12 - FINANCIAL RISKS (CONTINUED)

OIL PRICE RISK

The Group is exposed to oil price risk arising from future purchases and sales of bunkers and from bunker inventories. The Group regularly enters into financial derivatives to hedge this risk. The risk is measured as the net open position until December 2018.

The company designates the spot component of oil futures and swaps as the hedging instrument. The changes in the forward element that relate to the hedged item ('aligned forward element') are deferred in the costs of hedging reserve and recognised against the related hedged transaction when it occurs. The forward element relates to the respective hedged item if the critical terms of the forward or swap are aligned with the hedged item. Any residual time value and forward points (the non-aligned portion) are recognised in the statement of profit or loss. During the years ending 30 April 2017 and 2016, the company did not have any hedging instruments with terms which were not aligned with those of the hedged items.

The spot component of forward contracts is determined with reference to relevant spot market prices. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward point.

The effects of applying hedge accounting on the company's financial position and performance are as follows.

	2016/17	2015/16
Oil futures and swaps hedging future sales of oil		
Notional amount (MT)	457,700	552,500
Carrying amount, assets (USD´000)	0	0
Carrying amount, liabilities (USD´000)	0	0
Maturity dates	May 17-Oct 18	May 16-Dec 18
Hedge ratio	1:1	1:1
Change in discounted spot value of outstanding hedging instruments since 1 May (USD´000)	(1,547)	(69,498)
Change in value of hedged item used to determine hedge effectiveness (USD´000)	(1,547)	(69,498)
Weighted average hedge price per metric tonne including forward points (USD)	483.72	477.14

The carrying amount of USD (21.434) mill (2015/16: USD 55.551 mill) has been netted with carrying amount of the oil futures and swaps hedging futures purchase of oil. Net carrying amount is USD 1.956 mill (2015/16: USD 0.43 mill)

	2016/17	2015/16
Oil Futures and swaps hedging future purchases of oil		
Notional amount (MT)	(481,200)	(615,500)
Carrying amount, assets (USD´000)	1,956	430
Carrying amount, liabilities (USD´000)	0	1,570
Maturity dates	May 17-Oct 18	May 16-Dec 18
Hedge ratio	1:1	1:1
Change in discounted spot value of outstanding hedging instruments since 1 May (USD´000)	2,817	61,938
Change in value of hedged item used to determine hedge effectiveness (USD´000)	2,817	61,938
Weighted average hedge price per metric tonne included forward points (USD)	492.69	499.59

The carrying amount of USD 23.389 mill (2015/16: USD 55.94 mill) has been netted with carrying amount of the oil futures and swaps hedging futures sales of oil. Net carrying amount is USD 1.956 mill (2016: USD 0.43 mill)

	2016/17	2015/16
Oil Futures and swaps hedging inventory		
Notional amount (MT)	(215,200)	(211,628)
Carrying amount, assets (USD´000)	19,291	28,486
Carrying amount, liabilities (USD´000)	0	0
Maturity dates	May 17-Jun 17	May 16-Jun 16
Hedge ratio	1:1	1:1
Change in discounted spot value of outstanding hedging instruments since 1 May (USD´000)	19,291	28,486
Change in value of hedged item used to determine hedge effectiveness (USD´000)	19,291	28,486
Weighted average hedge price per metric tonne included forward points (USD)	496.07	493.54

NOTE 12 - FINANCIAL RISKS (CONTINUED)

COST OF HEDGING RESERVE

USD'000	2016/17	2015/16
Cash flow hedging reserve		
Fair value 1 May	(1,596)	(1,051)
Fair value changes deferred for the year	2,334	5,087
Reclassified to sales	0	0
Reclassified to costs of goods sold	49	(5,632)
Fair value 30 April	**787**	**(1,596)**
Cost of hedging reserve		
Fair value 1 May	431	2,804
Fair value changes deferred for the year	11,525	4,512
Reclassified to sales	0	0
Reclassified to costs of goods sold	(7,393)	(6,886)
Fair value 30 April	**4,563**	**431**
Total of hedging reserve		
Fair value 1 May	(1,165)	1,753
Fair value changes deferred for the year	13,859	9,599
Reclassified to sales	0	0
Reclassified to costs of goods sold	(7,344)	(12,517)
Fair value 30 April	**5,350**	**(1,165)**

NOTE 13 - EQUITY

The share capital consists of 100,000 shares of DKK 100 (equivalent USD 17.8) at the historical exhange rate of 5.6141 to USD 1,781k

NOTE 14 - UNRECOGNISED ITEMS

ASSETS PLEDGED AS SECURITY

USD'000	2016/17	2015/16
Security		
Carrying amount of land and buildings provided as security for debt to mortgage credit institutes	11,444	10,389

CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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 a 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.

CHANGE OF CONTROL

The bank borrowings are committed and unsecured (no pledge of assets) and are subject to change-of-control clause.

OPERATING LEASE COMMITMENTS

The Group has entered into customary lease agreements classified as operating leases.

Operating lease commitments primarily relates to property leases, leases of tanks and barges. Lease cost is classified as operating costs and other external expenses:

USD'000	2016/17	2015/16
Within one year	16,672	14,913
Between one and five years	9,757	10,775
After five years	351	446
Total Lease	**26,780**	**26,134**

CAPITAL COMMITMENTS

At 30 April 2017 the Group had no material capital commitments (30 April 2016: no material capital commitment).

EVENTS OCCURRING AFTER THE REPORTING PERIOD

No events have occurred since the balance sheet date which could materially affect the Group's financial position.

NOTE 15 - OTHER INFORMATION

FEES TO AUDITORS

USD'000	2016/17	2015/16
PricewaterhouseCoopers		
Audit	445	380
Assurance engagements	1	111
Tax services	207	255
Other services	113	82
RSM		
Audit	192	132
Assurance engagements	0	0
Tax services	175	102
Other services	20	2
Other		
Audit	226	228
Assurance engagements	6	8
Tax services	53	69
Other services	209	172
Total fees for the year	**1,647**	**1,541**

RELATED PARTIES

Related parties are defined as parties with control or significant influence, including Group companies.

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.

Other related parties comprise the Board of Directors and the Executive Board.

ASSOCIATED COMPANIES

Bunker Holding holds ownership interests in 2 associates (2015/16: 1 associate). The Group's share of associates' profit for the year amounted to USD 1.1 million (2015/16: USD 1.0 million). The carrying amount of the investment for the year was USD 3.0 million at 30 April 2017 (30 April 2016: USD 1.7 million).

TRANSACTIONS WITH RELATED PARTIES

The following transactions occurred with related parties:

USD'000	Parent Company	Sister Companies	Associated Companies	Key Management
2016/17				
Income statement				
Revenue	0	37,781	457	0
Operation costs	(347)	(3,477)	(4,006)	0
Other external expenses	0	(228)	0	(1,722)*
Financial, net	0	7	0	0
Assets				
Trade receivables	6	1,652	1,850	0
Liabilities				
Trade payables	0	(678)	(1,369)	0
Dividend paid	(46,000)	0	0	0
Dividend received	0	0	0	0
2015/16				
Income statement				
Revenue	0	38,842	506	0
Operation costs	0	(23)	(1,985)	0
Other external expenses	(715)	0	0	(2,609)*
Financial, net	10	0	0	0
Assets				
Trade receivables	2	3,004	97	0
Liabilities				
Trade payables	(372)	(574)	(280)	0
Dividend paid	(97,000)	0	0	0
Dividend received	0	0	1,250	0
Sale of own shares	27,000	0	0	0

**Comprises of remuneration*

NOTE 16 - EFFECT OF IFRS ADOPTION

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The following represents the reconciliations from Danish GAAP to IFRS for the respective periods noted for equity, earnings and comprehensive income:

Year 2015/16
(the latest period presented under previous GAAP)

USD'000	Note	Previous GAAP	Effect of transition to IFRS	IFRS
Revenue		5,652,042	(6,779)	5,645,263
Operating expenses		(5,428,191)	1,938	(5,426,253)
Gross profit		**223,851**	**(4,841)**	**219,010**
Other operating income		1,796	(10)	1,786
Other external expenses	3/4	(149,216)	2,062	(147,154)
Depreciation, amortisation and impairment	1/2	(9,769)	1,416	(8,353)
Earnings before interest and tax (EBIT)		**66,662**	**(1,373)**	**65,289**
Share of profit/loss in associated companies		998	0	998
Financial income		7,026	(33)	6,993
Financial expenses		(14,123)	0	(14,123)
Earnings before tax (EBT)		**60,563**	**(1,406)**	**59,157**
Corporation tax		(12,403)	166	(12,237)
Earnings after tax (EAT)		**48,160**	**(1,240)**	**46,920**
Minority interests		(228)	228	0
Earnings after tax (EAT) for continuing operations		**47,932**	**(1,012)**	**46,920**
Earnings from discontinued operations	5	0	582	582
Earnings after tax (EAT)		**47,932**	**(430)**	**47,502**
Other comprehensive income				
Fair value adjustment of derivative financial instruments	6	0	(2,918)	(2,918)
Currency exchange rate adjustments		0	117	117
Other adjustments		0	160	160
Income tax relating to these items		0	660	660
Other comprehensive income		**0**	**(1,981)**	**(1,981)**
Total comprehensive income		**47,932**	**(2,411)**	**45,521**

RECONCILIATION OF PROFIT

Year 2015/16
(the latest period presented under previous GAAP)

USD'000	Note	Earnings before tax	Earnings after tax
Previous GAAP		60,563	48,160
IFRS adjustments:			
Reversed amortisation of goodwill	1	5,895	5,895
Depreciation of intangible assets	2	(5,253)	(5,253)
Transaction cost of business combinations	3	(322)	(322)
Earnout	4	(978)	(978)
Discontinued operations	5	(748)	0
Earnings under IFRSs		**59,157**	**47,502**
Total adjustment to profit or loss	6		(1,981)
Total comprehensive income under IFRSs			**45,521**

NOTES:

1. According to IFRS 3, Business Combinations, the Group tests goodwill annually or more frequently if there are indications that goodwill might be impaired. Under Danish GAAP goodwill was amortised on a straight line basis over its economic life, but not for longer than 20 years.
2. According to IFRS 3, Business Combinations, the Group must recognise, separately from goodwill, the identifiable intangible assets acquired in a business combination.
3. According to IFRS 3, Business Combinations, transaction costs in business combinations are recognised directly in profit or loss when incurred. Under Danish GAAP, transaction costs were recognised as part of the cost of goodwill.
4. According to IFRS 3, Business Combinations, earnout agreement in business combinations are recognised directly in profit or loss when incurred. Under Danish GAAP, earnout agreements are recognised as part of the cost of goodwill.
5. The sum of the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less cost to sell or fair value adjustments on the disposal of the assets (or disposal group) is presented as a single amount on the face of the income statement.
6. Derivative financial instruments are initially recognised at fair value and subsequently measured at fair value. Changes in the fair value of derivative financial instruments classified as hedging instruments and meeting the criteria for hedging future cash flows are recognised in other comprehensive income, and reclassified to profit or loss in the period in which the hedged forecast transaction affects profit or loss. Under previous GAAP, derivatives hedging future cash flows were recognised directly in equity.
7. Under IFRS as applied by Bunker Holding Group, credit losses are determined on the basis of expected credit losess rather than incurred credit losses. The implementation of IFRS 9 does not materially impact the financial position or performance of Bunker Holding Group.

NOTE 16 - EFFECT OF IFRS ADOPTION (CONTINUED)

USD'000	Note	Previous GAAP	Effect of transition to IFRS	IFRS
				As at 1 May 2015 (date of transition)
Non-current assets				
Intangible assets	1	19,518	(7,139)	12,379
Property, plant and equipment		20,278	0	20,278
Investments in associates		1,976	0	1,976
Receivables		15	0	15
Deferred tax asset		7,535	0	7,535
Total non-current assets		**49,322**	**(7,139)**	**42,183**
Current assets				
Inventories		72,880	0	72,880
Trade receivables		642,718	(14,608)	628,110
Tax receivables		2,707	0	2,707
Other receivables		89,429	(42,049)	47,380
Derivatives		309	84,189	84,498
Cash and cash equivalents		37,841	0	37,841
Total Current assets		**845,884**	**27,532**	**873,416**
Assets		**895,206**	**20,393**	**915,599**

USD'000	Note	Previous GAAP	Effect of transition to IFRS	IFRS
				As at 1 May 2015 (date of transition)
Equity				
Share capital		1,781	0	1,781
Reserves	1/2	1,924	1,336	3,260
Retained earnings	1/2	291,518	(3,721)	287,797
Equity, shareholders		295,223	(2,385)	292,838
Non-controlling interests	3	0	157	157
Equity		**295,223**	**(2,228)**	**292,995**
Non-current liabilities				
Minority interest	3	157	(157)	0
Borrowings		6,057	0	6,057
Deferred tax liabilities		2,349	0	2,349
Total non-current liabilities		**8,563**	**(157)**	**8,406**
Current liabilities				
Borrowings		102,860	0	102,860
Trade payables		402,276	(13,034)	389,242
Corporation tax		13,328	0	13,328
Derivatives		0	72,561	72,561
Other payables	3	72,956	(36,749)	36,207
Total current liabilities		**591,420**	**22,778**	**614,198**
Total liabilities		**599,983**	**22,621**	**622,604**
Total equity and liabilities		**895,206**	**20,393**	**915,599**

NOTE 16 - EFFECT OF IFRS ADOPTION (CONTINUED)

USD'000	Note	Previous GAAP	Effect of transition to IFRS	IFRS
		As at 30 April 2016 (end of last period presented under previous GAAP)		
Non-current assets				
Intangible assets	1/2/3	34,560	(6,818)	27,742
Property, plant and equipment		18,648	0	18,648
Investments in associates		1,703	0	1,703
Receivables		15	0	15
Deferred tax asset		1,641	0	1,641
Total non-current assets		**56,567**	**(6,818)**	**49,749**
Current assets				
Inventories		98,401	0	98,401
Trade receivables	5	497,949	(14,448)	483,501
Tax receivables		7,113	0	7,113
Other receivables	5	89,791	(52,925)	36,866
Derivatives	5	117	51,645	51,762
Cash and cash equivalents		29,460	0	29,460
Total current assets		**722,831**	**(15,728)**	**707,103**
Assets		**779,398**	**(22,546)**	**756,852**

USD'000	Note	Previous GAAP	Effect of transition to IFRS	IFRS
		As at 30 April 2016 (end of last period presented under previous GAAP)		
Equity				
Share capital		1,781	0	1,781
Reserves	1/2	1,551	(912)	639
Retained earnings	1/2	267,875	(2,130)	265,745
Equity, shareholders		271,207	(3,042)	268,165
Non-controlling interests	3	0	351	351
Equity		**271,207**	**(2,691)**	**268,516**
Non-current liabilities				
Minority interest	6	351	(351)	0
Borrowings		4,950	0	4,950
Deferred tax liabilities		2,246	0	2,246
Total non-current liabilities		**7,547**	**(351)**	**7,196**
Current liabilities				
Borrowings		148,717	0	148,717
Trade payables	5	265,358	(4,427)	260,931
Corporation tax		9,337	0	9,337
Derivatives	5	0	27,918	27,918
Other payables	3/5	77,232	(42,995)	34,237
Total current liabilities		**500,644**	**(19,504)**	**481,140**
Total liabilities		**508,191**	**(19,855)**	**488,336**
Total equity and liabilities		**779,398**	**(22,546)**	**756,852**

NOTE 16 - EFFECT OF IFRS ADOPTION (CONTINUED)

RECONCILIATION OF EQUITY

USD'000	Note	As at 30 April 2016	As at 30 April 2015
Previous GAAP		271,207	295,223
IFRS Adjustments:			
Reversed goodwill in Business Combinations	1/2/3	(21,423)	(12,147)
Recognised other intangible assets in Business Combinations	4	14,605	5,008
Earnout payables reversed	3	3,776	4,754
Minority interest	3	351	157
Adjustment before tax		**(2,691)**	**(2,228)**
Tax effect of the above		0	0
Total Adjustment to equity		**(2,691)**	**(2,228)**
Total equity under IFRS		**268,516**	**292,995**

NOTES:

1. According to IFRS 3, Business Combinations, the Group tests goodwill annually or more frequently if there are indications that goodwill might be impaired. Under Danish GAAP goodwill was amortised on a straight line basis over its economic life, but not for longer than 20 years.
2. According to IFRS 3, Business Combinations, transaction costs in business combinations are recognised directly in profit or loss when incurred. Under Danish GAAP, transaction costs were recognised as part of the cost of goodwill.
3. According to IFRS 3, Business Combinations, earnout agreement in business combinations are recognised directly in profit or loss when incurred. Under Danish GAAP, earnout agreements are recognised as part of the cost of goodwill.
4. According to IFRS 3, Business Combinations, the Group must recognise, separately from goodwill, the identifiable intangible assets acquired in a business combiantion.
5. Derivative financial instruments are initially recognised at fair value and subsequently measured at fair value. Changes in the fair value of derivative financial instruments classified as hedging instruments and meeting the criteria for hedging future cash flows are recognised in other comprehensive income and reclassified to profit or loss in the period in which the hedged forecast transaction affects profit or loss. . The effect of the change does not affect the equity or the profit or loss.
6. According to IFRS 10 a parent company must present non-controlling interests in its consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Under Danish GAAP minority interest was reported as a separate line in the annual report.
7. Under IFRS as applied by Bunker Holding Group, credit losses are determined on the basis of expected credit losses rather than incurred credit losses. The implementation of IFRS 9 does not materially impact the financial position or performance of Bunker Holding Group.

NOTE 17 - SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the consolidated financial statements, Management makes various significant accounting estimates and judgements that affect the reported amounts and disclosures in the statements and in the notes to the financial statements. These estimates are based on professional judgement, historical data and other factors that management considers appropriate under the given circumstances, but which are inherently uncertain or unpredictable. Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. In addition, the Company is subject to risks and uncertainties that may cause actual outcomes to deviate from these estimates. Risk factors specific to Bunker Holding Group are described in the Management´s review. By their nature, however, estimates include a degree of uncertainty, and actual results may deviate from the estimates at the reporting date. Estimates are continuously evaluated, and the effects of any changes are recognised in the relevant period. Management regards the following as the key accounting estimates and judgements used in the preparation of the consolidated financial statements:

PURCHASING PRICE ALLOCATION FOR ACQUISITION OF BUSINESSES

For acquisitions of entities, the assets, liabilities and contingent liabilities of the acquiree are recognised using the acquisition method. The most significant assets acquired generally comprise goodwill, customer contracts, trademarks, other non-current assets and receivables.

No active market exists for the majority of the acquired assets and liabilities, in particular in respect of acquired intangible assets. Accordingly, management makes estimates of the fair value of acquired assets, liabilities and contingent liabilities. Depending on the nature of the item, the determined fair value of an item may be associated with uncertainty and possibly adjusted subsequently.

GOODWILL

The unallocated purchase price (positive amount) is recognised in the statement of financial position as goodwill, which is allocated to the Group's cash-generating units. Management makes estimates of the acquired cash-generating units, the cash-generating units that already existed in the Group and the allocation of goodwill. The allocation of goodwill is based on the expected future cash flows for the business.

The present value of expected future cash flows (value in use) is based on budgets and business plans. Key parameters are annual growth rate in the first five years, EBIT-margin and growth expectations for the following years.

As the risk associated with cash flows is not included in the expected cash flows for newly acquired entities, the expected future cash flows are discounted using a WACC rate. Management believes that the purchase price accounted for in the consolidated financial statements reflects the best estimate of the total fair value of the business.

Determining whether goodwill is impaired requires a comparison of the recoverable amount with the carrying amount. The recoverable amount is determined as the net present value of the future cash flows expected to arise from the cash-generating unit to which goodwill is allocated.

TRADEMARKS

The value of the trademarks acquired and their expected useful life are assessed based on the trademarks' market position, expected long-term developments and the trademarks' profitability. The estimated value of acquired trademarks includes all future cash flows associated with the trademarks using the relief from royalty method. For most entities acquired, there is a close relationship between trademarks and sales.

CUSTOMER AGREEMENTS AND PORTFOLIOS

In business combinations, the value of acquired customer agreements and customer portfolios is assessed based on the value of repeat customers who buy the Group´s products. The current repeat customers have substantial value due to future revenue via additional purchases of products with a minimum sales effort as a result of established relationships. These relationships are defined as customer relationships. The valuation method applied is based on a capitalised value of future cash flows attributable to the customers based upon expected future mortality dispersion function and deducted with cost of goods sold, related expenses and corporate income taxes.

IMPAIRMENT TEST

Management's assessment of indication of impairment is based on the cash-generating units (CGUs). If there are indications that the carrying amount of assets exceeds the value of future cash flows from the assets (recoverable amount), an impairment test must be carried out. The recoverable value is calculated as the highest value of the net selling price (fair value less selling costs) and the value in use at continued use.

The impairment test is carried out within the Group's CGUs. The impairment test is conducted by estimating the recoverable amount at value in use calculated as the present value of the total expected cash flows within the CGU. If the value in use is lower than the carrying amounts of the assets in the CGU, the assets are written down by first reducing the value of any goodwill allocated to the CGU and then pro rata reducing the value of the other assets of the CGU on the basis of the carrying amount of each asset. The assets are not written down to a lower amount than the individual assets' net selling price.

TRADE RECEIVABLES

Trade receivables are measured at amortised cost less write-down for estimated bad debt losses. Impairment losses are based on an individual review of the need for impairment based on customers' creditworthiness and expected ability to pay, customer insolvency or anticipated insolvency, and past due amounts. Write-downs are also considered on a portfolio level. In assessing the adequacy of write-downs for bad debt losses, Management specifically analyses receivables, including doubtful debts, concentrations of credit risk, credit ratings, current economic conditions and changes in customers' payment behaviour.

The specific amount provided for as bad debt is estimated based on a specific assessment of the customers. In this assessment, professional judgement is used, and options such as taking collateral are taken into consideration.

NOTE 18 - SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The Consolidated financial statements for 2016/17 for Bunker Holding A/S have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and further requirements in the Danish Financial Statements Act. The Consolidated financial statements are also in accordance with IFRS as issued by the International Accounting Standards Board (IASB).

The Board of Directors and the Executive Board have on 3 July 2017 considered and adopted the annual report for 2016/17, which will be presented for adoption by the shareholders at the Company's Annual General Meeting on 3 July 2017.

FIRST TIME ADOPTION OF IFRS

These are the Group's first consolidated financial statements prepared in accordance with IFRS as adopted by the EU. The accounting policies comply with each IFRS effective at 30 April 2017.

The Group has voluntarily applied IFRS 9, Financial Instruments, that has been issued but is not yet effective. IFRS 9 simplifies the requirements for hedge accounting.

Previously, the Group has prepared the consolidated financial statements in accordance with Danish GAAP. Note 16 discloses the impact of the transition to IFRS on the Group's reported financial position and financial performance, including the nature and effect of significant changes in accounting policies from those used in the consolidated financial statements for the year ending 30 April 2015 prepared under Danish GAAP.

BASIS OF MEASUREMENT

Amounts in the Annual Report are presented in thousands of United States Dollar (USD), unless otherwise stated. The Annual Report has been prepared under the historical cost convention with the exception of derivative financial instruments and acquisition opening balances, which are measured at fair value. The accounting policies described in the notes have been applied consistently to the financial year and the comparative figures.

CONSOLIDATION

The consolidated financial statements include the parent company Bunker Holding A/S and subsidiaries controlled by Bunker Holding A/S.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its control over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The consolidated financial statements are prepared by consolidating items of a uniform nature. In the consolidation, intercompany income and costs, balances, dividends and intercompany gains and losses are eliminated. The financial statements used for the consolidation are prepared in accordance with the Group's accounting policies.

FOREIGN CURRENCY TRANSLATION

Items included in the financial statements of each of the Group's entities are measured using the currency

NOTE 18 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in USD, which is the Group's presentation currency and the functional currency of the parent company and in all material aspects all other of the Group's entities.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in financial items.

The results and financial position of all of the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet; income and costs for each income statement are translated at average exchange rates. All resulting exchange differences are recognised in other comprehensive income.

MATERIALITY IN FINANCIAL REPORTING

In preparing the Annual Report, Management seeks to improve the information value of the consolidated financial statements, notes to the statements and other measures disclosed by presenting the information in a way that supports the understanding of the Group's performance in the reporting period.

This objective is achieved by presenting fair transactional aggregation levels on line items and other financial information, emphasising information that is considered of material importance to the user and making relevant rather than generic descriptions throughout the Annual Report. All disclosures are made in compliance with the International Financial Reporting Standards, Danish Financial Statements Act and other relevant regulations, ensuring a true and fair view throughout the Annual Report.

LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

INCOME STATEMENT

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 measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes.

Revenue includes fair value gains and losses net related to commodity derivatives.

Sales of fuel products are recognised upon passing of title to the customer which generally coincides with delivery and acceptance of the goods sold.

OPERATING EXPENSES

Operating 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.

SHARE OF PROFIT/LOSS IN ASSOCIATED COMPANIES

Share of profit or loss in associated companies is recognised net of tax and corrected for the share of unrealised intra-group gains and losses.

NOTE 18 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INCOME AND EXPENSES

Financial income and expenses comprises 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 comprises an estimate of current and deferred income tax as well as adjustments to previous years of those. 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).

STATEMENT OF COMPREHENSIVE INCOME

Other comprehensive income consists of income and costs not recognised in the income statement, including exchange rate adjustments arising from the translation from functional currency to presentation currency, fair value adjustments of other equity investments and cash flow hedges.

Bunker Holding A/S's share of other comprehensive income in associated companies and joint ventures is also included.

Other comprehensive income includes current and deferred income tax to the extent the items recognised in other comprehensive income are taxable or deductible.

BALANCE SHEET

INTANGIBLE ASSETS

Intangible assets is measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets. Trademarks are amortised over a useful life of 3 years. IT development and software are amortised over a useful life of 3-5 years. Customer relations are amortised over a useful life of 5 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:

Buildings are amortised over a useful period of 20-50 years .

Other fixtures and fittings, tools and equipment are amortised over a useful time of 3-10 years.

Estimated useful lives and residual values are reassessed on a regular basis. Scrap values are reassessed yearly.

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.

Impairment losses are recognised when the carrying amount of an asset or a cash-generating unit exceeds the higher of the estimated value in use and fair value less costs of disposal. Goodwill is attributed to cash-generating units on acquisition and impaired before other assets.

Intangible assets and property, plant and equipment are tested for impairment, if there is an indication of impairment.

However, annual impairment tests are carried out for goodwill and other intangible assets with indefinite useful lives.

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Investments in associated companies and joint ventures are recognised at Bunker Holding's share of the equity value inclusive of goodwill less any impairment losses. Goodwill is an integral part of the value of associated companies and is therefore subject to an impairment test together with the investment as a whole. Impairment losses are reversed to the extent the original value is considered recoverable.

INVENTORIES

Inventories are measured at the lower of cost under the FIFO method and net realisable value. The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

The cost price of inventories whose fair value is effectively hedged from derivative financial instruments is adjusted for the change in fair value attributable to the hedged risk.

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

NOTE 18 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECEIVABLES

Receivables are measured in the balance sheet at the amount initially recognised less the expected lifetime credit loss. Provisions for bad debts are determined on the basis of an individual assessment of each receivable in combination with an assessment on a portfolio level based on current and expected future economic conditions.

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.

OWN SHARES

Purchase and sales prices of own shares are recognised directly in equity. Capital reduction upon cancellation of own shares will reduce the share capital by an amount corresponding to the nominal amount of the shares and will increase retained earnings. Dividend on own shares is recognised directly in equity under "Retained earnings".

FINANCIAL LIABILITIES

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.

MINORITY INTERESTS

Non-controlling interests' share of profit/loss for the year and of equity in subsidiaries is included as part of Bunker Holding's profit and equity respectively, but shown as separate items.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are initially recognised in the balance sheet at fair value. Any difference between the transaction price and fair value determined when applying a valuation model, which is not solely based on observable market data is deferred and recognised over the term of the contract.

Derivative financial instruments are subsequently remeasured at their fair values. Derivative financial assets and liabilities and related collateral payable and receivable are presented net if the company has both a current legally enforceable right to set off the recognised amounts and intends to settle net. Net amounts of positive and negative fair values of derivative financial instruments are presented in separate line items in the balance sheet.

Fair value of OTC oil derivative contracts is determined on the basis of generally applied forward and option pricing models. Inputs to the models are to the extent possible determined on the basis of observable prices for the underlying products. For contracts where the most significant input is unobservable, Management estimates the input.

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. The contracts entered into as of 30 April 2017 comprise commodity derivatives. The net amount of fair value gains and losses related to commodity derivatives is presented as gross profit.

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 highly probable future transactions are recognised in other comprehensive income and presented in a separate reserve within 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 regard the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

NOTE 18 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUSINESS COMBINATIONS

Upon acquisition of new entities, the acquired assets, liabilities and contingent liabilities are measured at fair value at the date control was achieved using the acquisition method. Identifiable intangible assets are recognised if they arise from a contractual right or can otherwise be separately identified. The difference between the fair value of the acquisition cost and the fair value of acquired identifiable net assets is recognised as goodwill. Any subsequent changes to contingent acquisition costs are recognised as other income or other costs in the income statement. Transaction costs are recognised as operating costs as they are incurred. When Bunker Holding Group ceases to have control of a subsidiary, the value of any retained investment is re-measured at fair value and the value adjustment is recognised in the income statement as gain (or loss) on sale of non-current assets. The effect of the purchase and sale of non-controlling interests without changes in control is included directly in equity.

CASH FLOW STATEMENT

Cash flow from operating activities is presented according to the indirect method based on EBIT, adjusted for depreciation, non-cash operating movements, net interests, changes in working capital and income taxes paid.

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 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 and cash equivalents" under current assets as well as "Bank borrowings" under short-term debt.

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

DEFINITION OF FINANCIAL RATIOS

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

$$\text{Profit margin} = \frac{\text{EBIT x 100}}{\text{Revenue}}$$

$$\text{Return on equity} = \frac{\text{EAT x 100}}{\text{Average equity}}$$

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

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

Number of employees = Employees are converted to annual full-time employees

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for 30 April 2017 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below

IFRS 15, Revenue from contracts with customers

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services, The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The standard permits either a full retrospective or a modified retrospective approach for the adoption and is mandatory for the Group as of 1 May 2018.
Management is currently assessing the effects of applying the new standard on the group's financial statements.

IFRS 16, Leases

The IASB has issued a new standard for lease accounting. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The standard permits either a full retrospective or a modified retrospective approach for the adoption and is mandatory for the Group as of 1 May 2020.
Management is currently assessing the effects of applying the new standard on the group's financial statements. Refer to note 14 for disclosure of lease commitments currently treated as operating leases.

Other standards and amendments

The IASB has issued minor amendments to a number of standards, and IFRIC has issued interpretations which will become effective in future accounting periods. None of these amendments and interpretations are expected to have significant impact on the accounting policies.

PARENT COMPANY FINANCIAL STATEMENTS

INCOME STATEMENT

USD'000	Note	2016/17	2015/16
Other operating income		8,557	0
Other external expenses		(8,151)	(198)
Staff cost	19	(6,340)	0
Depreciation and amortisation	20	(6)	0
Earnings before interest and tax (EBIT)		**(5,940)**	**(198)**
Profit from investments in group enterprises and associates		31,761	47,905
Financial income	21	10,871	8,691
Financial expenses	22	(11,886)	(8,391)
Earnings before tax (EBT)		**24,806**	**48,007**
Corporation tax	23	1,626	(75)
Earnings after tax (EAT)		**26,432**	**47,932**

BALANCE SHEET AT 30 APRIL

USD'000	Note	2016/17	2015/16
Fixtures and fittings, tools and equipment		138	0
Property, plant and equipment	**25**	**138**	**0**
Investments in subsidiaries		252,833	239,727
Investments in associates		2,971	1,703
Fixed asset investments	**26**	**255,804**	**241,430**
Fixed assets		**255,942**	**241,430**
Trade receivables		28	0
Receivables from group enterprises		357,070	230,027
Prepayments		3,838	0
Other receivables	27	2,697	364
Dividends receivable		750	1,786
Corporation tax		1,467	685
Receivables		**365,850**	**232,862**
Cash at bank and in hand		**11,848**	**11,289**
Current assets		**377,698**	**244,151**
Assets		**633,640**	**485,581**

USD'000	Note	2016/17	2015/16
Share capital		1,781	1,781
Reserve for net revaluation under the equity method		98,497	107,177
Retained earnings		144,547	127,249
Proposed dividend for the year		10,000	35,000
Equity	**28**	**254,825**	**271,207**
Provision for deferred tax	29	7	0
Provisions		**7**	**0**
Credit institutions		238,256	85,453
Trade payables		986	0
Payables to group enterprises		133,831	123,200
Other payables		5,735	5,721
Short-term debt		**378,808**	**214,374**
Liabilities and equity		**633,640**	**485,581**
Proposed distributions of profits	24		
Guarantees, security and contingent liabilities	30		
Related parties	31		
Fees to auditor	32		

STATEMENT OF CHANGES IN EQUITY

USD'000	Share Capital	Reserve Under the Equity Method	Retained Earnings	Proposed Dividend	Total Equity
2016/17					
Equity at 1 May	1,781	107,177	127,249	35,000	271,207
Dividend paid	0	0	(11,000)	(35,000)	(46,000)
Net profit for the year	0	(9,429)	25,861	10,000	26,432
Fair value adjustment of derivative financial instruments	0	0	373	0	373
Capital adjustments	0	749	2,064	0	2,813
Equity at 30 April	**1,781**	**98,497**	**144,547**	**10,000**	**254,825**
2015/16					
Equity at 1 May	1,781	130,641	117,801	45,000	295,223
Dividend paid	0	0	(52,000)	(45,000)	(97,000)
Sale of own shares	0	0	27,000	0	27,000
Net profit for the year	0	(21,375)	34,307	35,000	47,932
Fair value adjustment of derivative financial instruments	0	0	0	0	0
Capital adjustments	0	(2,089)	141	0	(1,948)
Equity at 30 April	**1,781**	**107,177**	**127,249**	**35,000**	**271,207**

NOTES

NOTE 19 - STAFF COST

USD'000	2016/17	2015/16
Wages and salaries	6,061	0
Pensions	258	0
Other social security expenses	21	0
Total	**6,340**	**0**
Number of employees	**39**	**0**
Salaries and remuneration to the Executive Board and Board of Directors amount to:	**1,722**	**0**

NOTE 20 - DEPRECIATION AND AMORTISATION

USD'000	2016/17	2015/16
Fixtures and fittings, tools and equipment	(6)	0
Total	**(6)**	**0**

NOTE 21 - FINANCIAL INCOME

USD'000	2016/17	2015/16
Intercompany interest	10,734	8,550
Total	**10,734**	**8,550**

NOTE 22 - FINANCIAL EXPENSES

USD'000	2016/17	2015/16
Intercompany interest	3,398	3,004
Total	**3,398**	**3,004**

NOTE 23 - TAXES

USD'000	2016/17	2015/16
Current tax for the year	1,531	(136)
Tax concerning previous years	102	450
Deferred tax	(7)	(389)
Total tax for the year	**1,626**	**(75)**
Which is broken down as follows:		
Tax on profit for the year	1,426	(136)
Tax concerning previous years	102	450
Deferred tax	(7)	(389)
Tax on equity transactions	105	0
Total tax for the year	**1,626**	**(75)**

NOTE 24 - PROPOSED DISTRIBUTION OF PROFITS

USD'000	2016/17	2015/16
Proposed dividend	10,000	35,000
Extraordinary dividend	11,000	25,000
Reserve for net revaluation under the equity method	(9,429)	(21,375)
Retained earnings	14,861	9,307
Earnings after tax (EAT)	**26,432**	**47,932**

NOTE 25 - PROPERTY, PLANT AND EQUIPMENT

USD'000	Fixtures and Fittings, Tools and Equipment
Cost at 1 May	0
Exchange rate adjustment	0
Additions	144
Disposals	0
Cost at 30 April	**144**
Depreciation at 1 May	0
Exchange rate adjustment	0
Depreciation	(6)
Reversed depreciation of disposals	0
Impairment losses	0
Depreciation at 30 April	**(6)**
Carrying amount at 30 April	**138**

NOTE 26 - INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

USD'000	Investments in Subsidiaries	Investments in Associates
Cost at 1 May	132,526	1,727
Additions for the year	25,403	152
Disposals for the year	(3,593)	0
Cost at 30 April	**154,336**	**1,879**
Value adjustments at 1 May	107,201	(24)
Exchange rate adjustment	725	24
Disposals for the year	5,507	0
Share of profit for the year	30,669	1,092
Dividend	(45,605)	0
Value adjustments at 30 April	**98,497**	**1,092**
Carrying amount at 30 April	**252,833**	**2,971**

NOTE 26 - INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (CONTINUED)

THE PARENT COMPANY'S INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES COMPRISE:

Name	Country	Currency	Ownership
A/S Dan-Bunkering Ltd.	Denmark	USD	100%
BMS United Bunkers S.A. ApS	Denmark	DKK	100%
A/S Global Risk Management Ltd.	Denmark	USD	100%
KPI Bridge Oil A/S	Denmark	USD	100%
Bunker Holding Estate A/S	Denmark	DKK	100%
USTC Administration ApS	Denmark	DKK	100%
KTB Oil Corporation Ltd. ApS	Denmark	USD	100%
Unioil Supply A/S	Denmark	USD	100%
Unioil Cargo A/S	Denmark	USD	100%
Nordliq A/S	Denmark	DKK	25%
Glander International Bunkering (Norway) AS	Norway	USD	100%
Topoil AB	Sweden	SEK	100%
KPI Bridge Oil London Ltd.	UK	GBP	100%
KPI Bridge Oil Greece IKE	Greece	EUR	100%
KPI Bridge Oil Denizcilik ve Ticaret Ltd. Sti.	Turkey	THY	100%
Kristensons Petroleum Inc.	USA	USD	100%
Glander International Bunkering Inc.	USA	USD	100%
Dan-Bunkering (America) Inc.	USA	USD	100%
UNITY Bunkering, Inc	USA	USD	100%
LQM Holdings (Delaware) Inc.	USA	USD	100%
LQM Petroleum Services LLC	USA	USD	100%
Unimarine LLC	USA	USD	100%
Dan-Bunkering (Chile) SPA	Chile	CLP	100%
South American Bunkers S.A.	Argentina	ARS	100%
KPI Bridge Oil Ltd.	Cayman Islands	USD	100%
Glander International Bunkering (Middle East) DMCC	Dubai	USD	100%
Dan-Bunkering (Middle East) DMCC	Dubai	USD	100%
Australia Bunkering Pty Ltd.	Australia	AUD	100%
South African Bunkering & Trading Ltd.	British Virgin Islands	USD	100%
Amoil International Ltd	British Virgin Islands	USD	100%
South African Bunkering & Trading Pty Ltd.	South Africa	ZAR	100%
Amoil (Pty) Ltd	South Africa	ZAR	100%
TRT Bunkers (Pty) Ltd	South Africa	ZAR	100%

Name	Country	Currency	Owner ship
Dan-Bunkering (Singapore) Pte. Ltd.	Singapore	USD	100%
KPI Bridge Oil Singapore Pte. Ltd.	Singapore	USD	100%
Glander International Bunkering Pte. Ltd	Singapore	USD	100%
Unimarine Pte Ltd.	Singapore	USD	100%
Unicore Fuel Pte Ltd.	Singapore	USD	100%
BMS United Bunkers (HK) Limited	Hong Kong	USD	100%
International Bunker Services Ltd	Hong Kong	USD	100%
Dan-Bunkering (Monaco) S.A.M	Monaco	EUR	100%
KPI Bridge Oil Cyprus Ltd.	Cyprus	USD	100%
Bunkernet Ltd.	Cyprus	USD	100%
BMS United Bunkers (Cyprus) Ltd.	Cyprus	USD	100%
Kaeline Investment Ltd	Cyprus	USD	50%
Canden Marine Fuel Services Ltd.	Canada	CAD	51%
Glander International Bunkering do Brazil Ltda.	Brazil	BRL	100%
Glander International Bunkering (Geneva) Sarl	Switzerland	USD	100%
Unicore Fuel B.V.	Netherlands	USD	100%
Glander International Bunkering India	India	INR	100%
Reniden S.A	Uruguay	UYU	100%
Unimarine (Shanghai) Co., Ltd.	China	CNY	100%
PT. BMS Bunkers Indonesia	Indonesia	IDR	100%
Suppleo Bunkering S DE RL DE CV	Mexico	MXN	100%

Moreover, the Group owns enterprises without any business activity which are not included in the list.

NOTE 27 - OTHER RECEIVABLES

The item other receivables includes adjustment of derivative financial instruments to fair value by net USD (320k). Stated on a gross basis, the asset amounts to USD 1,433k and the liability USD 1,753k.

USD 135k of the gross payables relates to group enterprises.

NOTE 28 - EQUITY

The share capital consists of 100,000 shares of DKK 100 (equivalent USD 17.8) at the historical exhange rate of 5,6141 to USD 1,781k.

NOTE 29 - DEFERRED TAX

USD'000	2016/17	2015/16
Deferred tax at 1 May	0	(389)
Correction	0	389
Change for the year	7	0
Total tax for the year	**7**	**0**

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

NOTE 30 - GUARANTEES, SECURITY, CONTINGENT LIABILITIES

USD'000	2016/17	2015/16
Guarantees		
The Parent Company has issued a guarantee for the liabilities of the subsidiaries:	611,339	643,714
At the balance sheet date, the following has been applied of the guarantee commitment	159,772	100,950
At the balance sheet date, no other guarantees or security has been provided		
Lease and rent obligations		
Lease and rent obligations	250	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 the 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 in the Company's liability.		

NOTE 31 - RELATED PARTIES

Related parties are defined as parties with control or significant influence, including Group Companies.

With reference to section 98 C (7) of the Danish Financial Statements Act, related party transaction details are not disclosed.

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.

Other related parties comprise the Board of Directors and the Executive Board.

NOTE 32 - FEES TO AUDITORS

USD'000	2016/17	2015/16
PricewaterhouseCoopers		
Audit	66	33
Assurance engagements	0	0
Tax services	25	0
Other services	11	0
Total fees for the year	**102**	**33**

NOTE 33 - ACCOUNTING POLICIES

BASIS OF PREPARATION

The Annual Report for the parent company Bunker Holding A/S for 2016/17 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 2016/17 is presented in USD 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.

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

PRESENTATION CURRENCY

The Financial Statements for 2016/17 have been presented in USD. At 30 April 2017 the year-end exchange rate for USD/DKK was 6.82. The comparative figures are translated at the historical year-end exchange rate which as of 30 April 2016 was USD/DKK 6.53.

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 from 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.

Fair value of OTC oil derivative contracts is determined on the basis of generally applied forward and option pricing models. Inputs to the models are to the extent possible determined on the basis of observable prices for the underlying products. For contracts where the most significant input is unobservable, Management estimates the input based on recent transactions, transactions with similar products etc.

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

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.

NOTE 33 - ACCOUNTING POLICIES (CONTINUED)

INCOME STATEMENT

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.

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 comprises interest, financial expenses 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

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:

Other fixtures and fittings, tools and equipment: 3-10 years.

Scrap values are reasessed yearly.

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.

NOTE 33 - ACCOUNTING POLICIES (CONTINUED)

SECURITIES AND INVESTMENTS

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

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.

SECURITIES

Securities recognised in current assets are measured at the fair value at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

PREPAYMENTS

Prepayments comprise prepaid expenses.

OWN SHARES

Purchase and sales prices of own shares are recognised directly in equity. Capital reduction upon cancellation of own shares will reduce the share capital by an amount corresponding to the nominal amount of the shares and will increase retained earnings. Dividend on own shares is recognised directly in equity under "Retained earnings".

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 that 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 as 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.

FINANCIAL DEBTS

Fixed-interest loans are recognised initially as 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.

MANAGEMENT'S STATEMENT

The Executive Board and Board of Directors have today presented and adopted the Annual Report of Bunker Holding A/S for the financial year 1 May 2016 - 30 April 2017.

The consolidated financial statements for 2016/17 for Bunker Holding A/S have been prepared in accordance with the International Financial Reporting Standards (IFRS).

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 April 2017 and of the results of Company operations for 2016/17.

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

Middelfart 3 July 2017

EXECUTIVE BOARD

Keld Rosenbæk Demant
CEO

Jesper Klokker Hansen
CFO

BOARD OF DIRECTORS

Torben Østergaard-Nielsen
Chairman

Klaus Nyborg
Deputy Chairman

Michael Keldsen

Morten Hultberg Buchgreitz

Peter Frederiksen

Torben Janholt

Peter Korsholm

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Bunker Holding A/S

OPINION

In our opinion, the Group's Consolidated Financial Statements give a true and fair view of the Group's financial position at April 2017 and of the results of the Group's operations and cash flows for the financial year 1 May 2016 to 30 April 2017 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 30 April 2017 and of the results of the Parent Company's operations for the financial year 1 May 2016 to 30 April 2017 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Bunker Holding A/S for the financial year 1 May 2016 to 30 April 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statements of comprehensive income and cash flow statement for the Group ("financial statements").

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

STATEMENT ON MANAGEMENT'S REVIEW

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

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

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Trekantområdet, 3 July 2017

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jan Bunk Harbo Larsen State Authorised Public Accountant	Gert Fisker Tomczyk State Authorised Public Accountant

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Financial year: 1 May - 30 April
Municipality of reg. office: Middelfart

BUNKER HOLDING
GROUP