

# Lauritzen Fonden

(CVR no. 1545 3613)

## ANNUAL REPORT 2014

Approved on 27 March 2015 at  
Lauritzen Fonden's Board meeting



.....  
Chairman of the Board

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### Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Lauritzen Fonden for the financial year 1 January – 31 December 2014.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2014 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2014.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

Copenhagen, 27 March 2015

#### Executive Board



Bent Østergaard  
CEO



Inge Grønvold  
Director

#### Board of Directors



Jens Ditlev Lauritzen  
Chairman



Michael Fiorini  
Vice Chairman



Betina Ipsen



Bendt Bendtsen



Kigge Hvid



Niels Ryslev



Erik Bierre



Jesper Jessing

## **Independent auditors' report**

### **To the Board of Directors of Lauritzen Fonden**

#### **Independent auditors' report on the financial statements**

We have audited the consolidated financial statements and the parent company financial statements of Lauritzen Fonden for the financial year 1 January – 31 December 2014 which comprise income statement, balance sheet, statement of changes in equity and notes including accounting policies for the Group as well as for the parent company and consolidated cash flow statement. The consolidated financial statements and the parent company financial statement are prepared in accordance with the Danish Financial Statements Act.

#### ***Management's responsibility for the consolidated financial statements and the parent company financial statements***

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditors' responsibility***

Our responsibility is to express an opinion on the consolidated financial statements and parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to Lauritzen Fonden's preparation of consolidated financial statements and parent company financial statements that give a true and fair view 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 Lauritzen Fonden's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

**Opinion**

In our opinion, the consolidated financial statements and parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2014 and of the results of the Group's and the parent company's operations and consolidated cash flows for the financial year 1 January – 31 December 2014 in accordance with the Danish Financial Statements Act.

**Statement on the Management's review**

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and parent company financial statements.

Copenhagen, 27 March 2015

Ernst & Young  
Godkendt Revisionspartnerselskab



Henrik Kronborg Iversen  
State Authorised  
Public Accountant



Carsten Kjær  
State Authorised  
Public Accountant

## Company details

Company: Lauritzen Fonden  
Sankt Annæ Plads 28  
DK-1291 København K  
Phone: +45 33 96 84 25

Website: [www.lauritzenfonden.com](http://www.lauritzenfonden.com)

E-mail: [lf@lauritzenfonden.com](mailto:lf@lauritzenfonden.com)

CVR-no.: 15 45 36 13  
Founded: 1945  
Domicile: Copenhagen  
Financial year: 1 January - 31 December

Board of Directors: Jens Ditlev Lauritzen, (Chairman)  
Michael Fiorini, Director (Vice Chairman)  
Bendt Bendtsen, Member of the European Parliament and former Minister  
Kigge Hvid, Managing Director  
Betina Ipsen, Member of the Lauritzen Fonden Grant Committee  
Niels Ryslev \*)  
Erik Bierre \*)  
Jesper Jessing \*)

\*) Staff-elected board members

Grant Committee: Jens Ditlev Lauritzen  
Betina Ipsen  
Inge Grønvold

Administration: Bent Østergaard, CEO  
Inge Grønvold, Director

Board meeting will be held on 27 March 2015

## **The Group at a glance**

Lauritzen Fonden is a commercial foundation and is the parent company of J. Lauritzen A/S (100% owned), DFDS A/S (42.8% owned, excluding DFDS's treasury shares) and LF Investment ApS (100% owned).

The ship owners J. Lauritzen A/S and DFDS A/S act as independent entities with their own identity, which implies that the Executive Board and the Board of Directors of the individual companies have the primary responsibility.

**J. Lauritzen A/S** has served the maritime trade worldwide for more than 130 years and has been engaged in a range of different segments of the shipping industry. Today, J. Lauritzen is a global provider of marine transportation of dry bulk cargoes, petrochemicals and liquefied petroleum gases together with investments in the offshore service sector.

Lauritzen Bulkers controls a modern fleet of more than 100 primarily handysize and supramax dry bulk carriers. The handysize operation is the main business activity and is based on a large homogeneous fleet of owned, part-owned and long-term time-chartered vessels, vessels committed by partners as well as a substantial number of short-term time-chartered vessels.

Lauritzen Kosan specializes in carriage of petrochemicals and liquefied petroleum gases - a segment of the shipping industry characterized by technically complex requirements from regulators and clients. Lauritzen Kosan controls a fleet of 39 semi-refrigerated, fully-pressurized and ethylene gas carriers.

In addition to these two main business areas, J. Lauritzen has business interests in the offshore service sector through a part-ownership of Axis Offshore Ltd., provider of high specification accommodation units servicing the offshore oil and gas industry.

**DFDS A/S'** European route network serves the requirements of both freight customers and passengers, complemented by European transport and logistics solutions.

DFDS' routes are ideally located for servicing the freight volumes of forwarding companies and manufacturers of heavy industrial goods. The routes operate to fixed schedules with a high level of frequency, allowing customers to precisely meet their transport service needs. Visibility is enhanced by access to online tracking of shipments. Bespoke transport solutions are also developed in partnership with manufacturers of heavy goods such as automobiles, steel, paper and forest products, and chemicals. In order to enhance the efficiency of customer services, own port terminals in strategic locations are operated, including warehousing services.

DFDS provides flexible, cost efficient and on-time, door-to-door transport solutions to producers of a wide variety of consumer and industrial goods. These solutions are supported by a European network of road, rail and container carriers and, not least, DFDS' network of ferry routes. The main activity is solutions for full and part loads, both ambient and temperature controlled. In partnership with retailers and manufacturers, DFDS develops and provides performance enhancing and cost efficient logistics solutions, including warehousing services.

DFDS' route network offers both overnight and short crossings. Passengers can bring their own cars on all routes. The onboard facilities are adapted to each route's particular mix of passengers and their requirements for an enjoyable maritime experience.

**LF Investment ApS'** main activity primarily consists of investments in minor venture companies. The portfolio consists of 11 companies and 12 activities. The portfolio of companies covers among others industries such as real estate, biotech, oil analysis and software.



## Group Key Figures

(DKK million)	2014	2013	2012	2011	2010
<b>Net turnover</b>	<b>15.638</b>	<b>15.592</b>	<b>15.817</b>	<b>14.981</b>	<b>14.021</b>
Result before depreciations (EBITDA)	1.321	1.499	1.511	2.244	2.575
Profit on sale of vessels	179	-46	-552	-187	212
Depreciations and write-downs	-1.682	-2.264	-2.254	-1.199	-1.260
<b>Operating income</b>	<b>-182</b>	<b>-812</b>	<b>-1.295</b>	<b>858</b>	<b>1.527</b>
Share of result in joint ventures	-79	-69	-151	-1	77
Financial items, net	-375	-471	-405	-376	-170
<b>Result before tax</b>	<b>-635</b>	<b>-1.352</b>	<b>-1.851</b>	<b>481</b>	<b>1.434</b>
Income tax	-30	-17	-12	0	-68
<b>Result for the year</b>	<b>-665</b>	<b>-1.369</b>	<b>-1.863</b>	<b>481</b>	<b>1.366</b>
Non controlling interests share of result	-192	-170	-79	-461	-394
<b>Profit/(Loss) for the year</b>	<b>-857</b>	<b>-1.539</b>	<b>-1.942</b>	<b>20</b>	<b>972</b>
Fixed assets	15.207	18.046	20.196	23.622	21.933
Total assets	20.713	23.414	26.437	29.033	28.381
Equity	7.106	7.589	9.077	11.083	10.929
Cash flow from ordinary activities	1.756	1.444	877	2.183	1.685
Investment in tangible assets	-1.214	1.233	826	4.888	4.013
Changes in cash position	-142	-844	537	361	434
Number of employees	7.193	7.329	6.664	6.404	6.000
Profit margin, %	-1,2	-5,2	-8,2	5,7	10,9
Rate of return, %	-0,6	-2,4	-4,5	3,9	7,7
Return on equity, %	-11,7	-18,5	-19,3	0,2	9,4
Solvency ratio, %	50,7	47,2	51,3	53,7	53,2

Key figures are prepared in accordance with Den Danske Finansanalytikeres "Anbefalinger og Nøgletal 2010", however, solvency ratio includes non controlling interests.

### Profit margin

$$\frac{\text{Operating income}}{\text{Net turnover}}$$

### Solvency ratio

$$\frac{\text{Equity incl. non controlling interests}}{\text{Total assets}}$$

### Rate of return

$$\frac{\text{Operating income} + \text{financial income}}{\text{Average of total balance}}$$

### Return on equity

$$\frac{\text{Profit/(Loss) for the year}}{\text{Average share of equity excl. non controlling interests}}$$

## Management's review

The total revenue of the Group amounted to DKK 15,638 million in 2014 compared to DKK 15,592 mill. in 2013, an increase of DKK 46 mill. Result before tax amounted to a loss of DKK 635 mill. compared to a loss of DKK 1,352 mill. in 2013.

The net result for **J. Lauritzen A/S** for 2014 was a loss of USD 166 mill. compared to a loss of USD 285 mill. in 2013. The result was in line with the most recent expectations but considerably below the initial expectation at the beginning of 2014. The result was heavily impacted by impairment and provisions totaling USD -161 mill. While the result is unsatisfactory in financial terms, J. Lauritzen regards the result as an outcome consistent with a difficult year. Please refer to J. Lauritzen's web [www.j-l.com](http://www.j-l.com) for further information

For **DFDS A/S** profit before tax and special items amounted to DKK 571 mill., which is an increase of 56% compared to 2013. The increase was mainly driven by higher earnings for the freight shipping activities in the North Sea region and a reduction of the loss for the routes on the English Channel. In addition, the earnings of the Logistics Division were boosted by the acquisition of three companies (one in 2013 and two in 2014). Please refer to DFDS' web [www.dfds.com](http://www.dfds.com) for further information.

## Vision

Ditlev Lauritzen, the founder of J. Lauritzen A/S, was an enterprising business man. Early in the 1900s he was way ahead of his time when he focused on his employees' welfare and their work environment. He was also very engaged in the local community and aware of his social responsibility as a business owner.

Both the shipping company, J. Lauritzen, and his social commitment were passed on to his children Ivar, Knud and Anna. Together they founded Lauritzen Fonden back in 1945.

Today the Foundation is parent company of J. Lauritzen A/S, DFDS A/S and LF Investment ApS. As a commercial foundation our tasks are divided into a commercial and a philanthropic part. We run our businesses and support both maritime and social projects. We support our employee's relatives through funding of their education whether they are spouses or children. We believe that by creating a strong and secure foundation for the individual, we are supporting both our companies and society as a whole. The complete foundation charter can be found at [www.lauritzenfonden.com](http://www.lauritzenfonden.com).

## Our values

We want to take part in creating long-lasting changes in society. We dare to be innovative and take chances in our grant distributions. In addition to financially supporting the projects we are involved in, our aim is to let their voices be heard through a joint communication effort. We believe in those who believe in their cause – and our support goes to those fiery souls that have a strong vision.

The Foundation distributes grants based on the natural anchoring in the maritime industry as well as our core values:

### Promise:

We believe in education and skill development as a crucial stepping stone to a brighter future.

**Strength:**

What carries the social and humanitarian projects we support.

**Passion:**

Culture as a free space for creativity and a fundamental dimension of life.

**Ambition:**

Is reflected in our business activities and investments.

**Grant Strategy**

Based on the values mentioned above our grant strategy branch out over the following areas:

Education

Education is the prerequisite for the positive development of both individuals and society. That's why children and youth's education is an essential parameter for the projects we support – both in Denmark as well as internationally.

- Education for the children, spouses and widowers of Lauritzen Group employees – plus retirees and former employees
- Projects focusing on practical and theoretical knowledge and those providing for life necessities for kids going to school, i.e. water, food, play, exercise and teaching materials
- Internships and trainee positions are favored as well

Social work

All people are resourceful and can contribute to growth in society one way or the other. Lauritzen Fonden wishes to support those who need it the most – vulnerable young people and children.

- New initiatives promoting a better life with the potential to grow
- Existing volunteer work for society's more challenged groups
- Initiatives with preventive effect
- Initiatives helping after problems have occurred
- Initiatives where we can make a greater difference together with other foundations

Culture

Lauritzen Fonden perceives culture as a premise for the good life. It strengthens our ability to learn, stimulates creativity, curiosity and innovation thus giving the individual more resources in everyday life. The oldest generation is responsible for passing on culture and general education to the younger generation. Lauritzen Fonden wants to help establish a counterbalance to the digital reality and urge children and young people to engage socially and physically through play and movement. We believe this could help prevent some of the issues our society struggles with today – obesity, loneliness, integration, lack of self esteem and poor lifestyle habits.

- Maritime culture
- Culture naturally including children and young people
- Culture promoting physical activity
- Popular culture
- Initiatives with potential to reach all parts of Denmark

In addition Lauritzen Fonden has a historical and special interest in Ribe, Esbjerg, Aalborg, Frederikshavn and Helsingør. These are cities where the foundation has its roots and for several decades has been an owner of industry.

We are not afraid to state that we strive to create change in society. We do this by supporting projects that have a ripple effect. We support passionate, fiery souls that have a strong vision and the courage to think differently.

CEO Bent Østergaard states: "Ability and capability oblige. And that is why it is only natural that foundations play a bigger role in society today. But it also calls for more transparency and willingness to engage in dialogue with all stakeholders – from top decision makers in state, regions and municipalities to organizations from civil society and the fiery souls with all the initiatives. It will benefit the end user - whether it is the self-harming young girl, the forcibly removed child or the boy who cannot play soccer because his parents cannot afford equipment. The only way we can create sustainable change is by joining forces. We have to break away from the scattered 'treatments of symptoms' efforts in order to establish the underlying problems and find proper solutions."



Bent Østergaard continues: "Within our commercial line of business we are used to work within international perspectives but in 2014 we have started to look more inward when it comes to the social and humanitarian focus of the Foundation. We believe we can make the biggest difference here and thus our grant support is now more likely to go to a project in Denmark than one abroad."



Director Inge Grønvold adds: "For Lauritzen Fonden 2014 has been the year when the first steps of a bigger strategy process were taken. So far this has resulted in the establishment of our three focus areas: the social, the cultural and the educational. The Board of Directors has their eyes fixed on new focus areas and the efficiency of the methods used whether it is mentor arrangements, chat groups, home work cafés or programs aiming at helping people break unhealthy patterns. We need to focus on not merely transferring money to project's accounts without further contact. We need to professionalize and focus on securing effect of the many grants we distribute. Communication, sparring, counseling and support can be just as effective as financial support."

### **Lauritzen Fonden's charitable activities**

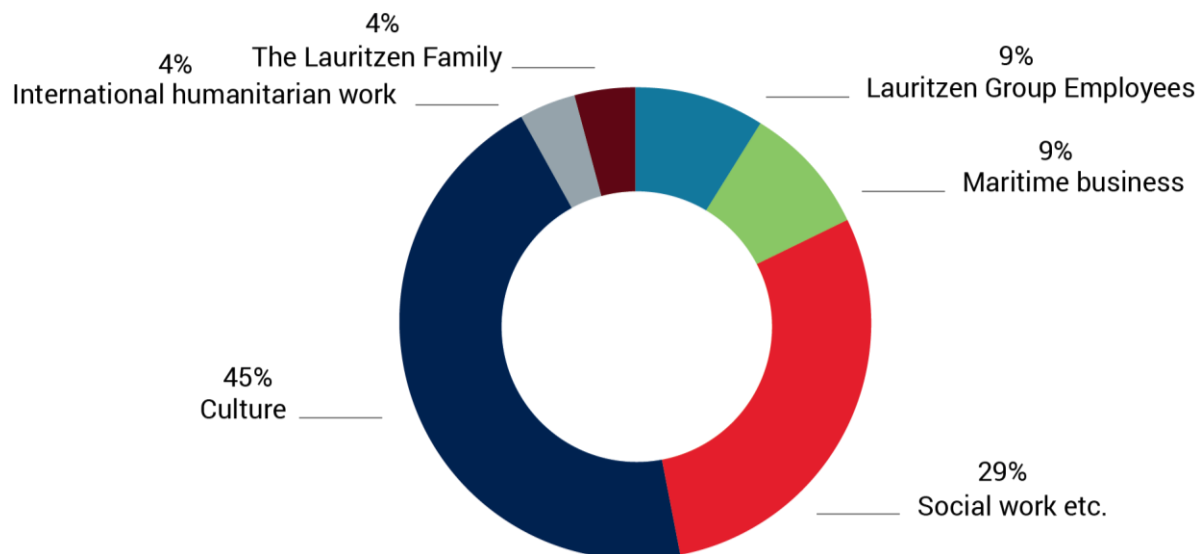
The cash flow generated in 2014 by Lauritzen Fonden amounted to DKK 85.8 mill. (2013: DKK 64 mill.) With a grant distribution of DKK 39.8 mill. in 2014 (2013: DKK 24.6 mill.), Lauritzen Fonden has thus allocated 46% of the cash flow to meet the foundation charter.

**Allocation of cash flow within Lauritzen Fonden:**



9% of the grants amount went to the Lauritzen Groups employees, their spouses and children, 9% to seafarers and maritime interests, 29% to social and humanitarian work in Denmark, 45% to cultural projects, 4% to international humanitarian projects and 4% to the Lauritzen Family. In 2015 it is expected that the social and humanitarian grants will amount to 50% of all distributions.

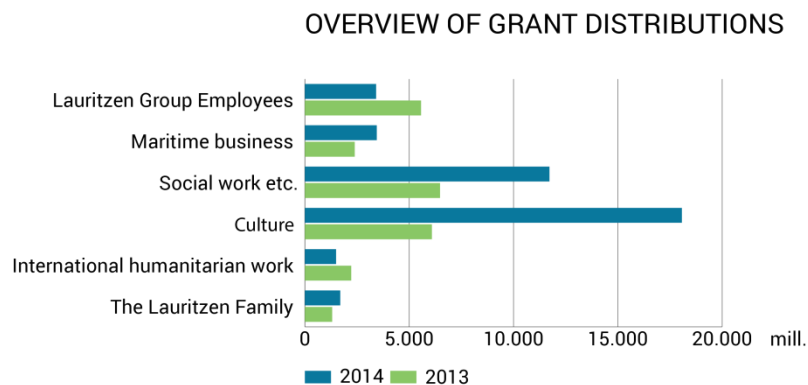
**All grant distributions 2014:**



Grants within the individual categories and in various sizes will be distributed to a wide range of activities carried out by organizations, associations and individuals actively contributing to society, often as volunteers. Below please find a list of some of the major projects supported in 2014:

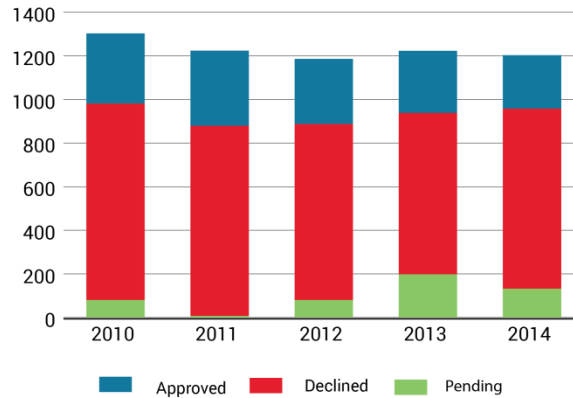
DKK	300,000	to	Foreningen til Søfartens Fremme, information about Danish shipping.
DKK	300,000	to	Erhvervsguiderne, quality assurance and anchoring of mentoring for challenged students.
DKK	300,000	to	National Association against eating disorders and self-harm – digital counseling.
DKK	300,000	to	Morgencafé for Hjemløse, preventing homelessness amongst young people.
DKK	350,000	to	Familiekontakten Home-Start, collaboration on social efforts in the Tingbjerg area.
DKK	400,000	to	Forældre Fonden, dormitory maintenance.
DKK	450,000	to	Hartvig-Møllers Fritidsskole, Storedam – leisure offers and courses for seniors.
DKK	500,000	to	FairstartGlobal, an online coach education for caregivers to orphans in Denmark and developing countries.
DKK	500,000	to	Børns Vilkår – recruiting and training of volunteer counselors.
DKK	500,000	to	National Danish Performance Team, Verdensholdet, gymnasts.
DKK	500,000	to	Danmarks Rederiforening, World Careers – recruiting campaign 2014-15.
DKK	900,000	to	Danner, inclusion of battered children in elementary school.
DKK	1,000,000	to	MARTEC, Skoleskibet DANMARK is going on a tour to Brazil.
DKK	3,485,000	to	Projekt Netwerk, Mary Fondens/Ventilens preventing and reducing loneliness amongst students.
DKK	16,000,000	to	Gerlev Sports Academy - Gerlev Legepark - Projekt Legeskibet.

The total grant distribution is divided between these focus areas:



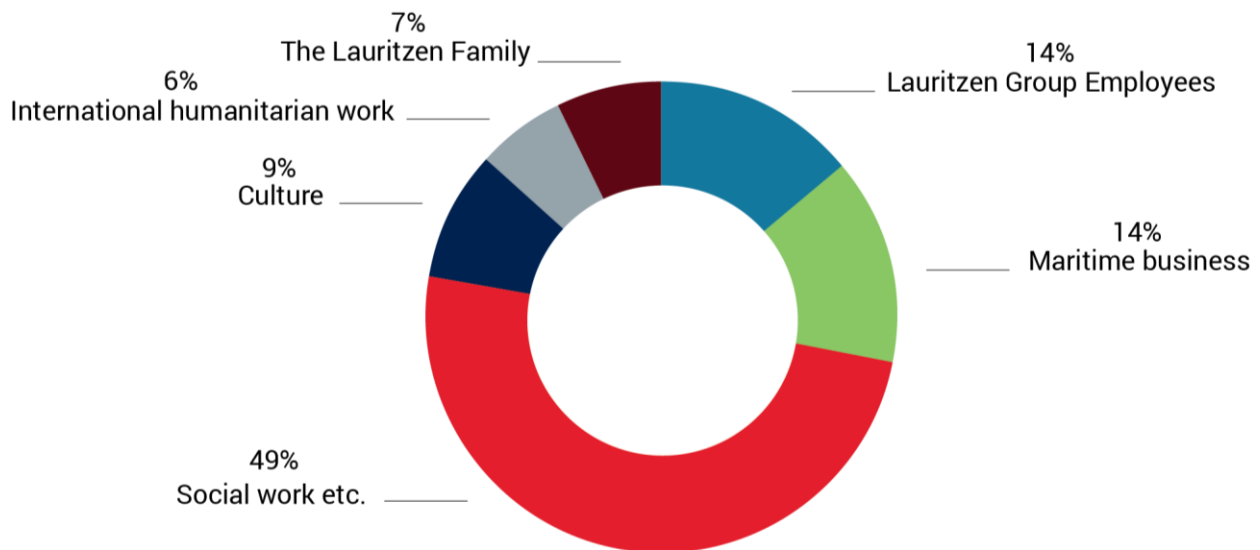
Lauritzen Fonden received and processed an amount of applications corresponding to the last couple of years. Of the 1,203 applications (1,223 in 2013) 284 were approved for grants (285 in 2013) leading to a "hit-rate" of 24%. 132 applications were still pending at year end.

### GRANT DISTRIBUTIONS 2010-2014



The largest grant distribution in 2014 was Project Legeskibet receiving a total of DKK 16 mil. over a four year period.

### All grant distributions 2014 – without project “Legeskibet”



Below are examples of projects supported by Lauritzen Fonden, their scope and level of success.

#### Projekt Legeskibet

- example of a project that includes maritime, cultural and social focus

Total amount granted = DKK 16,000,000. Lauritzen Fonden finances the whole project

### The project

Legeskibet is a collaboration with Gerlev Sports Academy, home of the Gerlev Legepark (play park), which is a huge green area in the Southern part of Zealand where you can play old and new games – a typical Danish cultural heritage. The mission of Legeskibet is to re-think the Danish culture of play and movement while creating life and movement in the somewhat abandoned harbor areas around Denmark. Over the next 4 years a



Jens Ditlev Lauritzen, Head master of Gerlev Idrætshøjskole Finn Berggren and Inge Grønvold

ship loaded with requisites and tools for playing will tour port cities all over Denmark. The project period runs from end of 2014 to 2019 where a concluding report and conference is scheduled.

### Current key points

Almost 4,5 mio. people in Denmark live near the water but a majority of port areas are not being used as well as they could be. Legeskibet will embark on its journey in May 2015 from Copenhagen. The ships used for the different voyages will be a mixture of Halmø, Mira and Lilla Dan – three astonishing schooners all part of a joint venture called The United Sailing Ships. Lilla Dan is owned by J. Lauritzen A/S and is bound by contract to sail minimum 60% of the time.

The first year 8-12 cities will be visited during the spring-summer season. Between 10-15 cities are the preferred amount per season. The sailors will line up playful activities for all ages - and guide people through games and physical activities on the dock. A treasure chest full of play requisites will be “left behind” for the community and city to continue to use at the harbor areas. In the winter-autumn season Legeskibets staff will return to the cities (not by ship) to evaluate and follow up on the visit and secure sustainability of the project. It is the goal that cities should be visited at least three times during the project period and at least one of the times by ship.

### What's next?

Games and settings are currently being designed and build at Gerlev Sports Academy. Municipalities are being contacted and connections are established with the right cultural authorities and departments focusing on health and exercise, schools and institutions etc. The sailing route for the first year is almost ready and includes visit to Mors, Kalundborg, Svendborg and Kerteminde. The communication strategy is in place and the website is up and running. The University of Southern Denmark follows the project closely. A log book is being kept during the entire project period in order to gather empirical evidence for a potential research project at the Center for Idræt, Sundhed og Civilsamfund. Lauritzen Fonden is an active part of this project's steering committee.



Legeskibet is culture, movement and education – the perfect fit for Lauritzen Fonden. The aim is to have Legeskibet stand as ‘best practice’ for future culture and leisure initiatives.



## World Careers

*- example of a project that includes an educational and maritime focus*

Total amount granted (since 2007) = DKK 3,550,000 – co-financed with other maritime foundations



### The project

A national recruiting campaign called World Careers aiming at getting more young people at the age of 18-28 to seek an education and career within the maritime industry – The Blue Denmark. The campaign began in 2006 and the mission since then has been to strengthen The Blue Denmark's visibility in the areas where young people are. The organization behind the initiative is The Danish Shipowners' Association.

### Key points

Since its beginning the campaign has been broadcasted effectively on different communication platforms such as social media, website, outdoor campaigns, campaigns in schools and universities and various other marketing activities targeting the segment age 18-28. At the startup the brand awareness of The Blue Denmark was around 4%, currently that number is 40%.

### What's next?

Continuing the campaign and expand it to target young people at the age of 14-18. Qualified manpower in the shipping industry is still needed. With the World Careers campaign business are working together to attract captains, trainees and future leaders within the maritime sector. This promotes education among young people while focusing on strengthening the Danish shipping sector. Prerequisite for the latest campaign grant is that Forening for Søfartens Fremme and World Careers collaborate more effectively in the future in order to reach a broader target group.

## Project Network

*- example of a project that includes social and educational focus*

Total amount granted (since 2012) = DKK 7,985,000. Lauritzen Fonden finances the project together with Mary Fonden.

### The project

Network is a research based project focusing on reducing and preventing feelings of loneliness among young people when starting their upper secondary school. The project is a collaboration between Lauritzen Fonden, Ventilen - an organization working hard to prevent and eliminate loneliness among young people, and Mary Fonden - a foundation that aims to fight social isolation by working together with businesses and NGO's under the



outset of “everyone has the right to belong”. In worst cases loneliness can lead to depression, anxiety, suicidal tendencies, low self esteem, anorexia etc. – all cost-intensive problems for society. But by preventing loneliness and isolation at an earlier stage Network is giving young people a better chance of succeeding in life and completing an education.

### **Key points**

It is estimated that 1-2 students in each class feel lonely and isolated from the rest of the class. Over a longer period of time loneliness and social alienation can lead to psychological sufferings and depression. Project Network’s aim is to prevent this by attacking the problem from day one, i.e. getting the students to form “partnerships” right from the beginning. The teachers are also involved in securing a holistic process focusing on everyone involved. Parts of Network have proven to be a great success for both students and teachers creating a more stable and secure class environment for everyone. Network provides the students with a much greater knowledge of what loneliness is and how to get help if you are feeling lonely or isolated. One of the biggest obstacles for the project has been the taboo and reluctance to deal with the actual issue of loneliness and confronting it. Both teachers and students are very satisfied with the program and would recommend it to others. These are the words from a Network student: “Network has helped me understand that I’m not alone, I’m not the only one sometimes experiencing feelings of loneliness. Everyone is more open towards each other now”.

### **What’s next?**

Network has been in effect since 2012 where it was tested on 17 upper secondary schools and three technical colleges. Originally more technical colleges were supposed to participate but due to lack of involvement from the teachers and an unstable class structure it has not been possible so far. However, a pilot test is scheduled in order to adjust the material to fit technical colleges as well. An increasing number of schools are now using the practice and experiencing great success with it. Mathias Lasgaard from the Southern University of Denmark has followed the project from the beginning, interviewing teachers as well as students and making sure the practices have been updated and the effects proven. Today Network is used all over Denmark, giving young people the best possible start to their further education and future career.

### **Fit for Kids**

*- example of a project that includes a social focus*

Total amount granted = DKK 110,000. Other contributors are 15. Juni Fonden, Rockwool Fonden and Sct. Andreas Ordenen



### **The project**

Fit for Kids is a volunteer organization working to create a lifestyle change for overweight kids and their families. Obesity is not only a fight for the children; it demands a change of lifestyle for the whole family. One in every five children in Denmark is obese and not all municipalities offers help to this group. For obese children school and physical activities with other kids can be challenging and in worst case lead to loneliness and social isolation. Fit for Kids has developed a unique weight loss program that has

been tested at Rigshospitalet with great results. The program consists of diet counseling, workout, parent coaching, motivational programs and last but not least, social activities.

### Key points

Fit for Kids have established branches in Odense, Aarhus, Taastrup and Frederiksberg. The program runs over 2 x 20 weeks and a course can fit 20 kids at a time. All trainers and motivators are volunteers and are recruited locally. Lauritzen Fonden's donation was successfully used to establish a branch in Esbjerg. First course was fully booked in less than a month. 30 families are already on the waiting list. There's a 90% attending for each workout session and Esbjerg municipality is very satisfied with both the collaboration and results.

### What's next?

Fit for Kids will be joining forces with Kompagni B, another of the Foundation's projects, in September 2015 for a fun workshop day hosted by the talented kids from The Royal Ballet for the Fit for Kids children. Next for Fit for Kids is to start up branches in Aalborg and Helsingør. The project's work is preemptive focusing on establishing the best possible foundation for children all over Denmark and the ambition is that the Fit for Kids program can be offered to kids all over Denmark.

### DFDS Bikeride

- example of a project that includes the Foundation's internal grant support for Lauritzen Group employees.

Total amount granted = DKK 200,000. The trip was also financed by participant fees.

### The project

The DFDS Bike Club went on a 4-day bike ride to Oslo where the employees voluntarily covered a 640 km distance. They all embarked on their journey towards Oslo from the DFDS House in Copenhagen together. The mission of the trip was to give the employees a unique experience while strengthening team spirit and bring focus to the importance of physical health and exercise.



### Key points

During the preparations and the trip exercise consultants were present to help guide and motivate. Team rides were arranged and the employees received comprehensive road cycling training. Presentations regarding food and health were held and if the employees were interested they could get a detailed health check before departure. During the bike trip the group was constantly followed by support cars with lunch, emergency kit, energy drinks and protein bars.

### **What's next?**

The trip was a huge success. 53 employees participated and new friendships were formed. Participants experienced a greater sense of community. On top of that people have experienced weight losses and improved their general health conditions. DFDS are preparing to repeat the trip in 2015. For DFDS the trip can be used to brand the company positively while giving something back to the employees. Health and exercise is also a vital part of the DFDS personnel policy.

### **Project dialogue and meetings**

Meetings with 25 out of the 284 grant recipients have been held in 2014. The meetings are a sign of a gradual change in the way the Foundation works. We want to secure a closer follow up and dialogue with some of the bigger projects. More of them run over a longer period of time and often several years. It's a great way of creating a more extensive relationship with the people behind to meet on a regular basis. In 2014 in-house meetings with the larger projects have been prioritized over project visits.

Network meetings with other foundations have intensified during the year. The open approach to sharing knowledge and maintaining dialogue and collaboration on grant applications are a win for both foundations and applicants. By collaborating on identifying societal challenges and problems each foundation can contribute in their own manner with their individual expertise thus creating more sustainable and long-lasting solutions. It's a long and time consuming process that's only just begun.

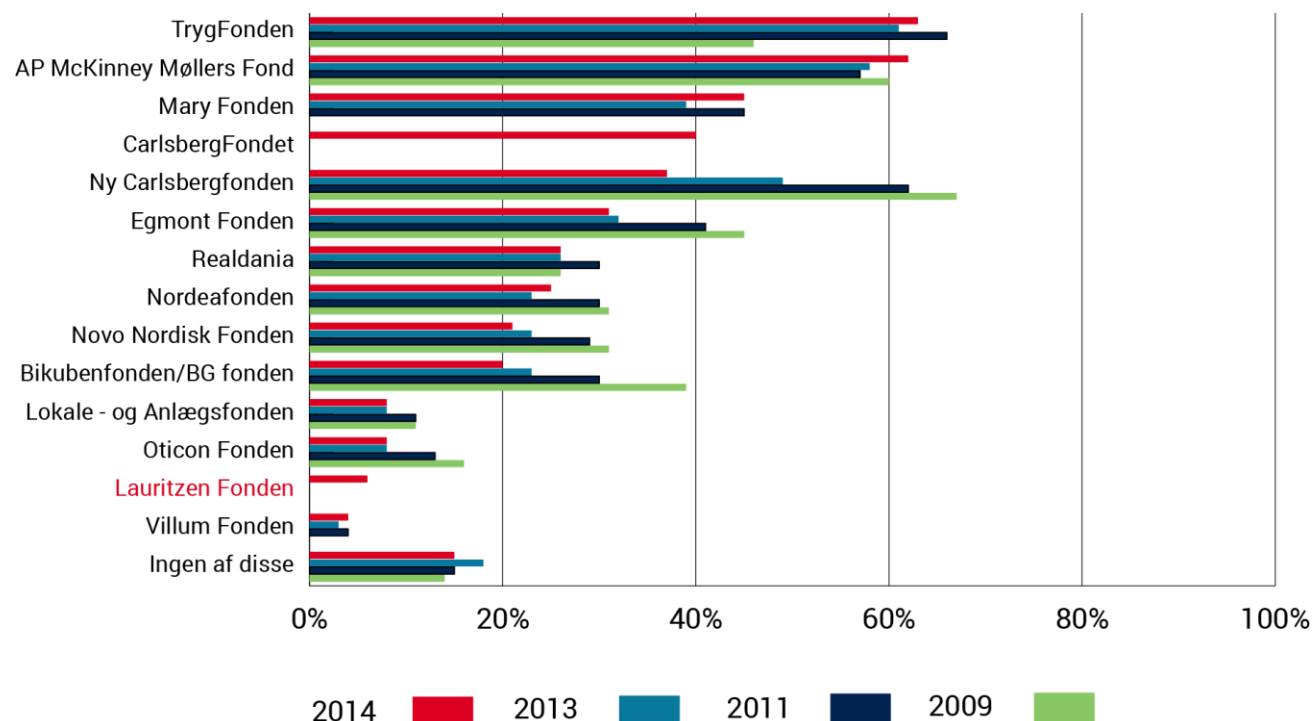
### **Communication**

In 2014 Bysted A/S has supported the Foundation with various tasks amongst others taking the first steps to implement a more stringent grant strategy. The website is running smoothly and is being maintained and updated by Communications Officer Kamilla Søggaard with support from webmaster Martin Lorenzen. The scheduled PR efforts set in motion in the beginning of the year have been downgraded slightly due to the extensive strategy work regarding the grant distributions. Projects are selected based on their compatibility to culture (incl. maritime culture), education and social work and their content possibilities.

The Foundation's Facebook-page has become a solid basic platform in our external communication. With 1800 followers and an increase in post shares and organic reach it has proven to become a valuable tool for reaching stakeholders with news regarding the Foundation's work and projects.

In June we participated in an analysis focusing on the public knowledge about the Foundation and our work and focus areas. Eight other foundations participated in the survey that was carried out by TNS Gallup. The results were, not surprisingly, mediocre but we have decided to participate on an annual basis so we can compare results and in that way measure our communication efforts and progress.

**Public knowledge about major foundations in Denmark:**



The question asked in the survey: “Which of these foundations do you know or have heard about? Please state your knowledge about the foundation and not the company that may have name similarity with the foundation”

**The Lauritzen Award**

Each year Lauritzen Fonden distributes an award as recognition of an exceptional performance by a Danish artist in the theatrical profession either on stage, in TV or on film. In 2014 the award went to Marianne Høgsbro and Thure Lindhardt each receiving DKK 250,000.

- The Honour Award DKK 100,000 went to Niels Malmros
- The Vision Award DKK 100,000 went to Aalborg Operafestival
- The Backstage Award DKK 50,000 went to Niels Brunse
- The Wauw Award DKK 30,000 went to Rikke Wölck
- 2 x Believe-in-you Awards each DKK 20,000 went to Sara Hjort Ditlevsen and Pelle Emil Hebsgaard.

The award show at the Royal Theatre Playhouse has 600 people attending. In 2014 the Foundation repeated the success of showcasing 3 social and humanitarian projects during the show and after. The audience was given the chance to meet and greet with the projects which were a great success and an excellent way of establishing new connections.

The three projects were Ventilen and Mary Fonden with Project Netwerk (preventing and remedy of loneliness among young people), Villa Skodsborg – a childrens home (reopening a childrens home for children suffering from severe neglect and abuse) and Børn, Unge og Sorg (professional counseling for children who has lost a close family member).



In 2014 the Lauritzen Award experienced the most successful press and media coverage to date. The award show seems to have found the balance between entertainment, honoring culture and focusing on social work. A close collaboration with HAVE Kommunikation makes this possible.

#### **Real estate:**

##### **Herlevgårdsvej**

24 out of the 30 student apartments are renovated after an approved standard. Ultimo a number of 23 out of the 30 apartments were rented out to children and affiliated to the Lauritzen Group. That means rented out internally. The property is operational with an occupancy of 100%. The idea behind the student apartments is to supplement the existing employee benefits in the Lauritzen Group.

##### **Klithuset**

In 2014 Klithuset in Dronningmølle has experienced an upward occupancy. The rental in weekdays, meetings and conferences, rose to 45% occupancy versus 39% in 2013. Rentals in weekends in 2014 were at 86% versus 78% in 2013. Operating Klithuset is done with eye for details and an object to keep the house desirable for parties, social activities and conferences without striving for luxury.

##### **Other**

The Foundation owns three summerhouses and two undeveloped sites in Dronningmølle and a villa on Onsgårdsvej in Hellerup.

#### **Foundation Governance**

Lauritzen Fonden wish to demonstrate best practice and an overall transparency in its work. The aim is to be known for supporting social and innovative projects contributing to build a better society for all.

In 2014 the Board of Directors work was evaluated. The Foundation's charter elected board consists of two women and three men. Please visit our website for information regarding the qualifications and competences of the Board of Directors: [www.lauritzenfonden.com/da/bestyrelsen.asp](http://www.lauritzenfonden.com/da/bestyrelsen.asp). In 2014 a regular election of employee representatives were held.

The Board consists of eight persons; five elected in accordance with Lauritzen Fonden's charter (two women and three men, no under representation) and three employee elected.

#### **CSR**

Lauritzen Fonden aims to be transparent in all aspect of our business. We hold ourselves to high standards and expect the same dedication from the projects we're involved with. The foundation charter is the cornerstone in everything we do. It takes hold in the fundamental idea of creating a better world, not only for shipping and Lauritzen Group employees, but also for our local community and the rest of society.

Through grants to social and humanitarian projects we strive to live up to our corporate responsibility. Our daughter companies J. Lauritzen A/S and DFDS A/S are already working intensive and thoroughly with strategic corporate social responsibility within their business areas, but also in collaboration with Lauritzen Fonden.

Lauritzen Fonden has not formed its own policy regarding climate issues. However, we refer to our two large subsidiaries J. Lauritzen and DFDS, as these are important issues in their CSR policies. Please refer to [www.j-l.com](http://www.j-l.com) and [www.dfdsgroup.com](http://www.dfdsgroup.com) for more details on the companies CSR strategy.

We strive to hold our projects and their efforts up against the UN's 2015 Millennium Development Goals and we categorize our projects after which concrete human rights obstacle they target. Visit [www.lauritzenfonden.com/da/csr](http://www.lauritzenfonden.com/da/csr) for more info on the Foundation's CSR initiatives.

#### **Distribution fund**

On March 27th 2015 at the board meeting the Board of Directors earmarked DKK 35 mio. for the coming 12 months fund distributions.

#### **Risks**

Risks imposed on the Foundation are solely risk deriving from subsidiaries. Please refer to the Annual Accounts for a detailed description of the risks. Please refer to [www.j-l.com](http://www.j-l.com) and [www.dfdsgroup.com](http://www.dfdsgroup.com) for more details on the companies risk management.

#### **Outlook for 2015**

In spite of a fairly uncertain outlook for the economy from the individual companies in the Lauritzen Group, the result of Lauritzen Fonden is expected to show a significant increase compared to 2014. The assumption is based on the fact that global economic activity is expected to increase in 2015 primarily due to solid growth in the US and a slight gain of momentum in the European economy.

## Income Statement 1 January – 31 December 2014

DKK '000

Parent			Group	
2013	2014	Note	2014	2013
<b>Revenue</b>				
		1 Net turnover	15.638.202	15.591.773
2.185	2.535	Other income	232.186	87.586
<b>2.185</b>	<b>2.535</b>	<b>Total</b>	<b>15.870.388</b>	<b>15.679.359</b>
<b>Costs</b>				
		Vessels running costs	-8.976.441	-9.842.570
-11.211	-6.081	2 Other external costs	-2.743.782	-1.625.098
-6.016	-6.030	3 Staff costs	-2.829.342	-2.712.797
<b>-17.227</b>	<b>-12.111</b>	<b>Total</b>	<b>-14.549.566</b>	<b>-14.180.465</b>
-15.042	-9.576	RESULT BEFORE DEPRECIATIONS	1.320.823	1.498.894
		Profit on sale of vessels	178.704	-46.452
-1.405	-1.405	4 Depreciations and write-downs	-1.681.636	-2.264.161
-16.447	-10.981	OPERATING INCOME	-182.109	-811.719
-1.529.077	-862.105	5 Share of result in subsidiaries		
-	-	6 Share of result in associates and joint ventures	-78.662	-69.045
<b>Financial items</b>				
6.533	16.258	7 Financial income	122.085	276.747
-65	-170	8 Financial expenses	-496.615	-747.724
<b>6.468</b>	<b>16.088</b>	<b>Total</b>	<b>-374.530</b>	<b>-470.977</b>
-1.539.056	-856.998	RESULT BEFORE TAX	-635.300	-1.351.741
-	-	9 Income tax	-29.910	-17.174
-1.539.056	-856.998	RESULT FOR THE YEAR	-665.210	-1.368.915
		10 Non controlling interests share of result	-191.788	-170.141
<b>-1.539.056</b>	<b>-856.998</b>	<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>-856.998</b>	<b>-1.539.056</b>
Proposed allocation of the result for the year:				
24.550	39.829	Approved grants		
	35.000	Distribution fund		
-1.563.607	-931.827	Transferred to other reserves		
<b>-1.539.057</b>	<b>-856.998</b>			



## Statement of financial position 31 December 2014

DKK '000				
Parent			Group	
2013	2014	Note	2014	2013
<b>ASSETS</b>				
11 FIXED ASSETS				
<b>Intangible assets</b>				
			409.003	348.170
			194.663	139.840
			<b>603.666</b>	<b>488.010</b>
<b>Tangible assets</b>				
39.560	38.192		977.360	1.042.305
			11.864.175	14.724.174
677	639		429.732	376.715
			57.206	48.882
			468.098	571.063
<b>40.237</b>	<b>38.831</b>		<b>13.796.571</b>	<b>16.763.139</b>
<b>Financial fixed assets</b>				
7.488.418	6.834.411	5+11		
-	-	6+11	689.765	673.576
-	-	11	19.940	147
-	-	11	97.105	121.266
<b>7.488.418</b>	<b>6.834.411</b>		<b>806.810</b>	<b>794.989</b>
<b>7.528.655</b>	<b>6.873.243</b>		<b>15.207.047</b>	<b>18.046.138</b>
CURRENT ASSETS				
<b>Stocks</b>				
		12	173.616	219.527
			<b>173.616</b>	<b>219.527</b>
<b>Receivables</b>				
			1.796.718	1.675.272
-	-		53.912	49.321
4.470	2.729		387.364	377.739
		9	136.532	100.167
-	-		148.582	145.636
<b>4.470</b>	<b>2.729</b>		<b>2.523.108</b>	<b>2.348.135</b>
<b>94.691</b>	<b>237.825</b>	16	<b>920.406</b>	<b>769.228</b>
<b>4.070</b>	<b>38.124</b>	16	<b>1.889.134</b>	<b>2.030.863</b>
103.231	278.679		5.506.263	5.367.753
<b>7.631.886</b>	<b>7.151.922</b>		<b>20.713.310</b>	<b>23.413.891</b>

**Statement of financial position 31 December 2014**

DKK '000				
Parent			Group	
2013	2014	Note	2014	2013
<b>LIABILITIES</b>				
13 EQUITY				
250.000	250.000	Initial capital	250.000	250.000
-	-	Net revaluation according to the equity method	-	-
7.339.155	6.855.928	Other reserves	6.855.928	7.339.155
<b>7.589.155</b>	<b>7.105.928</b>	<b>Equity</b>	<b>7.105.928</b>	<b>7.589.155</b>
10 Non controlling interest			3.391.605	3.463.681
<b>PROVISIONS</b>				
-	-	9 Deferred tax	141.302	136.223
-	-	14 Other provisions	773.855	308.165
-	-	<b>TOTAL PROVISIONS</b>	<b>915.157</b>	<b>444.388</b>
<b>DEBT</b>				
15 Long-term debt				
Mortgage debt, real properties			156.539	141.718
Mortgage debt, vessels			2.396.399	4.326.725
Debt, financial leasing			15.323	12.969
Other debt			2.684.976	1.918.138
-	-	<b>Total</b>	<b>5.253.238</b>	<b>6.399.550</b>
<b>Short-term debt</b>				
-	-	15 Short-term portion of long-term debt	909.990	2.889.811
13.576	-	Credit institutions	3.448	15.614
0	-	Trade payables	1.561.470	1.531.762
-	-	Debt to subsidiaries	20.920	18.305
5.371	3.118	Corporate tax	1.382.370	925.298
-	-	Other payables	126.306	112.543
23.784	42.876	Prepayments	42.876	23.784
<b>42.731</b>	<b>45.994</b>	Approved not yet paid grants	<b>4.047.381</b>	<b>5.517.117</b>
42.731	45.994	<b>Total</b>	<b>10.215.777</b>	<b>12.361.055</b>
<b>7.631.886</b>	<b>7.151.922</b>	<b>TOTAL DEBT</b>	<b>20.713.310</b>	<b>23.413.891</b>
<b>TOTAL LIABILITIES</b>				
11 Booked value of mortgages assets				
17 Other mortgages and deposits				
18 Contingent liabilities				
19 Contractual commitments				
24 Related parties				
25 Events after the balance sheet day				

## Cash Flow statement

DKK '000	Note	Group	
		2014	2013
	Operating income	-182.109	-811.718
	Depreciations and write-downs carried back	1.681.636	2.264.161
	20 Adjustments	-160.879	24.716
	21 Change in working capital	823.437	478.543
	Cash flow from operations before financial items	2.162.085	1.955.702
	Ingoing financial payments	122.085	276.747
	Outgoing financial payments	-496.615	-747.724
	Cash flow from ordinary operations	1.787.555	1.484.725
	Paid corporate tax	-10.837	-18.651
	Paid grants	-20.737	-21.967
	<b>Cash flow from ordinary activities</b>	<b>1.755.981</b>	<b>1.444.107</b>
	Investment in intangible fixed assets	-161.099	-117.648
	Investment in tangible fixed assets	-1.214.395	-1.233.125
	Investment in financial fixed assets	-89.154	-98.138
	22 Investments in subsidiaries/activities	1.877	-198.732
	Investment in securities	-151.178	-150.824
	Sale of tangible fixed assets	3.768.214	475.921
	Sale of financial fixed assets	0	296.181
	<b>Cash flow from investment activities</b>	<b>2.154.266</b>	<b>-1.026.365</b>
	Installment on long-term debt	-6.407.514	-1.847.326
	Proceeds from long-term debt	2.634.002	1.203.065
	Paid dividend to non-controlling interest in DFDS	-97.964	-127.550
	Acquisition of treasury shares in DFDS	-168.704	-628.412
	23 Change in pledged securities and cash	-14.410	193.430
	Change in operating credits	2.615	-55.349
	<b>Cash flow from financing activities</b>	<b>-4.051.976</b>	<b>-1.262.142</b>
	Changes for the year in cash position	-141.729	-844.400
	Cash beginning of year	2.030.863	2.875.263
	16 <b>Cash end of year</b>	<b>1.889.134</b>	<b>2.030.863</b>

## Notes

### Accounting policies

The annual report of Lauritzen Fonden for 2014 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the consolidated financial statements and the parent company financial statements are consistent with those of last year.

### Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Lauritzen Fonden, and subsidiaries in which the Group directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls, including J. Lauritzen A/S and DFDS A/S.

Enterprises, which are not subsidiaries, over which the Group exercises significant influence, but which it does not control, are considered associates. Significant influence is generally obtained by direct or indirect ownership or control of more than 20% of the voting rights but less than 50% or by, according to agreement, jointly controlling the enterprise together with one or more other companies (joint venture).

The consolidated financial statements are prepared as a consolidation of the audited financial statements of the Parent Company and the individual subsidiaries prepared in accordance with the Danish Financial Statements Act.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realized and unrealized gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' net asset value at the acquisition date.

Newly acquired or newly established companies are recognized in the consolidated financial statements from the acquisition date, whereas divested or discontinued companies are included until the date of disposal; but see description below regarding consolidation of divested business areas. Comparative figures are not restated for companies acquired by purchase or merger or for divested companies.

Acquisitions of enterprises are accounted for using the purchase method, according to which the identifiable assets and liabilities of the acquired enterprises are measured at fair value at the acquisition date. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprise.

Goodwill from acquired enterprises may be adjusted until the end of the year following the acquisition year if recognition and measurement of the acquired enterprises' net assets change.

Gains or losses on disposal or liquidation of subsidiaries and associates/joint ventures are stated as the difference between the sales amount or liquidating price and the carrying amount of net assets at the date of disposal plus non-amortized goodwill and anticipated disposal or liquidation costs.

### Non-controlling interests

In the consolidated financial statements, the subsidiaries' financial statement items are recognized in full. The non-controlling interests' proportionate shares of the subsidiaries' results and equity are adjusted annually and recognized separately in the income statement and balance sheet.

In connection with the purchase and sale of non-controlling interests, the difference between the purchase and selling price, respectively, and the total carrying amount attributable to the purchased or sold non-controlling interests,

respectively, are calculated. This amount is transferred from the share of equity attributable to non-controlling interests and the share of equity attributable to Lauritzen Fonden.

#### **Foreign currency translation**

Transactions denominated in foreign currencies are translated on an ongoing basis at the exchange rates at the transaction date.

Receivables and payables denominated in foreign currencies are translated at the exchange rates at the transaction date.

Gains and losses arising between the exchange rates at the transaction date and the settlement date are recognized in the income statement under financial income or expenses.

On recognition of foreign subsidiaries and associates/joint ventures and Danish companies that are separate entities reporting in currencies other than DKK, the income statement is translated at the exchange rate at the transaction date (average rate), and the balance sheet is translated at the exchange rates at the balance sheet date. Exchange rate differences arise when translating foreign subsidiaries' equity at the beginning of the year using the exchange rate at the balance sheet date and when translating income statements from the exchange rate at the transaction date (average exchange rate) to the exchange rate at the balance sheet date are recognized directly in equity.

Exchange rate adjustments of intra-group balances with independent foreign subsidiaries which are considered part of the total investment in the subsidiary are recognized directly in equity. Exchange rate adjustments on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognized directly in equity.

On recognition of foreign subsidiaries which are integral entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the acquisition date or at the

date of any subsequent write-down of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are recognized at the historical exchange rates applying to the non-monetary item.

Long-term foreign currency loans are recognized at the exchange rate at the balance sheet date. For loans in foreign currencies taken out ensure the Group's future foreign exchange earnings, the exchange rate adjustment which derives from long-term foreign currency loans by changing historical rates into closing rates, is recognized directly in equity. The item is reduced and is included in the income statement as installments are paid.

#### **Income statement**

##### **Revenue**

Revenue from passenger services and regular services is recognized in the income statement at the date of delivery to the customer, which is also the date of the transfer of risk.

For shipping in general, a proportionate share of the expected income of ship in progress at year end is included, and a proportionate share of the projected costs is included in costs.

The profit/loss for vessels operating in partnerships where underemployment risk and profit are shared is recognized in revenue on a net dividend basis.

Revenue is measured exclusive of VAT, excise duties and discounts offered in connection with the sale.

##### **Costs**

At the date when passenger services and regular services are recognized as revenue, attributable costs are expensed.

##### **Vessels running costs**

Vessels running costs include fuel consumption, maintenance and repairs, crew staff costs,

insurance of hulls and machinery, consumption of lubricants and supplies, etc.

Furthermore, cost of sales related to catering and services on bareboat and time charter agreements relating to operations as well as port costs, agent expenses and other travel-related costs are also included.

#### **Staff costs**

Staff costs include salaries and wages, pension and social security costs relating to the Group's employees. It also includes costs related to employees who have retired from the Group.

#### **Other external costs**

Other external costs include sales costs and administrative expenses include land-based activities, including leases, rent and maintenance of equipment. Furthermore, sales costs, marketing costs and administrative expenses are included.

#### **Financial income and expenses**

Financial income and expenses include interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, calculated interest expenses in respect of lease liabilities and amortization of financial assets and liabilities. Financial income and expenses are recognized at the amounts relating to the financial year.

#### **Profit/loss in subsidiaries and joint ventures**

The Parent Company's income statement includes the proportionate share of the individual subsidiaries' profit/loss after tax after elimination of intra-group profits/losses and amortization of goodwill.

In both the Parent Company's and the consolidated income statement, the proportionate share of joint ventures' profit/loss after tax after elimination of the proportionate share of profits/losses and amortization of goodwill is included.

#### **Tax on profit/loss**

Tax for the year comprises income tax, tonnage tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognized in the income statement, and the tax expense relating to income and expenses recognized in equity is recognized directly in equity. The Group is subject to the Danish rules on compulsory joint taxation. LF Investment ApS is the administrative company of Danish subsidiaries with a ownership interest exceeding 50%. Subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements until the date at which they are excluded from consolidation.

#### **Balance sheet**

##### **Intangible assets**

###### *Goodwill*

Goodwill is amortized over the estimated useful life, not exceeding 20 years, and the longest period is when the investment is of strategic importance due to long-term earnings potential of the investment.

The net asset value of goodwill is assessed regularly and is written down to the recoverable amount over the income statement if the carrying amount exceeds the expected future net income from the business or activity to which the goodwill relates.

###### *Development projects*

Development projects are recognized as intangible assets when the following conditions are met:

- The projects are clearly defined and identifiable
- The projects are expected to be used within the Group
- Future earnings are expected to cover development costs and administrative expenses

- The cost can be reliably determined.

Development projects that do not meet the above criteria are recognized as expenses in the income statement.

Capitalized development costs are recognized at the lower of cost less accumulated amortization or recoverable amount. Cost includes costs for sub-suppliers, materials, direct payroll costs and indirect production costs.

Capitalized development costs are amortized from the date of completion of the development project over the period in which they are expected to generate economic benefits for the Group. The amortization period is usually 3-5 years but may in certain cases be up to 10 years.

Other intangible assets comprise the value of customer relations or similar identified as a part of business combinations, and which have definite useful life. Other non-current intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over the expected useful life, which normally is 3-10 years.

#### **Property, plant and equipment**

Property, plant and equipment are recognized at cost less accumulated depreciation and impairment losses.

Cost includes costs for sub-suppliers, materials, components, direct payroll costs and indirect costs.

Incurred interest expenses on loans to finance the production of non-current asset relating to the production period are included in cost.

Non-current assets acquired in foreign currencies are translated at the exchange rate at the date of acquisition. Gains or losses on hedges relating to the acquisition of non-current assets are recognized as part of the value of the non-current asset.

#### **Vessels**

Vessels are recognized at cost less accumulated depreciation and impairment losses. Cost includes costs directly attributable to the acquisition until the date when the vessel is ready for use, including costs for sub-suppliers, advisory services, materials, components, direct payroll costs related to supervision, etc., and indirect costs.

As a result of differences in the wear on the components of passenger ships, the cost of these ships is split into components with little wear and excessive wear, respectively.

Conversion of vessels is capitalized if the conversion is attributable to measures for prolonging the life of the vessels or improving earnings. Conversions are treated as additions to cost and are depreciated over the same residual period as the original asset.

For offshore service vessels with accommodation facilities (ASV), the vessel's cost is divided into components with minor wear, such as hull and engine, and components with high wear, such as accommodation and catering areas.

Costs for docking and other improvements of the vessels are capitalized when incurred and depreciated over the period between two dockings. In most cases, the docking interval is 2 years for passenger ships and 2,5 years for other vessels.

Depreciation is made on a straight-line basis over the vessels' expected useful lives.

The expected useful lives of vessels are 25-30 years.

For vessels written down to 0 or older than 25 years, an individual assessment of the vessels' remaining lives is made annually.

For passenger ships, cost is divided into components with minor wear, such as hull and engines, and components with high wear, such as accommodation and catering areas. Components

with high wear are depreciated over 10-15 years, while components with minor wear are depreciated over the remaining lives of the ships determined based on an assessment of the individual ships. Components with minor wear are depreciated over 30 years from the year when the ship was built.

Estimated useful lives and residual values are assessed at least once a year. When assessing the expected economic life of vessels, the substantial funds used for ongoing maintenance are taken into account.

An impairment test of the vessels is carried out annually. Vessels are written down to the lower of the recoverable amount and carrying amount. The recoverable amount is the higher of the present value of the net income the vessel is expected to generate (value in use) and the net selling price of the vessel. For vessels which are expected to be sold, the recoverable amount equals the net selling price of the vessel.

Gains and losses on the disposal of vessels are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses on the disposal of vessels are recognized as a separate line item in the income statement.

#### **Investments in subsidiaries and associates/joint ventures**

Investments in subsidiaries and associates/joint ventures are measured under the equity method.

Investments in subsidiaries and associates/joint ventures are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the acquisition method.

Investments in subsidiaries and associates/joint ventures with negative net asset values are measured at DKK 0 (nil), and any amounts owed

by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries and associates/joint ventures is recognised in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of Lauritzen Fonden are not recognised in the reserve for net revaluation.

On acquisition of subsidiaries, the acquisition method is applied; see Consolidated financial statements above.

#### **Receivables**

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a receivable portfolio has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made based on an individual assessment.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's and the Group's credit risk management policy. The objective indicators used in relation to portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate



for the individual receivable or portfolio is used as discount rate.

### **Equity**

*Reserve for net revaluation according to the equity method*

Net revaluation of investments in subsidiaries and associates/joint ventures is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

### **Provisions**

Provisions comprise anticipated costs related to warranties, onerous contracts, restructurings, etc. Provisions are recognised when, as a result of past events, the Group has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value or fair value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

### **Liabilities other than provisions**

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual obligation on finance leases.

Other liabilities are measured at net realisable value.

### **Cash flow statement**

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquisitions of enterprises are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of enterprises are recognised up until the date of disposal.

### **Cash flows from operating activities**

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

### **Cash flows from investing activities**

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

### **Cash flows from financing activities**

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, repayment of interest-bearing debt and payment of dividends to shareholders.

## 1. Net turnover

2014	Result before			
	Net turnover	financial items	Fixed assets	Liabilities
J Lauritzen	2.835.495	-809.302	5.544.341	3.888.699
DFDS	12.779.085	576.194	9.235.004	6.121.674
Other	23.622	-27.663	427.702	205.404
	<u>15.638.202</u>	<u>-260.770</u>	<u>15.207.047</u>	<u>10.215.777</u>

2013	Result before			
	Net turnover	financial items	Fixed assets	Liabilities
J Lauritzen	3.472.397	-1.283.511	8.620.300	6.156.750
DFDS	12.097.088	430.194	8.966.594	5.992.533
Other	22.289	-27.446	459.239	211.772
	<u>15.591.774</u>	<u>-880.763</u>	<u>18.046.133</u>	<u>12.361.055</u>

Both J. Lauritzen and DFDS are operating within transportation services and geographical segmentation is consequently not considered relevant.

## 2. Other external costs

Fee to auditors elected by the Board og directors:	Group		Parent	
	2014	2013	2014	2013
Audit	7.161	11.386	230	300
Other assurance engagements	53	238	0	0
Tax and VAT advisory services	1.128	3.724	376	6
Other services	1.030	2.118	23	104
Total	<u>9.372</u>	<u>17.466</u>	<u>629</u>	<u>410</u>

## 3. Staff costs

	Group		Parent	
	2014	2013	2014	2013
Salaries	2.313.970	2.229.029	5.695	5.651
Pensions	124.404	102.731	335	365
Social security	390.967	381.037	0	0
Total	<u>2.829.342</u>	<u>2.712.797</u>	<u>6.030</u>	<u>6.016</u>

Average number of employees	7.193	7.329	4	4
Number of employees as at 31 December	7.117	7.273	4	4

Remuneration:				
Board of directors			2.500	2.500
Executive management			2.088	2.084
Executive management in other group companies			6.144	6.130

#### 4. Depreciations and write-downs

	Group	
	2014	2013
Goodwill	64.936	36.093
Other intangible assets	0	16.187
Buildings, terminals and yard facilities	50.234	58.498
Vessels	1.460.212	2.060.508
Machinery, tools and equipment	87.239	80.680
Financial leased machinery, tools and equipment	19.014	12.196
	<u>1.681.636</u>	<u>2.264.162</u>
	Parent	
	2014	2013
Buildings	1.367	1.367
Tools and equipment	38	38
	<u>1.405</u>	<u>1.405</u>

#### 5. Investments in subsidiaries – (parent)

	Ownership	2014		2013	
		Result	Equity	Result	Equity
J. Lauritzen A/S, Copenhagen	100%	-1.030.839	3.506.306	-1.619.138	4.005.223
DFDS A/S, Copenhagen	44,6%	157.151	2.656.572	110.833	2.823.245
LF Investment ApS, Copenhagen	100%	11.583	713.283	-20.772	701.700
		<u>-862.105</u>	<u>6.876.161</u>	<u>-1.529.077</u>	<u>7.530.168</u>
Internal profit/(loss)			<u>-41.750</u>		<u>-41.750</u>
		<u>-862.105</u>	<u>6.834.411</u>	<u>-1.529.077</u>	<u>7.488.418</u>

DFDS is considered a subsidiary based on de-facto control.

#### 6. Investments in Associates and Joint Ventures – (group)

	2014		2013	
	Result	Equity	Result	Equity
In total	<u>-78.662</u>	<u>689.765</u>	<u>-69.045</u>	<u>673.576</u>
	<u>-78.662</u>	<u>689.765</u>	<u>-69.045</u>	<u>673.576</u>

#### 7. Financial income

	2014		2013	
	Group	Parent	Group	Parent
Interest income	88.853	3.792	81.337	4.486
Exchange gains and losses on securities	33.232	12.467		
Currency exchange gains and losses	0		195.409	2.047
	<u>122.085</u>	<u>16.258</u>	<u>276.746</u>	<u>6.533</u>

## 8. Financial costs

	2014		2013	
	Group	Parent	Group	Parent
Interest expenses	419.808	170	484.350	66
Other financial expenses	61.975		111.980	
Exchange gains and losses on securities	14.832		151.394	
	<u>496.615</u>	<u>170</u>	<u>747.724</u>	<u>66</u>

## 9. Tax

	2014	2013
Deferred tax	-4.627	-10.092
Current tax	<u>-25.283</u>	<u>-7.082</u>
Income tax	<u>-29.910</u>	<u>-17.174</u>
Deferred tax 1/1	36.056	44.043
Addition from investment in subsidiaries	-16.855	6.503
Tax on equity	-8.444	-4.462
Currency exchange adjustment of deferred tax in foreign subsidiaries	-11.544	-1.346
Adjustment to previous year	930	-18.774
Tax on profit	<u>4.627</u>	<u>10.092</u>
Deferred tax 13/12	<u>4.770</u>	<u>36.056</u>
Deferred tax concerns:		
Tangible assets	-135.872	-131.057
Liabilities	58.573	51.755
Taxable losses carried forward	75.632	46.989
Other	<u>-3.103</u>	<u>-3.743</u>
	<u>-4.769</u>	<u>-36.056</u>
Deferred tax is shown as:		
Deferred tax asset	136.532	100.167
Deferred tax liability	<u>-141.301</u>	<u>-136.223</u>
	<u>-4.769</u>	<u>-36.056</u>
Parent:		
Current tax	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

## 10. Non controlling interests

	Result		Balance sheet	
	2014	2013	2014	2013
Non controlling interests in DFDS A/S	-193.793	-171.220	3.346.800	3.417.872
Other non controlling interests	2.005	1.079	44.805	45.809
	<u>-191.788</u>	<u>-170.141</u>	<u>3.391.605</u>	<u>3.463.681</u>

## 11. Fixed assets

Group

	<b>Goodwill</b>	<b>Other intangible assets</b>	<b>Land, buildings and terminals</b>	<b>Vessels</b>	<b>Machinery, tools and equipment</b>
Cost as at 1/1 2014	736.152	350.730	1.451.337	23.532.379	1.082.227
Exchange rate adjustments	-8.901	-237	17.686	1.179.227	11.211
Transfer to/from other items	0	0	1.955	1.054.086	44.773
Additions from investment in subsidiaries		18.835	36.976	0	2.322
Additions	107.102	53.997	2.550	149.447	103.624
Disposals	0	-4.062	-94.398	-4.374.063	-86.111
Cost as at 31/12 2014	<u>834.354</u>	<u>419.263</u>	<u>1.416.106</u>	<u>21.541.077</u>	<u>1.158.046</u>
Depreciation and write-down as at 1/1 2014	387.982	210.890	409.033	8.808.205	705.512
Exchange rate adjustments	-5.033	-33	9.267	275.019	4.089
Transfer to/from other items	0	0	492	0	0
Depreciation	42.401	17.805	50.234	939.087	86.958
Impairment losses				521.125	
Disposals		-4.062	-30.281	-866.535	-68.246
Depreciation and write-down as at 31/12 2014	<u>425.351</u>	<u>224.600</u>	<u>438.746</u>	<u>9.676.902</u>	<u>728.313</u>
Booked value as at 31/12 2014	<u>409.003</u>	<u>194.663</u>	<u>977.360</u>	<u>11.864.175</u>	<u>429.732</u>
Booked value of mortgage assets				6.090.855	
Booked value as at 31/12 2013	<u>348.170</u>	<u>139.840</u>	<u>1.042.305</u>	<u>14.724.174</u>	<u>376.715</u>

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Fixed assets – continued

	Financial leased machinery, tools and equipment	Assets under construction and prepayments	Investments in associates and joint ventures	Other securities	Other receivables
Cost as at 1/1 2014	113.901	571.063	915.315	263	121.266
Exchange rate adjustments	1.760	-6.824	75.238		137
Transfer to/from other items	-46.771	-1.054.915	145.506		
Additions from investment in subsidiaries	65.248				
Additions	305	958.872	22.361	19.793	47.000
Disposals	-2.183	-98	0		-71.298
Cost as at 31/12 2014	132.260	468.098	1.158.420	20.056	97.105
Depreciation and write-down as at 1/1 2014	65.019	0	241.739	116	0
Exchange rate adjustments	101	0	4.134		
Transfer to/from other items		0	148.521		
Depreciation	19.389				
Write-downs		0	74.200		
Reversed write-downs		0	61		
Reversed write-downs on disposals	-9.455	0	0		
Depreciation and write-down as at 31/12 2014	75.054	0	468.655	116	0
Booked value as at 31/12 2014	57.206	468.098	689.765	19.940	97.105
Booked value as at 31/12 2013	48.882	571.063	673.576	147	121.266

Impairment losses on Vessels and write-downs in Investments in associates and joint ventures relate to J. Lauritzen and is a consequence of the further deterioration of the dry bulk shipping market which has led to a reduction of freight rate forecasts . In line with the market development, dry bulk asset value have also declined.

Parent

	Land, buildings and terminals	Tools and equipment	Investments in subsidiaries
Costs as at 1/1 2014	50.739	2.479	11.666.401
		0	-126.176
Costs as at 31/12 2014	50.739	2.479	11.540.225
Depreciation and write-down as at 1/1 2014	11.180	1.803	4.177.982
Received dividend			79.325
Depreciation	1.367	38	
Write-downs			448.507
Reversed write-downs			
Disposals			
Depreciation and write-down as at 31/12 2014	12.547	1.840	4.705.814
Booked value as at 31/12 2014	38.192	639	6.834.411
Booked value as at 31/12 2013	39.560	677	7.488.419

**Specification of movements in investments in subsidiaries:**

Balance as at 1/1 2014	7.488.419
Disposals relating to DFDS sale of treasury shares	-126.176
Share of other equity movements	413.598
Share of result, cf. Note 5	-862.105
Received dividende	-79.325
	<u>6.834.411</u>

The share options in DFDS is granted to the Executive Board and some executive employees. The options consist of 522.217 shares in DFDS A/S, hereof 28.626 options at a exercising price at DKK 449 in 2015.

**12. Stocks**

Group

	2014	2013
Bunkers	109.230	153.241
Goods for sale	64.386	66.286
	<u>173.616</u>	<u>219.527</u>

### 13. Lauritzen Fonden's share of equity

Group

	Initial capital	Net revaluation according to equity method	Other reserves	Distribution fund	Total
Balance as at 1/1 2014	250.000		7.339.155		7.589.155
Currency adjustment of equity and result in foreign currencies			484.541		484.541
Share of other equity movements			-36.930		-36.930
Value adjustment og hedging instruments			273		273
Change in non controlling interests			-34.284		-34.284
Profit/(loss) for the year			-856.998		-856.998
Approved grants			-39.829		-39.829
Transferred as per proposed allocation			-35.000	35.000	0
	250.000	0	6.820.928	35.000	7.105.928

	Initial capital	Net revaluation according to equity method	Other reserves	Distribution fund	Total
Balance as at 1/1 2013	250.000		8.827.092		9.077.092
Currency adjustment of equity and result in foreign currencies			-230.084		-230.084
Share of other equity movements			-62.106		-62.106
Value adjustment og hedging instruments			77.899		77.899
Change in non controlling interests			289.960		289.960
Profit/(loss) for the year			-1.539.056		-1.539.056
Approved grants			-24.550		-24.550
	250.000	0	7.339.155	0	7.589.155



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Equity – continued

Parent

	Initial capital	Net revaluation according to equity method	Other reserves	Distribution fund	Total
Balance as at 1/1 2014	250.000		7.339.156		7.589.156
Currency adjustment of equity and result in foreign currencies					0
Share of other equity movements			413.599		413.599
Profit/(loss) for the year			-856.998		-856.998
Approved grants			-39.829		-39.829
Transferred as per proposed allocation			-35.000	35.000	0
	<u>250.000</u>	<u>0</u>	<u>6.820.928</u>	<u>35.000</u>	<u>7.105.928</u>

	Initial capital	Net revaluation according to equity method	Other reserves	Distribution fund	Total
Balance as at 1/1 2013	250.000		8.827.092		9.077.092
Currency adjustment of equity and result in foreign currencies			-230.084		-230.084
Share of other equity movements			305.754		305.754
Profit/(loss) for the year			-1.539.056		-1.539.056
Approved grants			-24.550		-24.550
	<u>250.000</u>	<u>0</u>	<u>7.339.156</u>	<u>0</u>	<u>7.589.156</u>

#### 14. Other provisions

	2014	2013
Pension obligations	307.182	262.280
Other obligations	466.673	45.885
	<u>773.855</u>	<u>308.165</u>

The increase in 2014 relates to onerous long term charter contracts in J. Lauritzen

#### 15. Long-term debt

Group

	2014		2013	
	Expires after more than 5 years	Short-term portion	Expires after more than 5 years	Short-term portion
Mortgage debt, real properties	104.616	8.917	110.670	6.821
Mortgage debt, vessels	1.115.551	400.362	530.913	2.651.084
Debt, financial leasing		19.115	0	24.224
Credit institutions		146.219	0	148.593
Corporate Bonds	0	331.584	0	0
Other debt	1.000	3.793	1.000	59.089
	<u>1.221.167</u>	<u>909.990</u>	<u>642.583</u>	<u>2.889.811</u>

Parent

	2014		2013	
	Expires after more than 5 years	Short-term portion	Expires after more than 5 years	Short-term portion
Credit institutions	0	0	0	13.576
	<u>0</u>	<u>0</u>	<u>0</u>	<u>13.576</u>

## 16. Free cash and securities

Group

	2014		2013	
Securities		920.406		769.228
Hereof shares		-715.654		-598.330
Cash	1.889.134		2.030.863	
Hereof pledged, cf. note 23	0	1.889.134		2.030.863
		<u>2.093.886</u>		<u>2.201.761</u>

## 17. Other mortgages and deposits

	2014	2013
Cash included in Other receivables	<u>14.410</u>	<u>0</u>

## 18. Contingent liabilities

	2014	2013
Guarantees and surety commitments	1.183.289	1.116.640
Max. obligation for participation in projects	<u>752.887</u>	<u>633.949</u>
	<u>1.936.176</u>	<u>1.750.589</u>

If DFDS leaves the Danish tonnage tax regime there could be a deferred tax liability of up to a maximum of DKKM 267 (2013: DKKM 263)

If JL leaves the Danish tonnage tax regime there could be a deferred tax liability of up to a maximum of DKKM 43 (2013: DKKM 38)

Certain claims have been raised against the group companies. The judgment of the management is that the outcome of these claims will not have any material impact on the group's financial position

In connection with disposals of activity and assets, certain guarantees, inclusive for tax and environment items, are issued.

## 19. Contractual commitments

JL had entered into newbuilding contracts for 6 vessels for delivery in 2016-2018. The contractual commitment is DKKM 852,7 (2013: DKKM 0)

DFDS has entered into newbuilding contracts for 2 vessels for delivery i 2014. The contractual commitment is DKKM 184 mio. (2013: DKKM 393)

	<b>2014</b>	<b>2013</b>
	Minimum obligation	Minimum obligation
Lease and rent obligations, off-balance items		
Land and buildings, remaining life 1 - 100 year	159.772	166.895
Port terminal , remaining life 1 - 42 year	1.681.846	1.599.525
Vessels, remaning life 1 - 14 year	5.800.551	5.152.287
Machinery, tools and equipment, remaining life 1 - 4 year	201.377	207.960
	<u>7.843.546</u>	<u>7.126.667</u>
Longterm charterparties of vessels concerns:	Number	Number
Bulk-carriers, remaining life 1 - 14 year	33	57
Product tankers, remaining life 1 year	0	7
Cargo vessels, remaining life 1 - 6 year	10	14
Gas-carriers, remaining life 1 - 3 year	6	9

## 20. Adjustments

	<b>2014</b>	<b>2013</b>
Currency exchange	4.994	-12.792
Profit/Loss on sale of fixed assests	-178.704	29.956
Other	12.831	7.552
	<u>-160.879</u>	<u>24.716</u>

## 21. Change in working capital

	<b>2014</b>	<b>2013</b>
Change in stocks	45.911	29.393
Change in receivables	-83.608	13.769
Change in provisions	443.090	59.731
Change in tradepayables inclusive other short-term debt	418.044	375.649
	<u>823.437</u>	<u>478.542</u>

## 22. Investment in subsidiaries/activities

	<b>2014</b>	<b>2013</b>
Intangible fixed assets	-125.937	-64.465
Other fixed assets	-39.298	-29.696
Current assets	-55.000	-45.500
Provisions	22.600	100
Long-term debt	117.600	16.700
Short-term debt	82.500	30.100
Acquisition of non controlling interests	-588	-105.971
	<u>1.877</u>	<u>-198.732</u>

## 23. Change in pledged securities and cash

	<b>2014</b>	<b>2013</b>
Pledged cash as at 1/1	0	193.430
Pledged cash as at 31/12	<u>14.410</u>	<u>0</u>
	<u>14.410</u>	<u>193.430</u>

## 24. Related parties

Related parties with a significant influence of the activities in the Lauritzen Fonden is Lauritzen Fonden's Board of Directors and the Executive Management. Other related parties comprise all companies in the Lauritzen Fonden Group and their Board of Directors and Executive management

## 25. Events after the balance sheet day

There have been no events after the balance sheet date that could materially affect the accounts as presented.

## Directorships of the Board of Directors and Executive Board as of 27 March 2015

### Board of Directors:



**Jens Ditlev Lauritzen**  
Chairman

Date of birth: June 13, 1956  
Date of board entry: March 3 1997, elected chairman April 20, 2009.

Chairman of the Board of:  
Rederklubben  
Klampenborg Galopselskab A/S

Member of the Board of:  
Simons Golfklub (Deputy chairman)  
Dansk Galop  
FødevareBanken

Member of the presidium of:  
Mary Fonden

Qualifications:  
Management skills within shipping and strategy.  
Management in general and board members management. Experience within social and humanitarian work, and work within various associations.

Dependent/ independent:  
Jens Ditlev Lauritzen has been a member of the board for more than 12 years and cannot be considered independent.

Annual fee: DKK 600.000



**Michael Fiorini**  
Vice Chairman, Director

Date of birth: January 11, 1948  
Date of board entry: April 9, 2003.

Chairman of the Board of:  
Investering & Tryghed A/S  
I&T Alpha A/S  
Easypark Holding AS, Norway  
R2Meton AB, Sweden

Member of the Board of:  
Tooling Invest A/S  
Danmark-Amerika Fondet

Qualifications:  
Senior general management experience in business areas such as shipping, logistics and finance. Particular competences in strategy development, financial management and control, asset management, investments, in financing and growing small businesses, and in corporate governance at the Board level.

Dependent/ independent: Independent  
Annual fee: DKK 400.000



**Bendt Bendtsen**  
Member of the European Parliament and former Minister of Economic and Business Affairs

Date of birth: March 25, 1954  
Date of board entry: January 1, 2009

Member of the Board of:  
Esvagt A/S

SeeMall ApS  
Nordic Synergi Park  
1'st Vice President in SME Europe

Qualifications:  
Management skills within national and international politics, strategy development and extensive knowledge of shipping and small and medium sized companies. Experience within social and humanitarian challenges.

Dependent/ independent: Independent

Annual fee: DKK 250.000



**Kigge Hvid**  
CEO INDEX: Design to Improve Life

Date of birth: July 30, 1961  
Date of board entry: December 1, 2010

Chairman of the Board of:  
Hong Kong Jockey Club, Design Institute for Social Innovation, Hong Kong

Member of the Board of:  
Beyond Risør  
Ørestad Gymnasium

Qualifications:  
International board, management and consultancy experience also in particular with public limited companies. Special competencies within social issues and global challenges, culture, humanitarian work, education, innovation, new businesses models and communication.

Dependent/ independent: In 2012 INDEX: received a grant from the foundation and thus Kigge Hvid cannot be regarded as independent.

Annual fee: DKK 250.000



**Betina Ipsen**  
Member of the Board of Komiteen til støtte for internationalt Spejderformål.  
Member of the Lauritzen Fonden Grant Committee

Date of birth: November 22, 1965  
Date of board entry: March 22, 2012

Qualifications:  
Experience with social and humanitarian work, communication, sparring and creative work, foundation administration.

Dependent/ independent: Since Betina Ipsen is the grandchild of one of Lauritzen Fonden's founders, she cannot be considered independent.

Annual fee: DKK 250.000



**Niels Ryslev\***  
Position: Commercial Head, DFDS A/S

Date of birth: March 23, 1959  
Date of board entry: April 1, 2014  
Expiration of election period: March 31, 2018

Qualifications:  
Management and Retail, tourism, passenger freight.

Annual fee: DKK 250.000



**Erik Bierre\***

Position: Senior Vice President J. Lauritzen A/S

Date of birth: June 3, 1962

Date of board entry: May 4, 2010

Expiration of election period: March 31, 2018

Member of the Board of:

K/S Handybulk

Qualifications:

Management experience from international and public limited companies. Experience with shipping, service and consultancy industries. Expertise within finance and IT.

Annual fee: DKK 250.000



**Jesper Jessing\***

Position: Shipmaster, DFDS A/S

Date of birth: January 13, 1963

Date of board entry: April 1, 2014

Expiration of election period: March 31, 2018

Qualifications: Managerial nautical experience with passenger and freight ships in national and international waters. Chief accountant and budget responsible for operations and maintenance.

Annual fee: DKK 250.000

(\* Staff elected)

**Executive Board:**



**Bent Østergaard**  
CEO

Date of birth: October 5, 1944

Chairman of the Board of:

J. Lauritzen A/S

DFDS A/S

Frederikshavn Maritime Erhvervspark A/S

NanoNord A/S

Cantion A/S

Member of the Board of:

Comenxa A/S

Mama Mia Holding A/S

Meabco Holding A/S og Meabco A/S

With Fonden

Durisol UK

Desmi A/S

Qualifications:

International management experience, board experience from international and public limited companies. Expertise within shipping and financing.



**Inge Grønvold**  
Director

Date of birth: August 13, 1955

Chairman of the Board of:

Levitaid A/S

Member of the Board of Commotive A/S

Qualifications:

Philanthropy work within the social and humanitarian area, education and culture. Management and HR in international businesses, foundations and real estate administrations



## List of Group Companies

Name	Country	Ownership share %
Lauritzen Fonden	Denmark	
J. Lauritzen A/S	Denmark	100
Segetrans Argentina S.A	Argentina	100
J. Lauritzen Shanghai Co. Ltd.	China	100
De Forenede Sejlskibe I/S*	Denmark	43
KRK 4 ApS	Denmark	100
K/S Bulkinvest 30*	Denmark	18
K/S Danred I*	Denmark	44
K/S Danred II*	Denmark	40
K/S Danred III*	Denmark	35
K/S Danred V*	Denmark	50
K/S Danskib 34*	Denmark	20
K/S Danskib 63*	Denmark	14
K/S Handybulk*	Denmark	26
Lauritzen Offshore Services A/S	Denmark	100
Lauritzen Reefers A/S	Denmark	100
Lauritzen Ship Owner A/S	Denmark	100
Star Management Associates	Japan	30
Admiral Glory Shipping Corporation	Panama	50
Admiral Logistics Corporation	Panama	50
Axis Offshore Pte. Ltd.*	Singapore	34
Handyventure Singapore Pte. Ltd.*	Singapore	50
J. Lauritzen Singapore Pte. Ltd.	Singapore	100
Lauritzen Offshore Pte. Ltd.	Singapore	100
Lauritzen Shutteltankers Singapore Pte. Ltd.	Singapore	100
LKT Gas Carriers Pte. Ltd.*	Singapore	50
Milau Pte. Ltd.*	Singapore	50
Gasnaval S.A.	Spain	100
J. Lauritzen S.A.	Switzerland	100
J. Lauritzen (USA) Inc.	USA	100

\* Joint Venture

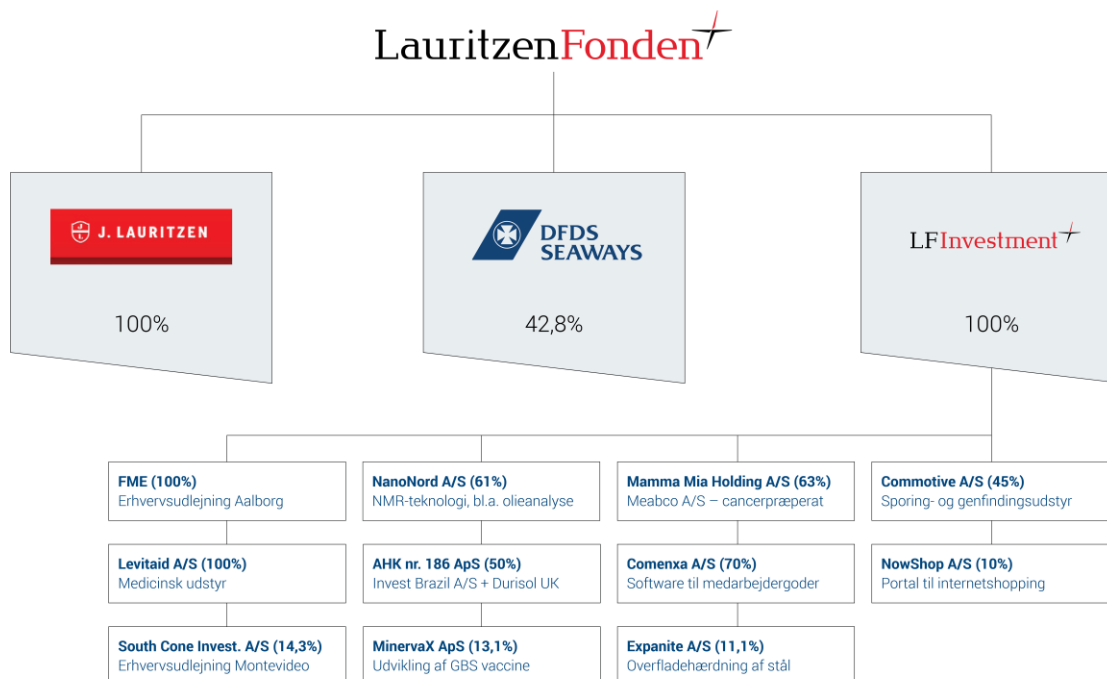
<b>Navn</b>	<b>Country</b>	<b>Ownership share %</b>
DFDS A/S*	Denmark	45
DFDS Seaways NV	Belgium	100
DFDS Logistics NV	Belgium	100
DFDS Logistics Services NV	Belgium	100
Lisco Optima Shipping Ltd.	Cyprus	97
Lisco Maxima Shipping Ltd.	Cyprus	97
DFDS A/S	Denmark	100
New Channel Holding A/S	Denmark	100
New Channel Company A/S	Denmark	100
DFDS Stevedoring A/S	Denmark	100
DFDS Seaways Newcastle Ltd	England	100
DFDS Seaways Plc.	England	100
DFDS Logistics Partner Ltd	England	100
DFDS Logistics Services Ltd	England	100
DFDS Seaways Holding Ltd	England	100
DFDS Logistic Contracts Ltd	England	100
DFDS Logistics Ltd	England	100
DFDS Logistics Grimsby Ltd	England	100
DFDS Logistics Grimsby Holdings Ltd	England	100
DFDS Logistics Grimsby International Ltd	England	100
DFDS Logistics Property Ltd	England	100
DFDS Logistics Scotland Ltd	England	100
DFDS Seaways OÜ	Estonia	65
DFDS Logistics OY	Finland	100
DFDS Logistics SARL	France	100
DFDS Seaways S.A.S	France	100
New Channel Company S.A.S	France	100
DFDS Logistics BV	The Netherlands	100
DFDS Seaways Terminals BV	The Netherlands	100
DFDS Shipping BV	The Netherlands	100
DFDS Holding BV	The Netherlands	100
DFDS Seaways IJmuiden BV	The Netherlands	100
DFDS Logistics Container line BV	The Netherlands	100
DFDS Dailyfresh BV	The Netherlands	100
DFDS Logistics Contracts (Ireland) Ltd	Ireland	100
DFDS Logistics (Ireland) Ltd	Ireland	100
DFDS Logistics S.p.A	Italy	100
DFDS Logistics Baltic SIA	Latvia	100
DFDS Seaways SIA	Latvia	100
AB DFDS Seaways	Lithuania	97
UAB Laivyno Technikos Prieziuros Base	Lithuania	97
UAB Krantas Travel	Lithuania	97

Navn	Country	Ownership share %
DFDS Logistics AS	Norway	100
Moss Container Terminal AS	Norway	100
DFDS Logistics Rederi AS	Norway	100
DFDS Seaways AS	Norway	100
NorthSea Terminal AS	Norway	100
DFDS Polska Sp. Z.o.o.	Poland	100
DFDS Logistic East	Russia	100
DFDS Seaways Ltd	Russia	100
DFDS Seaways AB	Sweden	100
DFDS Logistics AB	Sweden	100
DFDS Seaways Holding AB	Sweden	100
Gösta Nerös Åkeri AB	Sweden	100
DFDS Logistics Karlshamn AB	Sweden	100
Karlshamn Express AB	Sweden	100
Karlshamn Express & Spedition AB	Sweden	100
DFDS Seaways GmbH	Germany	100
DFDS (Deutschland) GmbH	Germany	100
DFDS Logistics GmbH	Germany	100
DFDS Seaways Baltic GmbH	Germany	97

\* Recognized as subsidiary as Lauritzen Fonden has de-facto control.  
DFDS has 24 dormant companies

Name	Country	Ownership share %
LF Investment ApS	Danmark	100
Frederikshavn Maritime Erhvervspark A/S	Denmark	100
Østre Havn ApS	Denmark	50
K/S Østre Havn PS	Denmark	50
Levitaid A/S	Denmark	100
Comenxa A/S	Denmark	70
NanoNord A/S	Denmark	61
MamaMia Holding A/S	Denmark	63
AHK NR. 186 ApS	Denmark	50
Expanite A/S	Denmark	11
Commotive A/S	Denmark	45
Erhvervsinvest I K/S	Denmark	10
Erhvervsinvest II K/S	Denmark	7
South Cone Investment A/S	Denmark	14
Minervax A/S	Denmark	13
NowShop AS	United Kingdom	10

**Overall group structure**



## **Company domiciles**

### **Lauritzen Fonden**

Sankt Annæ Plads 28  
P.O. Box 2147  
1291 København K  
Phone: 33 96 84 25  
Web: [www.lauritzenfonden.com](http://www.lauritzenfonden.com)

### **J. Lauritzen A/S**

Sankt Annæ Plads 28  
P.O. Box 2147  
1291 København K  
Phone: 33 96 80 00  
Web: [www.j-l.com](http://www.j-l.com)

### **DFDS A/S**

Sundkrogsgade 11  
2100 København Ø  
Phone: 33 42 33 42  
Fax: 33 42 33 41  
Web: [www.dfds.com](http://www.dfds.com)

### **LF Investment ApS**

Sankt Annæ Plads 28  
P.O. Box 2147  
1291 København K  
Phone: 33 96 84 25  
Web: [www.lauritzenfonden.com](http://www.lauritzenfonden.com)