
Stena Bulk A/S

Tuborg Boulevard 12,2, DK-2900 Hellerup

Annual Report for 2024

CVR No. 33 39 69 53

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 30/6 2025

Morten Rich
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Stena Bulk A/S for the financial year 1 January - 31 December 2024.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and of the results of the Company operations for 2024.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Hellerup, 30 June 2025

Executive Board

Ulf Håkan Bäcklund
Managing Director

Board of Directors

Per Lars Erik Hånell
Chairman

Ulf Håkan Bäcklund

Sofia Elisabet Ericsson

Morten Rich

Independent Auditor's report

To the shareholder of Stena Bulk A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Stena Bulk A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 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 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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 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 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 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.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the Financial Statements. We are responsible for the direction, supervision and review of the audit work performed. 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.

Independent Auditor's report

Hellerup, 30 June 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

René Otto Poulsen

State Authorised Public Accountant

mne26718

Company information

The Company	Stena Bulk A/S Tuborg Boulevard 12,2 DK-2900 Hellerup Telephone: + 45 88 93 86 00 Website: www.stenabulk.com CVR No: 33 39 69 53 Financial period: 1 January - 31 December Incorporated: 26 January 2011 Financial year: 14th financial year Municipality of reg. office: Gentofte
Board of Directors	Per Lars Erik Hånell, chairman Ulf Håkan Bäcklund Sofia Elisabet Ericsson Morten Rich
Executive Board	Ulf Håkan Bäcklund
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Lawyers	Bech-Bruun Langelinie Allé 35 DK-2100 København Ø
Bankers	Nordea Bank Danmark A/S Strandgade 3 DK-0900 København C

Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2024	2023	2022	2021	2020
	TUSD	TUSD	TUSD	TUSD	TUSD
Key figures					
Profit/loss					
Revenue	312,540	446,651	559,766	341,981	439,123
Gross profit	40,938	73,625	92,410	-33,840	3,967
Profit/loss of primary operations	33,425	67,139	86,552	-36,388	295
Profit/loss of financial income and expenses	8,196	6,472	5,596	18,867	15,482
Net profit/loss for the year	40,111	71,975	91,527	-16,667	15,150
Balance sheet					
Balance sheet total	135,174	161,011	197,006	101,105	135,456
Investment in property, plant and equipment	6,143	35	0	0	0
Equity	114,679	124,441	143,795	52,403	75,268
Number of employees	87	79	79	38	15
Ratios					
Gross margin	13.1%	16.5%	16.5%	-9.9%	0.9%
Profit margin	10.7%	15.0%	15.5%	-10.6%	0.1%
Return on assets	24.7%	41.7%	43.9%	-36.0%	0.2%
Solvency ratio	84.8%	77.3%	73.0%	51.8%	55.6%
Return on equity	33.5%	53.7%	93.3%	-26.1%	22.3%

Management's review

Key activities

The primary activity of the enterprise is transportation of vegetable oil., chemicals and other oil products.

Development in the year

The income statement of the Company for 2024 shows a profit of TUSD 40,111, and on 31 December 2024 the balance sheet of the Company shows equity of TUSD 114,679.

The result after tax is a result of the continued high freight rate seen since 2022.

Management expectations for high freight rates to continued due 2024 to the instability caused by the Russia and Ukraine war. These conditions continued through the whole year, and the estimated expectations for 2024 were therefore achieved.

Management currently assesses the Group's opportunities and the need to adapt to current market conditions. This has, among other things, resulted in a strategic choice to decrease the Company's exposure levels with respect to the charter-in employment of ships, as long-term charter rates also are at record high levels.

During the year, the Company has engaged approximately 34 chartered tankers of 40,000 and 60,000 dwt on an ad hoc basis.

The Company also has offices in Gothenburg, Dubai, USA and Singapore.

In May 2024 a sperate legal entity, Stena Bulk Products & Chemicals Pool K/S, was established to manage spot activities in a new pool format. Spot and COA activities were transferred from Stena Bulk A/S to the new entity.

Market risks

The Company's freight income is mainly generated by voyages agreed at the market terms on the date concerned. Consequently, there may be significant fluctuations in earnings. The freight rates are to some extent hedged against fluctuations through the conclusion of consecutive freight agreements, loading contracts, COA and time charters.

In case of shipping accidents that may result in oil or chemical spillage, significant financial obligations may be imposed on the Company for clean-up work according to the international rules. In order to meet this risk, the widest possible insurance cover has been established, covering damage to the environment and pollution, damage to vessels and cargo, third-party liability and war risk.

Fluctuations in the price of bunkers affect the operating profit. Price agreements are entered into concerning future purchases of bunkers when the market conditions are estimated to lead to increasing bunkers prices. It is the Company's objective that the expected bunkers' consumption of all contracts is covered at the conclusion of the contract.

Foreign exchange risks

Most of the Company's income is in USD, as are most of the Company's expenses. Therefore, Management has not considered it relevant to hedge commercial currency risks.

Interest rate risks

The Company's long-term debts are measured in USD, which also is the functional currency. Therefore, Management has assessed that the Company is not exposed to any interest rate risks.

Management's review

Targets and expectations for the year ahead

The product tank industry has been affected by general instability in the world. Longer tonnage miles, new regulations.

The Company expected high freight rates due to the continue instability caused by the Russia and Ukraine war, as well as the regional instability around the AG and currently evolving conflict around Isreal, US and Iran are also expected to continue throughout 2025. In conjunction with the high freight rates and the commercial adjustments made, a profit between USD 8 to 20 million is expected for 2025. There is a risk that revenue will increase as a result of growing the fleet and earnings will decrease as a likely result of higher hire costs. Management is closely following the development and will adjust to the volatile market conditions.

The revenue in 2025 is expected to be in the range USD 150 to 300 million due to the smaller fleet compared to 2024 and the uncertainties described above.

Research and development

The Company is not directly engaged in any research and development activities. As part of the Stena Group of companies, the Company has direct access to cutting edge research and development that the Group is at the forefront of.

External environment

The Shipping Company focuses on maintaining and currently increasing the high level of quality, safety and environmental protection as important elements in the operation of the vessels.

New stricter rules relating to the construction of vessels, inspection and age limits as well as updated rules relating to security, safety and environment require continuous focus on operating the fleet in accordance with national and international conventions and regulations and on implementing new measures and requirements in good time. The introduction of regulations such as EEXI & CII will drive the need for continuous improvement, and fleet upgrades.

As a minimum, all vessels are equipped and certified according to the recommendations of classification companies and the flag states. Daily operations include verification that the chartered tonnage complies with current rules and requirements.

Intellectual capital resources

The Company delivers transport solutions. By virtue of internal professional competence and the wide range of services, the Company is able, in cooperation with customers and shipping agents, to add value for the customers by refining the qualities of the individual transportation product.

By retaining and recruiting new competences, and through cooperation, alliances and training, the Company increases its intellectual capital, which is a significant parameter in the development and bringing to perfection of new services.

The Company is committed to objectives, attitudes and strategies which systematically add value and form the basis of the Stena Group's innovative capacity, and in order to stay successful, it is important for the Company to attract and retain well-educated employees who identify with the Company's core values. Therefore, considerable resources are invested in the continued training of the Company's employees.

Moreover, the Company actively focuses on the welfare of its employees as well as the understanding of strategy and objectives across the entire organization.

Annual job appraisal interviews are held for all employees at which goals and plans for the future as well as career opportunities are discussed and planned.

Management's review

Statement of corporate social responsibility

Please refer to the Group's CSR report prepared by Stena AB, Sweden, which can be found via the following link : [stena-ab-annual-review-2024-web.pdf](#)

Statement on data ethics

Stena Bulk A/S only does limit use advanced technologies such as artificial intelligence or machine learning. The Company handles general customer data and employee data. Data is processed in accordance with the GDPR and our privacy and information security policies and AI policy. With the limited processing of data, it is the Company's assessment that there is no need for a policy on data ethics. The Company will continuously assess whether a policy is necessary.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

Recognition and measurement in the Annual Report have not been subject to any uncertainty

Subsequent events

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

Income statement 1 January - 31 December

	Note	2024	2023
		TUSD	TUSD
Revenue	1	312,540	446,651
Other operating income		152	419
Expenses for raw materials and consumables		-268,354	-365,792
Other external expenses		-3,400	-7,653
Gross profit		40,938	73,625
Staff expenses	2	-6,580	-6,481
Depreciation and impairment losses of property, plant and equipment	3	-933	-5
Profit/loss before financial income and expenses		33,425	67,139
Income from investments in subsidiaries	4	1,558	124
Income from investments in associates	5	2,775	2,033
Financial income		3,994	4,303
Financial expenses		-131	12
Profit/loss before tax		41,621	73,611
Tax on profit/loss for the year	6	-1,510	-1,636
Net profit/loss for the year	7	40,111	71,975

Balance sheet 31 December

Assets

	Note	2024	2023
		TUSD	TUSD
Other fixtures and fittings, tools and equipment		12	30
Vessels		5,228	0
Property, plant and equipment	8	5,240	30
Investments in subsidiaries	9	2,496	930
Investments in associates	10	3,560	4,535
Deposits		101	82
Fixed asset investments		6,157	5,547
Fixed assets		11,397	5,577
Finished goods and goods for resale		312	9,607
Inventories		312	9,607
Trade receivables		4,488	39,259
Receivables from group enterprises		98,824	65,251
Other receivables		906	15,129
Corporation tax		116	69
Prepayments	12	6,185	16,181
Receivables		110,519	135,889
Cash at bank and in hand		12,946	9,938
Current assets		123,777	155,434
Assets		135,174	161,011

Balance sheet 31 December

Liabilities and equity

	Note	2024	2023
		TUSD	TUSD
Share capital		367	367
Reserve for net revaluation under the equity method		5,534	4,951
Reserve for hedging transactions		-79	-206
Retained earnings		108,857	119,329
Equity		114,679	124,441
Trade payables		2,937	4,575
Payables to group enterprises		4,001	2,476
Other payables		11,732	10,788
Deferred income	13	1,825	18,731
Short-term debt		20,495	36,570
Debt		20,495	36,570
Liabilities and equity		135,174	161,011
Contingent assets, liabilities and other financial obligations	14		
Related parties	15		
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Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Retained earnings	Total
	TUSD	TUSD	TUSD	TUSD	TUSD
Equity at 1 January	367	4,951	-206	119,329	124,441
Extraordinary dividend paid	0	0	0	-50,000	-50,000
Fair value adjustment of hedging instruments, end of year	0	0	127	0	127
Dividend from group enterprises	0	-3,750	0	3,750	0
Net profit/loss for the year	0	4,333	0	35,778	40,111
Equity at 31 December	367	5,534	-79	108,857	114,679

Notes to the Financial Statements

	2024	2023
	TUSD	TUSD
1. Revenue		
Geographical segments		
Globally	312,540	446,651
	312,540	446,651
Business segments		
Tanker shipping	312,540	446,651
	312,540	446,651
	2024	2023
	TUSD	TUSD
2. Staff expenses		
Wages and salaries	6,189	5,956
Pensions	196	178
Other social security expenses	71	81
Other staff expenses	124	266
	6,580	6,481
Including remuneration to the Executive Board:		
Executive board	343	675
	343	675
Average number of employees	87	79

The board of directors in Stena Bulk A/S consists of employees from other companies within the Stena AB group as well as employees employed within the company. These individuals do not receive separate remuneration for their management duties in the Stena Bulk A/S. Based on the scope of the board's work in the Stena Bulk A/S, the portion of salaries paid by Stena Bulk A/S or other companies in the Stena AB group related to board's work in the Stena Bulk A/S is approx. 65 TDKK and thus based here on the total remuneration to the executive board amounts to 260 TDKK.

The Company hires ship personnel from group companies and therefore the Company indirectly has all the obligations attached. Consequently the average number of employees stated above includes personnel hired from the group companies. The cost for hired staff is included in Expenses for raw materials and consumables with USD 5,556k. (Last year USD 5,102k).

Notes to the Financial Statements

	2024	2023
	TUSD	TUSD
3. Depreciation and impairment losses of property, plant and equipment		
Depreciation of property, plant and equipment	933	5
	933	5
	2024	2023
	TUSD	TUSD
4. Income from investments in subsidiaries		
Share of profits of subsidiaries	1,558	124
	1,558	124
	2024	2023
	TUSD	TUSD
5. Income from investments in associates		
Share of profits of associates	2,775	2,033
	2,775	2,033
	2024	2023
	TUSD	TUSD
6. Income tax expense		
Current tax for the year	1,558	1,443
Deferred tax for the year	-47	31
Adjustment of tax concerning previous years	-1	234
Adjustment of deferred tax concerning previous years	0	-72
	1,510	1,636

Notes to the Financial Statements

	2024	2023
	TUSD	TUSD
7. Profit allocation		
Extraordinary dividend paid	50,000	91,000
Reserve for net revaluation under the equity method	4,333	4,951
Retained earnings	-14,222	-23,976
	40,111	71,975
8. Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	Vessels
	TUSD	TUSD
Cost at 1 January	147	0
Additions for the year	0	6,143
Cost at 31 December	147	6,143
Impairment losses and depreciation at 1 January	117	0
Depreciation for the year	18	915
Impairment losses and depreciation at 31 December	135	915
Carrying amount at 31 December	12	5,228
Revaluation less amortisation, depreciation and impairment losses	3-5 years	6-7 years

Notes to the Financial Statements

	2024	2023
	TUSD	TUSD
9. Investments in subsidiaries		
Cost at 1 January	14	15
Additions for the year	7	0
Disposals for the year	0	-1
Cost at 31 December	21	14
Value adjustments at 1 January	916	792
Net profit/loss for the year	1,559	124
Value adjustments at 31 December	2,475	916
Carrying amount at 31 December	2,496	930

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Owner-ship	Equity	Net profit/loss for the year
Stena Bulk DMC	Dubai	AED 50,000	100%	753	205
Stena Bulk LLC	Houston	USD 14,000	100%	415	32
Stena Bulk Products & Chemicals Pool GP ApS	Denmark	DKK 40,000	100%	7	1
Stena Bulk Products & Chemicals Pool K/S	Denmark	DKK 10,000	100%	1,321	1,319

All subsidiaries are recognised and measured as separate entities. Equity and Net profit/loss for the year are expressed in USD.

Notes to the Financial Statements

	2024 TUSD	2023 TUSD
10. Investments in associates		
Cost at 1 January	500	6,770
Disposals for the year	0	-6,270
Cost at 31 December	500	500
Value adjustments at 1 January	4,035	-1,964
Disposals for the year	0	6,270
Net profit/loss for the year	2,775	2,033
Dividends received	-3,750	-2,304
Value adjustments at 31 December	3,060	4,035
Carrying amount at 31 December	3,560	4,535

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Owner- ship	Equity	Net profit/loss for the year
Golden Stena Weco Pte. Ltd.	Singapore	USD 500.000	50%	7,120	5,551

11. Derivative financial instruments

Derivative financial instruments contracts in the form of bunker swaps have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to USD -79k.

12. Prepayments

Prepayments consist of prepaid expenses concerning hire, insurance and commissions.

13. Deferred income

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

Notes to the Financial Statements

	2024	2023
	TUSD	TUSD
14. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	83,076	69,985
Between 1 and 5 years	129,805	136,523
After 5 years	30,868	54,750
	243,749	261,258

15. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
Stena AB	Ultimate parent company
Other related parties	

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

There have been no transactions with the Supervisory board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, which have not been conducted at arm's length terms.

Consolidated Financial Statements

The company is part of the consolidated annual report of the parent company.

Name	Place of registered office
Stena AB	Göteborg, Sweden

The Group Annual Report of Stena AB may be obtained at the following address:

Stena AB
Masthuggskajen 19
405-19 Göteborg
Sweden

16. Subsequent events

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

Notes to the Financial Statements

17. Accounting policies

The Annual Report of Stena Bulk A/S for 2024 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 last year.

The Financial Statements for 2024 are presented in TUSD.

Fee to auditors

With reference to section 96(3) of the Danish Financial Statements Act the fee to the auditors appointed at the general meeting has not been disclosed.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2024 of , the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Stena AB, the Company has not prepared a cash flow statement.

Recognition and measurement

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 Company, and the value of the asset can be measured reliably.

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

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

Leases

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

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

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

Notes to the Financial Statements

Translation policies

Transactions in foreign currencies are translated 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 that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

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 classified as "Other receivables" and "Other payables", respectively.

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

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 derivative 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.

Income statement

Revenue

Information on business segments and geographical segments based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Revenue that includes freight and charter income etc., are recognized in the Income Statement, when the voyage is completed. This is considered to be the case when the voyage is completed before the end of the financial year. Ongoing voyages are recognized as the voyage are executed, then the revenue are equal to the activity in the financial year.

Expenses for raw materials and consumables

Expenses for vessels comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Notes to the Financial Statements

Staff expenses

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

Amortisation, depreciation and impairment losses

Depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

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

Income from investments in subsidiaries and associates

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in 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.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

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

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

Other fixtures and fittings, tools and equipment	3-5 years
Vessels	6-7 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

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.

Notes to the Financial Statements

If so, the asset is written down to its lower recoverable amount.

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 the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

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 distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

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

Inventories

Inventories consist of bunker, and are measured at the lower of cost under the FIFO method and net realisable 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.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets 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 within the same legal tax entity.

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. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Dividends

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

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses

Notes to the Financial Statements

Financial debts

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

Deferred income

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

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$