

Shipco Transport Holding A/S

Snorresgade 18-20
2300 Copenhagen S
CVR No. 18936488

Annual report 2020

The Annual General Meeting adopted the
annual report on 21.05.2021

John Hemming

Chairman of the General Meeting

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Entity details

Entity

Shipco Transport Holding A/S

Snorresgade 18-20

2300 Copenhagen S

Business Registration No.: 18936488

Registered office: Copenhagen

Financial year: 01.01.2020 - 31.12.2020

URL: www.shipco.com

Board of Directors

Arne Simonsen, Chairman

Klaus Henry Jepsen

Morten Jæpelt

Sune Simonsen

Christian Møgelvang

Ulrik Kamstrup Jespersen

Executive Board

Morten Jæpelt, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Shipco Transport Holding A/S for the financial year 01.01.2020 - 31.12.2020

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020 and of the results of their operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 21.05.2021

Executive Board

Morten Jæpelt

Chief Executive Officer

Board of Directors

Arne Simonsen

Chairman

Klaus Henry Jepsen

Morten Jæpelt

Sune Simonsen

Christian Møgelvang

Ulrik Kamstrup Jespersen

Independent auditor's report

To the shareholders of Shipco Transport Holding A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Shipco Transport Holding A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020 and of the results of their operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 21.05.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Anders Kreiner

State-Authorised Public Accountant
Identification No (MNE) mne26765

Christian Sanderhage

State-Authorised Public Accountant
Identification No (MNE) mne23347

Management commentary

Financial highlights

	2020	2019	2018	2017	2016
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	3,596,552	3,505,260	3,455,306	3,212,940	3,044,259
Gross profit/loss	757,967	723,204	682,508	602,429	599,834
EBITDA	196,106	169,422	140,438	111,388	99,344
Operating profit/loss	186,064	158,793	128,468	100,018	88,533
Net financials	(5,138)	(637)	3,808	(6,260)	3,389
Profit/loss before tax	180,926	158,156	132,276	93,758	91,922
Profit/loss for the year	147,327	119,206	92,333	63,124	66,162
Balance sheet total	916,459	812,273	802,831	724,072	685,021
Investments in property, plant and equipment	8,743	21,310	41,355	16,735	8,679
Equity	320,533	301,743	266,314	228,394	229,709
Average number of employees	2,624	2,617	2,546	2,624	2,402
Ratios					
Gross margin (%)	21.07	20.63	19.75	18.75	19.70
Net margin (%)	4.10	3.40	2.67	1.96	2.17
Return on equity (%)	47.35	41.97	37.33	27.56	29.87
Equity ratio (%)	34.98	37.15	33.17	31.54	33.53

The average number of employees represents the total number of employees in the consolidated enterprises of the Group at 31 December, including proportionally consolidated enterprises.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Primary activities

The primary activities of the Shipco Transport Group are worldwide shipping services.

Development in activities and finances

EBITDA for the year is DKK 196,106 thousand and the profit for the year amounts to DKK 180,926 thousand before tax.

Equity totals DKK 320,533 thousand at 31.12.2020.

COVID-19 has had no significant impact on the performance for the year.

The financial results are better than expected, and the Board of Directors finds them satisfactory.

Outlook

Despite the impact of the outbreak of coronavirus disease (COVID-19), the Group expects activities (cargo volumes) and positive results for 2021 that are in line with 2020.

Particular risks

Price risks

The Group is to a limited extent dependent on the development in global shipping prices and in the USD exchange rate.

Currency exposure

Due to foreign activities, results, cash flows and equity are affected by the exchange rate movements in a number of foreign currencies. Exchange rate adjustments of investments in subsidiaries are recognised directly in equity. It is not company policy to hedge the above risks by means of financial instruments as purchase and sale of shipping services to a wide extent take place in the same foreign currency.

Interest rate exposure

Reasonable changes in the interest rate level will have no material impact on the Group. Consequently, no agreements are made on hedging of interest rate exposure.

Group relations

Please refer to note 17 and 18 in the consolidated financial statements for a specification of the group relations.

Statutory report on corporate social responsibility

Please refer to the management commentary in the annual report for 2020 of the Ultimate Parent, A. Simonsen Holding ApS, Business Registration No. 40129774, which can be found on cvr.dk.

Statutory report on the underrepresented gender

It is the policy of Shipco Transport Holding A/S to secure the best professional competence possible at all levels in the Company. The members of Management are solely appointed based on their qualifications and not based on their gender. By doing so, equal opportunities for both genders are secured provided that the candidates applying for the management positions possess the professional skills required.

At the time of presentation of the annual report, the Board of Directors at Shipco Transport Holding A/S has no female members while the Ultimate Parent, A. Simonsen Holding ApS, has one female board member out of three board members corresponding to 33,3%.

No female candidates were identified in 2020. Based on a specific assessment of the Company's situation, including the competences to be present at the Board of Directors, the target figure was adjusted to identify at least one female candidate for the Board of Directors at Shipco Transport Holding A/S before 2023. This is still considered an achievable and ambitious target figure.

No target figure has been determined for other management levels given that the Company does not have more than 50 employees.

Shipco Transport Holding A/S supports gender equality - both in relation to career opportunities and salary conditions. Our equal opportunities policy is put into practice in the Company's employee manual, and we always encourage our female colleagues to apply for leadership positions. Based on the limited time frame, it has not yet been possible to record any effect of the above.

Events after the balance sheet date

No events have occurred or been recorded between the balance sheet date and the date of presentation of these financial statements, which would influence the evaluation of this annual report.

Consolidated income statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
Revenue	1	3,596,552	3,505,260
Other operating income	2	42,395	0
Cost of sales		(2,703,864)	(2,582,192)
Other external expenses	3	(177,116)	(199,864)
Gross profit/loss		757,967	723,204
Staff costs	4	(561,861)	(553,782)
Depreciation, amortisation and impairment losses	5	(10,042)	(10,629)
Operating profit/loss		186,064	158,793
Other financial income	6	9,009	7,184
Other financial expenses	7	(14,147)	(7,821)
Profit/loss before tax		180,926	158,156
Tax on profit/loss for the year	8	(33,599)	(38,950)
Profit/loss for the year	9	147,327	119,206

Consolidated balance sheet at 31.12.2020

Assets

	Notes	2020 DKK'000	2019 DKK'000
Land and buildings		29,228	32,066
Other fixtures and fittings, tools and equipment		21,538	23,526
Leasehold improvements		4,853	5,862
Property, plant and equipment	10	55,619	61,454
Other receivables		3,452	3,354
Financial assets	11	3,452	3,354
Fixed assets		59,071	64,808
Trade receivables		353,892	308,801
Receivables from group enterprises		55,046	53,262
Deferred tax	12	10,598	10,955
Other receivables		94,334	95,444
Receivables		513,870	468,462
Cash		343,518	279,003
Current assets		857,388	747,465
Assets		916,459	812,273

Equity and liabilities

	Notes	2020 DKK'000	2019 DKK'000
Contributed capital		1,320	1,320
Translation reserve		(16,272)	0
Retained earnings		197,485	190,423
Proposed dividend for the financial year		138,000	110,000
Equity		320,533	301,743
Mortgage debt		15,524	16,869
Other payables		8,818	6,520
Non-current liabilities other than provisions	13	24,342	23,389
Current portion of non-current liabilities other than provisions	13	1,106	1,207
Trade payables		465,146	379,320
Payables to group enterprises		28,161	24,509
Tax payable		2,240	6,529
Other payables		74,931	75,576
Current liabilities other than provisions		571,584	487,141
Liabilities other than provisions		595,926	510,530
Equity and liabilities		916,459	812,273
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Transactions with related parties	16		
Group relations	17		
Subsidiaries	18		

Consolidated statement of changes in equity for 2020

	Contributed capital DKK'000	Translation reserve DKK'000	Retained earnings DKK'000	Proposed dividend for the financial year DKK'000	Total DKK'000
Equity beginning of year	1,320	0	190,423	110,000	301,743
Ordinary dividend paid	0	0	0	(110,000)	(110,000)
Exchange rate adjustments	0	(16,272)	0	0	(16,272)
Other entries on equity	0	0	(2,265)	0	(2,265)
Profit/loss for the year	0	0	9,327	138,000	147,327
Equity end of year	1,320	(16,272)	197,485	138,000	320,533

Notes to consolidated financial statements

1 Revenue

	2020 DKK'000	2019 DKK'000
Shipping services	3,596,552	3,505,260
Total revenue by activity	3,596,552	3,505,260

2 Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Group's primary activities, including rental income, gains from the sale of intangible assets, property, plant and equipment and investments in associates as well as compensation received from COVID-19 aid packages etc.

The Group has not received any COVID-19 compensation in Denmark.

3 Fees to the auditor appointed by the Annual General Meeting

	2020 DKK'000	2019 DKK'000
Statutory audit services	2,965	2,876
Other assurance engagements	103	206
Tax services	792	793
Other services	619	539
	4,479	4,414

4 Staff costs

	2020 DKK'000	2019 DKK'000
Wages and salaries	502,424	491,293
Pension costs	15,812	21,412
Other social security costs	43,625	41,077
	561,861	553,782
Average number of full-time employees	2,624	2,617

The Board of Directors and the Executive Board are not remunerated by the Group.

5 Depreciation, amortisation and impairment losses

	2020	2019
	DKK'000	DKK'000
Depreciation on property, plant and equipment	10,042	10,629
	10,042	10,629

6 Other financial income

	2020	2019
	DKK'000	DKK'000
Financial income from group enterprises	849	897
Other financial income	8,160	6,287
	9,009	7,184

7 Other financial expenses

	2020	2019
	DKK'000	DKK'000
Other financial expenses	14,147	7,821
	14,147	7,821

8 Tax on profit/loss for the year

	2020	2019
	DKK'000	DKK'000
Current tax	32,651	39,716
Change in deferred tax	357	(2,675)
Adjustment concerning previous years	591	1,909
	33,599	38,950

9 Proposed distribution of profit/loss

	2020	2019
	DKK'000	DKK'000
Ordinary dividend for the financial year	138,000	110,000
Retained earnings	9,327	9,206
	147,327	119,206

10 Property, plant and equipment

	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	33,357	80,833	18,141
Exchange rate adjustments	(2,030)	(4,618)	(1,974)
Additions	68	7,197	1,478
Disposals	0	(3,757)	(2,026)
Cost end of year	31,395	79,655	15,619
Depreciation and impairment losses beginning of year	(1,291)	(57,307)	(12,279)
Exchange rate adjustments	56	3,144	1,247
Depreciation for the year	(932)	(7,364)	(1,746)
Reversal regarding disposals	0	3,410	2,012
Depreciation and impairment losses end of year	(2,167)	(58,117)	(10,766)
Carrying amount end of year	29,228	21,538	4,853

11 Financial assets

	Other receivables DKK'000
Cost beginning of year	3,354
Additions	563
Disposals	(465)
Cost end of year	3,452
Carrying amount end of year	3,452

12 Deferred tax

	2020 DKK'000
Changes during the year	
Beginning of year	10,955
Recognised in the income statement	(357)
End of year	10,598

Deferred tax consists of balances on fixed assets, trade receivables etc and tax loss carryforwards.

The tax asset has been recognised because expectations are that it will be possible to deduct it from the Group's future taxable income.

13 Non-current liabilities other than provisions

	Due within 12 months 2020 DKK'000	Due within 12 months 2019 DKK'000	Due after more than 12 months 2020 DKK'000
Mortgage debt	1,106	1,207	15,524
Other payables	0	0	8,818
	1,106	1,207	24,342

Mortgage debt is secured by way of a mortgage deed on land and buildings at a book value of DKK 29,228 thousand.

14 Unrecognised rental and lease commitments

	2020 DKK'000	2019 DKK'000
Total liabilities under rental or lease agreements until maturity	215,362	69,481
Of this, liabilities under rental or lease agreements with group enterprises	126,341	14,758

15 Contingent liabilities

	2020 DKK'000	2019 DKK'000
Recourse and non-recourse guarantee commitments	1,525	1,525
Contingent liabilities	1,525	1,525

The Company participates in a Danish joint taxation arrangement in which A. Simonsen Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

16 Transactions with related parties

Transactions with related parties are made on an arm's length basis.

17 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
A. Simonsen Holding ApS, Snorresgade 18-20, 2300 Copenhagen S

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Scan Group A/S, Snorresgade 18-20, 2300 Copenhagen S

18 Subsidiaries

	Ownership %
SSNYC Inc., USA	100
Shipco Transport Inc., USA	100
Worldwide Alliance Inc., USA	100
International Cargo Terminals Korea Co., Ltd., Korea	55
Shipco Transport (Chile) S.A., Chile	100
Shipco Transport (HK) Ltd., Hong Kong	100
PT Shipco Transport Indonesia, Indonesia	100
Shipco Transport (Japan) Ltd., Japan	100
Shipco Transport (Pte.) Ltd., Singapore	100
Shipco Transport (Thailand) Ltd., Thailand	100
Shipco Transport Sdn. Bhd., Malaysia	100
Shipco Transport (Philippines) Inc., the Philippines	51
Shipco Transport Sp.z.o.o., Poland	100
Shipco Transport LLC, Russia	100
Shipco Transport Bulgaria EOOD, Bulgaria	100
Shipco Transport Pakistan (pvt) Ltd., Pakistan	50
Bangkok Resource Center Ltd., Thailand	100
Shipco Transport AB, Sweden	100
OY Shipco Transport AB, Finland	100
Shipco Transport AS, Norway	100
Shipco Transport B.V., the Netherlands	100
Shipco Transport Eesti AS, Estonia	100
Shipco Transport GmbH, Germany	100
Shipco Transport Ltd., United Kingdom	100
Shipco Transport N.V., Belgium	100
Shipco Transport Denmark A/S, Denmark	100
Shipco Transport Ltd., Ukraine	100
Shipco Transport (Shanghai) Ltd., China	100
Shipco Transport SIA, Latvia	100
Shipco Transport UAB, Lithuania	100
Shipco Transport Vietnam Limited, Vietnam	51
Shipco Transport Ltd., Turkey	100
Shipco Transport d.o.o, Slovenia	100

	Ownership %
Shipco DMCC, United Arab Emirates	100
Shipco Transport Ltd., Ireland	100
Shipco Transport Ltd., New Zealand	100
Shipco Transport S.R.L., Romania	100
Shipco Transport Lanka (Pvt) Ltd., Sri Lanka	100
Shipco Transport Co. Ltd., Korea	51
Shipco Transport (Taiwan) Co. Ltd., Taiwan	100
Shipco Transport (Canada) Inc., Canada	100
Shipco Transport Jamaica Limited, Jamaica	60
Shipco Transport Limited, Trinidad and Tobago	60
Shipco-IT Private Limited, India	100
Shipco Cambodia Holding pte. ltd., Cambodia	100
SSC Consolidation N.V., Belgium	50
SSC Consolidation B.V., the Netherlands	50
SSC Consolidation LLC, United Arab Emirates	50
SSC Consolidation Holding B.V., the Netherlands	50
SSC Consolidation S.A.S., France	33

Parent income statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
Other operating income		106,871	90,599
Other external expenses		(87,435)	(96,248)
Gross profit/loss		19,436	(5,649)
Staff costs	1	(8,836)	(4,518)
Depreciation, amortisation and impairment losses	2	(34)	(34)
Operating profit/loss		10,566	(10,201)
Income from investments in group enterprises		142,991	127,951
Other financial income	3	492	1,121
Other financial expenses	4	(3,681)	(828)
Profit/loss before tax		150,368	118,043
Tax on profit/loss for the year	5	(3,041)	1,163
Profit/loss for the year	6	147,327	119,206

Parent balance sheet at 31.12.2020

Assets

	Notes	2020 DKK'000	2019 DKK'000
Other fixtures and fittings, tools and equipment		100	134
Property, plant and equipment	7	100	134
Investments in group enterprises		244,318	225,809
Financial assets	8	244,318	225,809
Fixed assets		244,418	225,943
Receivables from group enterprises		118,904	83,802
Deferred tax	9	1,719	3,251
Other receivables		2,981	2,670
Receivables		123,604	89,723
Cash		21,541	20,370
Current assets		145,145	110,093
Assets		389,563	336,036

Equity and liabilities

	Notes	2020 DKK'000	2019 DKK'000
Contributed capital		1,320	1,320
Translation reserve		(3,547)	0
Reserve for net revaluation according to the equity method		180,291	172,154
Retained earnings		4,469	18,269
Proposed dividend for the financial year		138,000	110,000
Equity		320,533	301,743
Provisions for investments in group enterprises	10	3,726	2,040
Provisions		3,726	2,040
Payables to group enterprises		53,673	23,890
Tax payable		670	0
Other payables		10,961	8,363
Current liabilities other than provisions		65,304	32,253
Liabilities other than provisions		65,304	32,253
Equity and liabilities		389,563	336,036
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		
Related parties with controlling interest	13		
Transactions with related parties	14		

Parent statement of changes in equity for 2020

	Contributed capital DKK'000	Translation reserve DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend for the year DKK'000
Equity beginning of year	1,320	0	172,154	18,269	110,000
Ordinary dividend paid	0	0	0	0	(110,000)
Exchange rate adjustments	0	(3,547)	(12,725)	0	0
Other entries on equity	0	0	(2,265)	0	0
Profit/loss for the year	0	0	23,127	(13,800)	138,000
Equity end of year	1,320	(3,547)	180,291	4,469	138,000

	Total DKK'000
Equity beginning of year	301,743
Ordinary dividend paid	(110,000)
Exchange rate adjustments	(16,272)
Other entries on equity	(2,265)
Profit/loss for the year	147,327
Equity end of year	320,533

Notes to parent financial statements

1 Staff costs

	2020 DKK'000	2019 DKK'000
Wages and salaries	8,470	4,185
Pension costs	340	306
Other social security costs	26	27
	8,836	4,518
Average number of full-time employees	8	7

The Board of Directors and the Executive Board are not remunerated by the Company

2 Depreciation, amortisation and impairment losses

	2020 DKK'000	2019 DKK'000
Depreciation on property, plant and equipment	34	34
	34	34

3 Other financial income

	2020 DKK'000	2019 DKK'000
Financial income from group enterprises	394	76
Other financial income	98	1,045
	492	1,121

4 Other financial expenses

	2020 DKK'000	2019 DKK'000
Financial expenses from group enterprises	127	222
Other financial expenses	3,554	606
	3,681	828

5 Tax on profit/loss for the year

	2020 DKK'000	2019 DKK'000
Current tax	670	847
Change in deferred tax	908	(2,010)
Adjustment concerning previous years	1,463	0
	3,041	(1,163)

6 Proposed distribution of profit and loss

	2020 DKK'000	2019 DKK'000
Ordinary dividend for the financial year	138,000	110,000
Retained earnings	9,327	9,206
	147,327	119,206

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	221
Cost end of year	221
Depreciation and impairment losses beginning of year	(87)
Depreciation for the year	(34)
Depreciation and impairment losses end of year	(121)
Carrying amount end of year	100

8 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	53,655
Additions	10,372
Cost end of year	64,027
Revaluations beginning of year	172,154
Exchange rate adjustments	(12,725)
Share of profit/loss for the year	142,991
Dividend	(114,555)
Investments with negative equity value depreciated over receivables	(6,995)
Investments with negative equity value transferred to provisions	1,686
Other adjustments	(2,265)
Revaluations end of year	180,291
Carrying amount end of year	244,318

Accumulated investments with negative equity depreciated over receivables or provisions at year-end amount to DKK 5,710 thousand.

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

9 Deferred tax

Changes during the year	2020 DKK'000
Beginning of year	3,251
Recognised in the income statement	(908)
Other changes	(624)
End of year	1,719

The tax asset has been recognised because expectations are that it will be possible to deduct it from the Company's future taxable income.

10 Provisions for investments in group enterprises

Provisions for investments in group enterprises relate to group enterprises with negative equity.

11 Unrecognised rental and lease commitments

	2020 DKK'000	2019 DKK'000
Total liabilities under rental or lease agreements until maturity	221	386
Of this, liabilities under rental or lease agreements with group enterprises	118	118

12 Contingent liabilities

The Parent has issued letters of support to several subsidiaries.

The Company participates in a Danish joint taxation arrangement in which A. Simonsen Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

13 Related parties with controlling interest

Related parties are the A. Simonsen Holding ApS Group as well as the Board of Directors and the Executive Board of the Company.

Related parties with control of Shipco Transport Holding A/S: Scan Group A/S, Snorresgade 18-20, 2300 Copenhagen S, the immediate parent company of Shipco Transport Holding A/S, A.S. Scan Holding A/S, Snorresgade 18-20, 2300 Copenhagen S, the higher-level parent company of Scan Group A/S, A. Simonsen Holding ApS, Snorresgade 18-20, 2300 Copenhagen S, the ultimate parent company of Shipco Transport Holding A/S, and Arne Simonsen, the beneficial owner of the Group.

14 Transactions with related parties

Transactions with related parties are made on an arm's length basis.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements include Shipco Transport Holding A/S (Parent) and subsidiaries in which Shipco Transport Holding A/S either directly or indirectly holds more than 50% of the voting rights or in any other way have controlling influence. Jointly controlled entities are consolidated on a pro rata basis.

All entities, which are partly owned at present, are considered jointly controlled entities and have therefore been recognised on a pro rata basis.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement, when such adverse development is realised.

Profit or loss from divestment of enterprises

Profits or losses from divestment or winding-up of enterprises are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment and winding-up, respectively, including any non-amortised goodwill and estimated selling or winding-up expenses.

Foreign currency translation

Foreign currency transactions are translated applying the exchange rate at the transaction date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

If the foreign subsidiaries meet the criteria of independent entities, their income statements and balance sheets are translated applying the exchange rates at the balance sheet date. Exchange differences that arise from translation of foreign subsidiaries' equity at the beginning of the year, applying the exchange rates at the balance sheet date, are recognised directly in equity.

Income statement

Revenue

Revenue is recognised in the income statement if delivery to the Group's cooperators has taken place before year-end and if the income can be computed reliably and receipt is expected. Revenue is recognised net of VAT, duties and sales discounts.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including compensation received from COVID-19 aid packages.

Cost of sales

Costs relating to revenue are accrued according to the method of revenue recognition. Other costs relating to the financial year in terms of time are charged to the income statement.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Company is jointly taxed with its Ultimate Parent, A. Simonsen Holding ApS, and all of the Ultimate Parent's other Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Land and buildings, other fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The basis of depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price and costs directly attributable to the acquisition until the time when it is ready to be put into operation.

Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	15-50 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	3-10 years

Estimated useful lives and residual values are reassessed annually.

On initial recognition, lease contracts regarding property, plant and equipment in which the Company holds all material risks and advantages related to the ownership (finance leasing) are measured in the balance sheet at fair value or present value, if lower, of future lease payments. At the computation of present value, the internal interest rate of the lease contract or an approximate value is used as discount factor. Assets held under finance leases are then treated as the Company's other property, plant and equipment.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in subsidiaries are recognised in the balance sheet at the pro rata share of the enterprises' equity in accordance with the Parent's accounting policies plus or minus unrealised intra-group profits and losses and plus or minus the residual value of positive, or negative, goodwill calculated according to the purchase method.

Subsidiaries with negative equity are measured at zero value, and any receivable from these enterprises is written down by the Parent's share of such negative equity. If the negative equity exceeds the amounts receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the negative balance of the relevant subsidiary.

Net revaluation of investments in subsidiaries is taken to reserve for net revaluation under the equity method if the carrying amount exceeds cost less amortisation of goodwill.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value. Provisions for bad and doubtful debts are made at net realisable value.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Other provisions

Other provisions comprise subsidiaries with negative equity. If the negative equity exceeds the amounts receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the negative balance of the relevant subsidiary.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, the Group has not prepared any cash flow statement as such statement is prepared by the higher-level group.

Segment information

The Group's activities only comprise sea freight, shipping and logistics on the world market. Consequently, it is not relevant to provide disclosures on business segments and geographical markets.