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**Blue Water Shipping A/S**

**Central Business Registration No: 40 51 66 11**

**Annual report 2003**

FC 12651



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## **Company details**

### **Company**

Blue Water Shipping A/S

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Central Business Registration No: 40 51 66 11

Registered in: Esbjerg

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### **Supervisory Board**

Kurt Skov, chairman

Niels Kaalund

Morten Petersen

Michael Honoré

### **Executive Board**

Carsten Eskildsen

### **Company auditors**

Deloitte Statsautoriseret Revisionsaktieselskab

The Annual General Meeting adopted the annual report on

### **Chairman**

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## **Management's statement on the annual report**

We have today presented the annual report of Blue Water Shipping A/S for 2003.

The annual report has been presented in accordance with the Danish Financial Statements Act. We consider the applied accounting policies appropriate for the annual report to provide a true and fair view of the Group's and the Parent company's assets, equity and liabilities, financial position, results and cash flows.

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

Esbjerg, March 10, 2004

## **Executive Board**

Carsten Eskildsen

## **Supervisory Board**

Kurt Skov  
Chairman

Niels Kaalund

Morten Petersen

Michael Honoré

## Auditors' report

### To the shareholders of Blue Water Shipping A/S

We have audited the annual report of Blue Water Shipping A/S for the financial year 01.01-31.12.2003.

The annual report is the responsibility of the Company's Management. Our responsibility is to express an opinion on the annual report based on our audit.

### Basis of opinion

We conducted our audit in accordance with Danish Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual report. An audit also includes assessing the accounting policies used and significant estimates made by the Management, as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualification.

### Opinion

In our opinion, the annual report gives a true and fair view of the Group's and the Parent Company's financial position at 31.12.2003 and of the results of their operations as well as the consolidated cash flows for the financial year 01.01.-31.12.2003 in accordance with the Danish Financial Statements Act.

Esbjerg, March 10, 2004

**Deloitte**

Statsautoriseret Revisionsaktieselskab



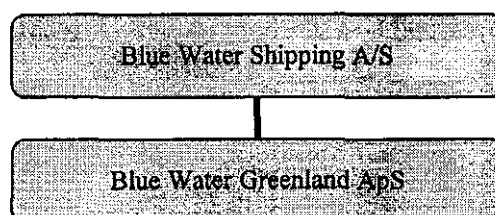
Hans-Jørgen T. Jensen

State Authorised

Public Accountant

## Management's review

### Group chart



	2003 DKK'000	2002 DKK'000	2001 DKK'000	2000 DKK'000	1999 DKK'000
<b>Group financial highlights</b>					
<b>Key figures</b>					
Gross profit	123.828	150.022	138.323	180.742	168.674
Profit/loss from ordinary activities	13.991	13.096	7.346	2.447	(8.407)
Net financials	(1.830)	(2.132)	(3.472)	(2.320)	(952)
Profit/loss from extraordinary items	0	0	0	7.492	0
Profit/loss before tax	12.299	11.605	4.042	9.014	(9.359)
Net profit/loss for the year	8.309	8.177	2.492	6.823	(7.536)
Trade receivables	83.437	75.634	89.635	111.407	137.186
Equity	29.211	30.902	30.528	28.036	31.773
Balance sheet total	153.789	144.716	194.371	224.723	245.007
Investments in property, plant and equipment	2.680	3.862	5.210	7.665	11.384
<b>Ratios</b>					
Profit margin (%)	11,3	8,7	5,2	1,4	(5,0)
Return on assets (%)	9,1	9,0	3,7	1,1	(3,4)
Return on equity (%)	27,6	26,6	8,5	22,8	(28,3)
Equity ratio (%)	19,0	21,4	15,7	12,5	13,0

There has been restructuring in 31.12.2000 and 31.12.2002, which has resulted in transferring of activities to other companies in the Blue Water Group.

## **Management's review**

### **Primary activity**

The company's and Group's activities comprise transport arrangement of industrial cargo by road, sea and air including short and long-term warehouse arrangements as well as cargo handling.

### **Development in activities and finances**

2003 was a satisfactory year for Blue Water Shipping A/S as the result of the year was a profit of DKK 8.309k - compared to a profit of DKK 8.177k in 2002.

At the end of the year, the equity amounts to DKK 29.211k.

### **Particular risks**

#### **Operating risks**

The Group's financial development is influenced by the total amount of cargo assigned for transport within the Danish industry.

#### **Financial exposure**

The Group is in consequence of its activities exposed to changes in exchange rates.

#### **Currency exposure**

The greater part of the Group's turnover is in Euro dependent currencies or in Danish kroner.

#### **Credit risks**

The Group has no essential risks regarding one single client or co-operation partner. The Group pursues a strict credit policy which ensures that potential losses are discovered before they assume a considerable size.

#### **Cash flow**

Central control of capital procurement and placement of excess liquidity – by the parent company Blue Water Holding A/S in so far as it answers purpose – is part of the Group's policy. Furthermore the Group has liquidity measures in the shape of excess liquidity and credits which at any time must be available for the company/Group.

### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which influence the evaluation of this annual report.

## **Management's review**

### **Outlook**

The Management expects a continued progress for the Group – both in respect of turnover and result for next year. The expectation is partly based on expected growth in the cargo volume and partly on a continuous efficiency process which started in 2001.

The company expects to have a positive liquidity in 2004 and investments are expected to be at the same level as in 2003.

### **Foreign branches**

2 offices in England



## Accounting policies

This annual report has been prepared in accordance with the Danish Financial Statements Act governing reporting class C enterprises (medium-size).

Presentation of the annual accounts is in accordance with the same accounting policy as last year.

## Consolidated financial statements

The consolidated financial statements comprise Blue Water Shipping A/S (Parent) and the group enterprise (subsidiaries) that are controlled by the Parent, see group chart on page 4. Control is achieved by the Parent either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

### Basis of consolidation

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

Subsidiaries' items are recognised in full in the consolidated financial statements.

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.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated using the exchange rate at the transaction date. 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 one 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. Fixed assets purchased in foreign currencies are translated using historical rates.

## Income statement

### Net turnover

The net turnover is included exclusive of VAT and discounts in connection with the sale. Invoiced sale includes allowance for both services as well as outlays. In the opinion of the Management statement of invoiced sale as turnover will not give a true and fair view of the company's business volume. We have therefore cho

## Accounting policies

sen in the accounts only to state the forwarding profit which is calculated as invoiced turnover less outlays and direct related expenses.

Accounting profit of a forwarding job is booked as income at the time when the transport of the shipment in question starts.

### Other external expenses

Other external expenses comprise expenses to sale, advertising, administration, facilities, bad debts etc.

### Staff expenses

Staff expenses comprise wages and salaries as well as social insurance expenses and employers' contributions pensions etc. to the company's staff.

### Financial income and expenses

These items comprise interest income and expenses, as well as, realised and unrealised capital gains and losses on payables and transactions in foreign currencies.

### Income taxes

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/loss for the year, and recognised directly on equity by the portion attributable to entries directly on equity.

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

Deferred tax is recognised and measured applying the liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities. The tax-based value of the assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry-forward, 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.

The Company is jointly taxed with the Parent. The current Danish income tax is allocated among the jointly taxed Danish companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

## Accounting policies

### Balance sheet

#### Goodwill

Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by the Management for each business area. The period of amortisation is usually 5 years, however, it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer period of amortisation is considered to give a better reflection of the Group's benefit from the relevant resources.

The carrying amount of goodwill is assessed currently and written down to recoverable amount if the carrying amount exceeds the estimated future net income from the enterprise or activity to which the goodwill is related.

#### Property, plant and equipment

Buildings, other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

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

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	25 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Assets costing less than DKK 10k per unit are recognised as costs in the income statement at the time of acquisition.

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

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement together with depreciation and impairment losses.

## Accounting policies

### **Investments in subsidiaries, associates and other companies.**

Investments in subsidiaries, associates and capital investments in other companies, where the activity matches the primary activities of the parent company, are recognised and measured under the equity method. This means that in the balance sheet investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill on consolidation and plus or minus unrealised intra-group profits or losses.

The Parent's share of the enterprises' profits or losses after elimination of unrealised intra-group profits and losses and minus or plus amortisation of positive, or negative, goodwill on consolidation is recognised in the income statement.

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

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

### **Deposits**

Deposits are recorded at costs.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value, less provisions for bad debts.

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at amortised cost, which usually corresponds to the nominal value.

### **Equity**

Dividends are recognised as a liability at the time of adoption at the general meeting. The proposed dividends for the financial year are disclosed as a separate item under equity.

### **Mortgage debt**

At the time of borrowing, mortgage debt is measured at cost, which corresponds to the proceeds received less transaction costs incurred. It is subsequently measured at amortised cost, which corresponds to the capitalised value applying the effective interest method.

## Accounting policies

### Other financial liabilities

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

### Cash flow statement

The cash flow statement of the Group is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Group's cash and cash equivalents at the beginning and the end of the financial year. No separate cash flow statement has been prepared for the Parent because it is included in the consolidated cash flow statement.

Cash flows from acquisition and divestment of enterprises are shown separately under cash flows from investing activities. Cash flows to acquired enterprises are recognised in the cash flow statement from the time of their acquisition, and cash flows from divested enterprises are recognised up to the time of sale.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises and activities as well as purchase and sale of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, instalments on interest-bearing debt and payment of dividends.

Cash and cash equivalents comprise cash less short-term bank debt.

### Ratios

The ratios have been compiled in accordance with "Anbefalinger & Nøgletal 1997" (Recommendations & Ratios 1997) issued by the Danish Society of Financial Analysts.

Profit margin	=	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
Return on assets	=	$\frac{\text{Operating profit/loss} \times 100}{\text{Balance sheet total}}$
Return on equity	=	$\frac{\text{Net profit/loss for the year} \times 100}{\text{Average equity}}$
Equity ratio	=	$\frac{\text{Equity} \times 100}{\text{Balance sheet total}}$

## Income statement for 2003

Parent				Group	
2002	2003			2003	2002
<u>DKK'000</u>	<u>DKK'000</u>		<u>Notes</u>	<u>DKK'000</u>	<u>DKK'000</u>
109.485	116.188	Net turnover	1	123.828	150.022
(28.864)	(29.943)	Other external expenses		(33.268)	(43.880)
(68.513)	(71.315)	Staff expenses	2	(74.341)	(89.662)
(1.956)	(1.866)	Depreciations etc.	3	(2.228)	(3.384)
<b>10.152</b>	<b>13.064</b>	<b>Gross profit/loss</b>		<b>13.991</b>	<b>13.096</b>
3.182	829	Profit/loss before tax in group enterprises	4	0	708
0	130	Profit/loss before tax in associates	5	130	79
(146)	8	Profit/loss before tax in other companies	6	8	(146)
1.140	1.557	Financial income	7	1.721	1.280
(2.723)	(3.289)	Financial expenses	8	(3.551)	(3.412)
<b>11.605</b>	<b>12.299</b>	<b>Profit before tax</b>		<b>12.299</b>	<b>11.605</b>
(3.428)	(3.990)	Tax on profit/loss for the year	9	(3.990)	(3.428)
<b>8.177</b>	<b>8.309</b>	<b>Net profit for the year</b>		<b>8.309</b>	<b>8.177</b>

## Proposed distribution of profit

8.000	Dividends for the financial year
651	Transfer to reserve for net revaluation under the equity method
(342)	Retained earnings
<b>8.309</b>	

## Balance sheet at 31.12.2003

Parent				Group	
2002	2003			2003	2002
<u>DKK'000</u>	<u>DKK'000</u>		<u>Notes</u>	<u>DKK'000</u>	<u>DKK'000</u>
1.650	1.050	Goodwill	10	1.050	1.650
<b>1.650</b>	<b>1.050</b>	<b>Intangible assets</b>		<b>1.050</b>	<b>1.650</b>
0	0	Buildings	11	5.830	5.979
3.026	3.482	Other fixtures and fittings, tools and equipment	11	4.547	3.439
523	445	Leasehold improvements	11	445	523
<b>3.549</b>	<b>3.927</b>	<b>Property, plant and equipment</b>		<b>10.822</b>	<b>9.941</b>
1.220	1.741	Investments in group enterprises	12	0	0
0	0	Investments in associates	12	0	0
0	35	Investments in other companies	12	35	0
770	792	Deposits	13	792	770
<b>1.990</b>	<b>2.568</b>	<b>Fixed asset investments</b>		<b>827</b>	<b>770</b>
<b>7.189</b>	<b>7.545</b>	<b>Fixed assets</b>		<b>12.699</b>	<b>12.361</b>
72.272	78.434	Trade receivables		83.437	75.634
22.581	22.489	Receivables from group enterprises		17.368	20.177
2.553	4.402	Work in progress	18	4.328	2.104
1.605	1.123	Deferred tax assets	16	682	1.231
2.398	1.500	Other receivables		2.509	2.488
1.035	1.099	Accrued income and deferred expenses		1.129	1.057
<b>102.444</b>	<b>109.047</b>	<b>Receivables</b>		<b>109.453</b>	<b>102.691</b>
<b>29.648</b>	<b>31.635</b>	<b>Cash</b>		<b>31.637</b>	<b>29.664</b>
<b>132.092</b>	<b>140.682</b>	<b>Current assets</b>		<b>141.090</b>	<b>132.355</b>
<b>139.281</b>	<b>148.227</b>	<b>Assets</b>		<b>153.789</b>	<b>144.716</b>

## Balance sheet at 31.12.2003

Parent				Group	
2002	2003			2003	2002
DKK'000	DKK'000		Notes	DKK'000	DKK'000
20.000	20.000	Share capital	14	20.000	20.000
340	991	Reserve for net revaluation according to the equity method		0	0
562	220	Retained earnings		1.211	902
10.000	8.000	Proposed dividends for the financial year		8.000	10.000
<u>30.902</u>	<u>29.211</u>	<b>Equity</b>		<u>29.211</u>	<u>30.902</u>
0	0	Deferred tax	16	0	0
<u>0</u>	<u>0</u>	<b>Provisions</b>		<u>0</u>	<u>0</u>
0	0	Mortgage debt	17	2.937	3.578
9.018	0	Subordinate loan capital	15	0	9.018
<u>9.018</u>	<u>0</u>	<b>Long-term liabilities other than provisions</b>		<u>2.937</u>	<u>12.596</u>
0	0	Current portion of long-term debt	17	622	535
0	7.014	Subordinate loan capital	15	7.014	0
213	118	Investments in associates and other companies	12	118	213
610	0	Bank debt		174	880
85.698	98.601	Trade payables		97.642	86.258
0	0	Group enterprises payable		2.113	0
0	0	Income taxes		241	75
2.149	4.298	Tax refund to parent company		4.298	2.149
10.691	8.985	Other payables		9.419	11.108
<u>99.361</u>	<u>119.016</u>	<b>Short-term liabilities other than provisions</b>		<u>121.641</u>	<u>101.218</u>
<u>108.379</u>	<u>119.016</u>	<b>Liabilities other than provisions</b>		<u>124.578</u>	<u>113.814</u>
<u>139.281</u>	<u>148.227</u>	<b>Equity and liabilities</b>		<u>153.789</u>	<u>144.716</u>
Assets charged and contingent liabilities etc			19-20		
Other notes			23-25		



## Statement of changes in equity for 2003

	Group				
	Share capital	Net revalu- ation, equity method	Retained earnings	Proposed dividends for financial year	Total
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Equity at 31.12.2002	20.000	0	902	10.000	30.902
Dividends paid	0	0	0	(10.000)	(10.000)
Net profit/loss for the year	0	0	309	8.000	8.309
<b>Equity at 31.12.2003</b>	<b>20.000</b>	<b>0</b>	<b>1.211</b>	<b>8.000</b>	<b>29.211</b>

## Statement of changes in equity for 2003

	Parent				
	Share capital	Net revalu- ation, equity method	Retained earnings	Proposed dividends for financial year	Total
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Equity at 31.12.2002	20.000	340	562	10.000	30.902
Dividends paid	0	0	0	(10.000)	(10.000)
Net profit/loss for the year	0	651	(342)	8.000	8.309
<b>Equity at 31.12.2003</b>	<b>20.000</b>	<b>991</b>	<b>220</b>	<b>8.000</b>	<b>29.211</b>

## Cash flow statement for 2003

		Group	
	Notes	2003 DKK'000	2002 DKK'000
Operating profit/loss		13.991	13.096
Depreciation and amortisation etc.	3	2.228	3.384
Working capital changes	21	4.584	(6.412)
		<u>20.803</u>	<u>10.068</u>
Interest income etc received		1.721	1.280
Interest expenses etc paid		(3.551)	(3.412)
Dividend		30	104
Income taxes paid		(1.141)	(651)
<b>Cash flows from operating activities</b>		<u>17.862</u>	<u>7.389</u>
Acquisition of property, plant and equipment		(2.680)	(3.862)
Sale of property, plant and equipment		164	327
Fixed asset investments		(22)	(1)
Fixed asset divestments		0	5.030
<b>Cash flows from investing activities</b>		<u>(2.538)</u>	<u>1.494</u>
Instalments on long-term liabilities other than provisions		(641)	(540)
Instalments on subordinate loan capital		(2.004)	(982)
Dividends paid		(10.000)	0
<b>Cash flows from financing activities</b>		<u>(12.645)</u>	<u>(1.522)</u>
Change in cash		2.679	7.361
Cash in sold subsidiary company		0	(2.368)
<b>Increase/decrease in cash and cash equivalents</b>		<u>2.679</u>	<u>4.993</u>
Cash and cash equivalents at 01.01.2003		28.784	19.791
Bankloan, cleaved off to Blue Water Property ApS		0	4.000
<b>Cash and cash equivalents at 31.12.2003</b>	22	<u>31.463</u>	<u>28.784</u>

## Notes

Parent			Group	
2002	2003		2003	2002
<u>DKK'000</u>	<u>DKK'000</u>		<u>DKK'000</u>	<u>DKK'000</u>
<b>1. Net turnover</b>				
109.485	116.188	Forwarding profit	123.828	150.022
<u>109.485</u>	<u>116.188</u>		<u>123.828</u>	<u>150.022</u>
<b>2. Staff costs</b>				
65.340	67.408	Wages and salaries	70.411	86.066
2.837	3.220	Pension contributions	3.220	2.837
336	687	Other social security costs	710	759
<u>68.513</u>	<u>71.315</u>		<u>74.341</u>	<u>89.662</u>
<u>240</u>	<u>248</u>	Average number of employees	<u>258</u>	<u>304</u>
<b>3. Depreciation and amortisation</b>				
700	600	Goodwill	600	700
211	226	Leasehold improvements	226	211
0	0	Buildings	149	149
1.103	1.123	Other fixtures and fittings, tools and equipment	1.378	2.382
(58)	(83)	Profit from sale of operating equipment	(125)	(58)
<u>1.956</u>	<u>1.866</u>		<u>2.228</u>	<u>3.384</u>

## Notes

Parent			Group	
2002	2003		2003	2002
DKK'000	DKK'000		DKK'000	DKK'000
<b>4. Profit/loss before tax in group enterprises</b>				
2.335	829	Share of profit/loss before tax	0	0
139	0	Amortisation of goodwill on consolidation	0	0
708	0	Profit from sale of capital investments	0	708
<u>3.182</u>	<u>829</u>		<u>0</u>	<u>708</u>
<b>5. Profit/loss before tax in associates</b>				
0	130	Share of profit/loss before tax	130	79
<u>0</u>	<u>130</u>		<u>130</u>	<u>79</u>
<b>6. Profit/loss before tax in other companies</b>				
(146)	8	Share of profit/loss before tax	8	(146)
<u>(146)</u>	<u>8</u>		<u>8</u>	<u>(146)</u>
<b>7. Financial income</b>				
767	690	Interest from group enterprises	591	599
373	713	Other interests	976	470
0	154	Exchange adjustments	154	211
<u>1.140</u>	<u>1.557</u>		<u>1.721</u>	<u>1.280</u>
<b>8. Financial expenses</b>				
0	0	Interest and amortisation premium on mortgage debt	243	303
0	0	Interest portion of in lease payment	0	326
2.310	3.004	Other interests	3.014	2.353
246	285	Bank charges	294	263
167	0	Exchange adjustments	0	167
<u>2.723</u>	<u>3.289</u>		<u>3.551</u>	<u>3.412</u>

## Notes

Parent			Group	
2002	2003		2003	2002
<u>DKK'000</u>	<u>DKK'000</u>		<u>DKK'000</u>	<u>DKK'000</u>
<b>9. Tax on profit/loss for the year</b>				
2.439	3.158	Current tax	3.399	3.129
307	482	Change of deferred tax	549	403
786	308	Share of Group enterprises' tax	0	0
(879)	42	Adjustment concerning previous years current tax	42	(879)
<u>775</u>	<u>0</u>	Adjustment concerning previous years deferred tax	<u>0</u>	<u>775</u>
<u>3.428</u>	<u>3.990</u>		<u>3.990</u>	<u>3.428</u>

Parent		Group
<u>Goodwill</u>		<u>Goodwill</u>
<u>DKK'000</u>		<u>DKK'000</u>
<b>10. Intangible assets</b>		
7.657	Cost at 01.01.2003	12.305
0	Additions	0
<u>0</u>	Disposals	<u>0</u>
<u>7.657</u>	<b>Cost at 31.12.2003</b>	<u>12.305</u>
(6.007)	Amortisation at 01.01.2003	(10.655)
<u>(600)</u>	Additions	<u>(600)</u>
<u>(6.607)</u>	<b>Amortisation at 31.12.2003</b>	<u>(11.255)</u>
<u>1.050</u>	<b>Carrying amount at 31.12.2003</b>	<u>1.050</u>
<u>1.650</u>	Carrying amount at 31.12.2002	<u>1.650</u>

## Notes

	Group		
	Buildings	Other fixtures etc	Leasehold improve- ments
	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>
<b>11. Property, plant and equipment</b>			
Cost at 01.01.2003	6.486	12.210	1.119
Exchange adjustment	0	1	0
Additions	0	2.532	148
Disposals	<u>0</u>	<u>(1.669)</u>	<u>(222)</u>
<b>Cost at 31.12.2003</b>	<u><b>6.486</b></u>	<u><b>13.074</b></u>	<u><b>1.045</b></u>
Depreciation at 01.01.2003	(507)	(8.771)	(596)
Exchange adjustment	0	(8)	0
Additions	(149)	(1.378)	(226)
Disposals	<u>0</u>	<u>1.630</u>	<u>222</u>
<b>Depreciation at 31.12.2003</b>	<u><b>(656)</b></u>	<u><b>(8.527)</b></u>	<u><b>(600)</b></u>
<b>Carrying amount at 31.12.2003</b>	<u><b>5.830</b></u>	<u><b>4.547</b></u>	<u><b>445</b></u>
Carrying amount at 31.12.2002	<u><b>5.979</b></u>	<u><b>3.439</b></u>	<u><b>523</b></u>

## Notes

	Parent	
	Other fixtures etc DKK'000	Leasehold improve- ments DKK'000
<b>11. Property, plant and equipment</b>		
Cost at 01.01.2003	7.832	897
Exchange adjustment	1	0
Additions	1.625	148
Disposals	(1.586)	0
<b>Cost at 31.12.2003</b>	<b>7.872</b>	<b>1.045</b>
Depreciation at 01.01.2003	(4.806)	(374)
Exchange adjustment	(8)	0
Additions	(1.123)	(226)
Disposals	1.547	0
<b>Depreciation at 31.12.2003</b>	<b>(4.390)</b>	<b>(600)</b>
<b>Carrying amount at 31.12.2003</b>	<b>3.482</b>	<b>445</b>
Carrying amount at 31.12.2002	3.026	523



## Notes

	Group	
	Invest- ments in associates DKK'000	Invest- ments in other companies DKK'000
<b>12. Fixed asset investments</b>		
Cost at 01.01.2003	0	167
Transferred	127	(127)
Additions	0	0
Disposals	0	0
<b>Cost at 31.12.2003</b>	<b>127</b>	<b>40</b>
Net revaluations 01.01.2003	0	(380)
Transferred	(375)	375
Revaluations	72	0
Net share of profit/loss for the year	58	30
Dividends	0	(30)
<b>Net revaluations 31.12.2003</b>	<b>(245)</b>	<b>(5)</b>
<b>Carrying amount at 31.12.2003</b>	<b>(118)</b>	<b>35</b>
Carrying amount at 31.12.2002	0	(213)

	Share of owner- ship in %	Result after tax 2003	Equity 31.12 2003	Net book value 31.12 2003
Investment in associates :				
Fragtterminalen A/S, Kolding	33,33	174	(354)	(118)

## Notes

	Parent			
	Invest- ments in group enterprises DKK'000	Invest- ments in associates DKK'000	Other companies DKK'000	
<b>12. Fixed asset investments</b>				
Cost at 01.01.2003	500	0	167	
Transferred	0	127	(127)	
Additions	0	0	0	
Disposals	0	0	0	
<b>Cost at 31.12.2003</b>	<b>500</b>	<b>127</b>	<b>40</b>	
Net revaluations 01.01.2003	720	0	(380)	
Transferred	0	(375)	375	
Revaluations	0	72	0	
Net share of profit/loss for the year	521	58	30	
Dividends	0	0	(30)	
<b>Net revaluations 31.12.2003</b>	<b>1.241</b>	<b>(245)</b>	<b>(5)</b>	
<b>Carrying amount at 31.12.2003</b>	<b>1.741</b>	<b>(118)</b>	<b>35</b>	
Carrying amount at 31.12.2002	1.220	0	(213)	
	<b>Share of owner- ship in %</b>	<b>Result after tax 2003</b>	<b>Equity 31.12 2003</b>	<b>Net book value 31.12 2003</b>
<b>Group enterprises:</b>				
Blue Water Greenland ApS, Nuuk, Greenland	100	521	1.741	1.741
<b>Associates :</b>				
Fragtterminalen A/S, Kolding	33,33	174	(354)	(118)

## Notes

## Parent

## Group

t.kr.t.kr.**13. Deposits**

770	Cost at 01.01.2003	770
22	Additions	22
<u>0</u>	Disposals	<u>0</u>
<u>792</u>	<b>Cost at 31.12.2003</b>	<u>792</u>
 <u>792</u>	<b>Carrying amount at 31.12.2003</b>	 <u>792</u>
 <u>770</u>	Carrying amount at 31.12.2002	 <u>770</u>

**14 Share capital**

The share capital consists of:

1 share at DKK 18.000k

1 share at DKK 1.900k

10 shares at DKK 10k

The shares have not been divided into classes.

**15. Subordinate loan capital**

The loan is granted in a way that first priority is given to the company's other creditors and second priority to the lender.

The loan will be paid off on 30.06.2004.

The loan capital bears fixed interest as well as annuity conditional upon the result, making up part of the accounting result of the parent company Blue Water Holding A/S.

## Notes

Parent			Group	
2002	2003		2003	2002
<u>DKK'000</u>	<u>DKK'000</u>		<u>DKK'000</u>	<u>DKK'000</u>
<b>16. Deferred tax</b>				
(219)	(212)	Intangible assets	(212)	(219)
(441)	(219)	Property, plant and equipment	557	(16)
<u>(945)</u>	<u>(692)</u>	Receivables etc	<u>(1.027)</u>	<u>(996)</u>
<u>(1.605)</u>	<u>(1.123)</u>		<u>(682)</u>	<u>(1.231)</u>
Net value is recognised as follows in the balance sheet:				
1.605	1.123	Deferred tax assets	682	1.231
<u>0</u>	<u>0</u>	Deferred tax liabilities	<u>0</u>	<u>0</u>
<u>1.605</u>	<u>1.123</u>		<u>682</u>	<u>1.231</u>

	Group			
	Due within one year	Due after one year	Total amortised debt	Total nominal debt
	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>
<b>17. Long-term liabilities other than provisions</b>				
Mortgage debt	<u>622</u>	<u>2.937</u>	<u>3.559</u>	<u>3.559</u>
<b>Long-term liabilities other than provisions at 31.12.2003</b>	<u>622</u>	<u>2.937</u>	<u>3.559</u>	<u>3.559</u>
Long-term liabilities other than provisions at 31.12.2002	<u>535</u>	<u>3.578</u>	<u>4.113</u>	<u>4.113</u>
Due after more than five years:				
Mortgage debt		<u>358</u>		
		<u>358</u>		

## Notes

### 18. Work in progress

The amount comprises vendor's invoices not received and not yet invoiced but performed transactions.

Parent		Group	
2002	2003	2003	2002
<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>

### 19. Assets charged

Mortgage debt is secured by way of mortgage on properties.

Bank debt is secured by a deposited mortgage deed registered to the mortgagor on properties of DKK 3.000k nominal.

<u>0</u>	<u>0</u>	Book value of pledged assets	<u>4.547</u>	<u>4.666</u>
<u>8.738</u>	<u>6.301</u>	Bank guarantee to third party as security for liabilities	<u>6.549</u>	<u>9.050</u>

### 20. Recourse guarantee commitments and contingent liabilities

Guarantee for affiliated company's associated companies' bank loans and mortgage debt, which on the balance date amount to:

<u>270</u>	<u>174</u>	Bankloan	<u>0</u>	<u>0</u>
<u>6.479</u>	<u>5.833</u>	Mortgage debt	<u>0</u>	<u>0</u>

The Group is under an obligation to pay rent to associated company for 16 years. The annual basic rent is DKK 1.200k.

Joint liability for company tax with part of the other companies in the Group.

Joint liability for cleaved off company's liability on the time for the splits publication however max with the amount corresponding to the remaining netvalue in the company.

<u>22.725</u>	<u>22.725</u>		<u>22.725</u>	<u>22.725</u>
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## Notes

	Group	
	2003	2002
	DKK'000	DKK'000
<b>21. Working capital changes</b>		
Change in receivables	(7.311)	8.037
Change in trade payables etc	11.895	(14.449)
	<u>4.584</u>	<u>(6.412)</u>
<b>22. Cash and cash equivalents</b>		
Cash	31.637	29.664
Short-term bank debt	(174)	(880)
	<u>31.463</u>	<u>28.784</u>

## 23. Related parties

Related parties with a controlling interest in Blue Water Shipping A/S:

Blue Water Holding, Tværkaj 2, 6700 Esbjerg, controlling shareholder

Shipbroker Kurt Skov, Liljevænget 14, 6710 Esbjerg V, Blue Water Group controlling shareholder

Other related parties with whom Blue Water Shipping A/S has had transactions in 2003:

Blue Water Greenland ApS, Industrivej 43, 3900 Nuuk, subsidiary company

Blue Water Transport A/S, Istedvej 7, 6330 Padborg, affiliated company

Blue Water International A/S, Tværkaj 2, 6700 Esbjerg, affiliated company

Lawyer Niels Kaalund, Torvet 21, 6700 Esbjerg, committee member

Transactions between related parties and Blue Water Shipping A/S in 2003:

Lawyer Niels Kaalund's firm of lawyers has assisted the Group on a continuing basis.

## 24. Ownership

The following shareholders hold more than 5% of the Company's share capital:

Blue Water Holding A/S, Tværkaj 2, 6700 Esbjerg.

## 25. Consolidation

Blue Water Shipping A/S and subsidiaries are included in the consolidated financial statements of Blue Water Holding A/S.