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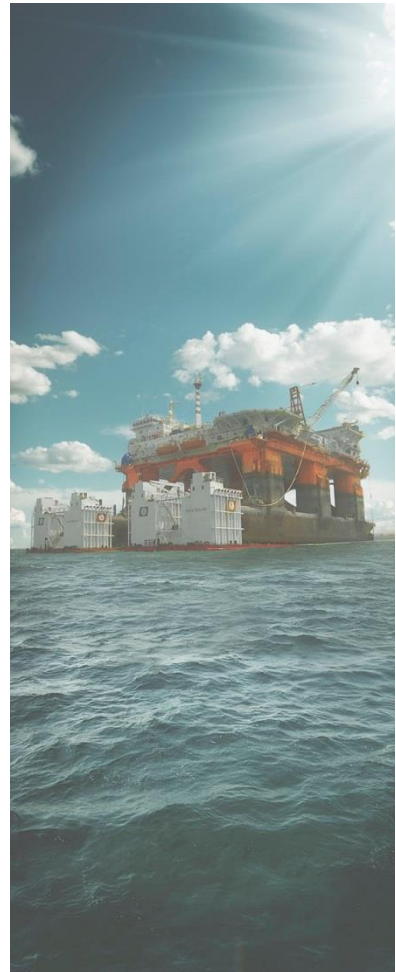
Annual Report

Taubåtkompaniet AS

Group

2015

Org.nr. 989 023 268



TAUBÅTKOMPANIET AS

GROUP

BOARD'S ANNUAL REPORT FOR 2015

Nature and location of activities:

Taubåtkompaniet AS is the parent company of the Taubåtkompaniet Group. The Group is comprised of several ship owning companies within the following segments; tugboats, barges and offshore vessels. The tugboat activity, including salvaging, operates along the Norwegian coast and the North Sea. The barge fleet consists of larger barges, and the offshore department manages supply vessels within construction and oil exploration, operating worldwide. The group also comprises property and helicopter activity. The management is located in Trondheim. The group has also an office in Houston, operating part of the Groups fleet in the Gulf of Mexico.

Work environment:

At year-end the Group had approx. 471 employees and, in the opinion of the Board, a good work environment. The total absenteeism rate for the year was around 4.5 %.

Equal opportunity:

The Group operates within a sector that historically has been dominated by men. This is also the case among our staff, in which men form the majority of sailing personnel. Consequently, the percentage of women in leading positions is small.

The company aims to ensure that any discrimination based on gender, religion or nationality is subject to immediate follow-up by the management staff onboard the vessels and onshore ensuring conditions guarantees equal opportunity.

The ratio among men and woman in administration onshore is approx. 33 % women and 67 % men. There are two top positions in the Group management held by a woman.

For the Group, the distribution among the employees is about 11 % women and about 89 % men.

Health, safety, the environment and quality:

The goal of the Group's health, safety, the environment and quality policy is 'zero tolerance' when it comes to injury to persons, damage to ships, work-related illness and environmental damage. This can be achieved by establishing a good work environment and work routines both onboard the vessels and onshore. The risk factors linked to the company's operations are continuously identified and the necessary risk-reducing measures implemented. The Group has established procedures for dealing with accidents and other emergency situations and meets international requirements concerning safeguards against acts of terrorism. The Group aims to be known in the market for providing high-quality services and in accordance with national and international laws and regulations.

To achieve these goals, the Group has established an integrated health, safety, environment and quality control system that is used by both the onshore organisations and those onboard the vessels. The system meets all relevant requirements with regard to international standards as well as requirements and guidelines developed by branch organisations within the offshore and shipping sectors. The system undergoes continuous improvements based on reports from users and annual reviews by customers, authorities and the organisation itself.

The goal for the future with regard to the integrated health, safety, the environment and quality system is to achieve combined certification pursuant to the requirements of the ISM code and ISO 9001:2000 quality standard.

Over the last year it has been none serious work-related injury among employees nor contracted personnel. The Group is continuously working to reduce the number of work related injuries.

External environment:

The machinery on the vessels run on fuel and, apart from the emissions from this machinery, the Board does not believe that the ships pollute the external environment beyond what is normal for this type of maritime activity. The Group is continuously working to reduce discharge to sea and air.

Continued operations:

Taubåtkompaniet AS (parent company) has positive equity as per December 31, 2015. The company's shareholdings in subsidiaries, in the board's opinion, have significant higher value relative to the book values. The annual accounts for 2015 for the Group were drawn up under the assumption of continued operations.

Review of annual accounts:

The operating profit for the Group in 2015 was MNOK -239.0, compared to MNOK 274.1 in 2014.

Net financial items were MNOK -209.7, compared to MNOK -275.2 in 2014.

The tax expenses for 2015 were MNOK -42.2.

The final result was a loss of MNOK 406.5.

Total year end assets were MNOK 5 477.3, compared to MNOK 5 770.5 the previous year. The percentage of shareholder's equity on December 31, 2015 was 22.2 %, compared with 27.3 % on December 31, 2014.

In 2015 Boa IMR AS signed a newbuilding contract with NorYards Fosen AS. Boa Offshore AS and Calexco S.A.R.L. entered into a collaboration to build and operate the vessel in Boa IMR AS. Due to violations of the agreement between Boa Offshore AS and Calexco S.a.r.l., the shipbuilding contract with NorYards Fosen AS was canceled. NorYards Fosen AS went into bankruptcy, and parts of the company's investment in the project has been written off.

Financial risk:

Market risk:

The Group is susceptible to changes in currency rates considering that the Group's earnings and long-term financing is partly in foreign currency. However, this market risk is to a certain degree reduced by the Group also having certain operating costs in the same currency. The Group continuously considers entering into forward contracts and other agreements in order to reduce the currency risk. By 31.12.2015 the total of the group's interest bearing debt was NOK 3 884 million where of NOK 985 million is secured by interest rate swap agreements or fixed rate.

Credit risk:

The potential risk that the contracting parties will not have the financial means to meet its obligations is considered low. No agreements have been entered into to minimise the Group's credit risk.

Liquidity risk:

The Group's liquidity position as of 31.12.2015 is NOK 501 million. The total of outstanding bonds as of year end was NOK 2 127.8 million.

Appropriation of profits:

The year-end result of the parent company, Taubåtkompaniet AS, was MNOK 7.5. The Board proposes the following distribution:

Transferred from other equity	MNOK	2.5
Dividends	MNOK	10.0

Events after the balance sheet date:

Boa PSV AS had two newbuilding contracts at a yard in China. The contracts were cancelled in 2015 and Boa PSV AS demanded repayment of their prepayments to the yard. The payments are secured by bank guarantees and have been refunded in 2016.

Boa Offshore LLC has in 2016 sold its subsidiary Boa Marine Services Inc.

Besides the above mentioned, no events have taken place after the end of the financial year that would materially affect the evaluation of the Group's profit and loss account or balance sheet as per December 31, 2015.

Future development:

The short to medium term outlook for the subsea segment remains uncertain and challenging due to the drop in oil prices from mid-2014. A number of offshore projects have been postponed and this has resulted in a significantly lower demand in the subsea segment. The Board expects no significant short term changes in the market.

Boa Offshore's Barge and Tug segments are exposed to more industries and demand drivers than oil and gas. For both these segments we see good prospects for the next couple of years. Although the Barge business saw a leaner 2015 in isolation, the backlog and prospects have never been higher. The Tug business has experienced increased activity in 2015, and prospects remain healthy.

A large part of the work performed by Boa OCV and the Boa US entities is undertaken within the IMR part of the subsea sector and other offshore support modes, which are less cyclical than the installation segment. Nevertheless, these subsea segments currently also experience headwinds.

The North Sea AHTS market has been weak in 2015, and is expected to remain challenging in coming years as the rig count and activity level in the North Sea has declined. On a positive note, the supply side (number of active and marketed vessels) has adjusted as vessel owners have put vessels into lay-up.

Trondheim, 27.04.2016



Ole T. Bjørnevik
Chairman of the Board / CEO

Income statement

Taubåtkompaniet AS

Figures in 1 000 NOK

Parent company				Group	
2015	2014	Operating income and operating expenses	Note	2015	2014
0	0	Operating income	2	1 755 411	1 821 226
0	0	Other operating income	2	29 433	35 582
<u>0</u>	<u>0</u>	Total operating income		<u>1 784 844</u>	<u>1 856 809</u>
0	0	Payroll expenses	3	385 846	296 706
0	0	Depreciation	4	188 407	198 836
0	0	Write-down fixed assets	4	265 041	30
87	108	Other operating expenses	3, 19	1 184 554	1 087 161
<u>87</u>	<u>108</u>	Total operating expenses		<u>2 023 848</u>	<u>1 582 733</u>
<u>-87</u>	<u>-108</u>	Operating result		<u>-239 004</u>	<u>274 076</u>
		Financial income and expenses			
15 000	14 600	Income from subsidiaries		0	0
0	0	Income from associated companies	5	5 548	0
441	694	Interest income from subsidiaries	19	0	0
139	60	Interest income		5 575	12 459
0	0	Other financial income		157 496	75 213
0	0	Write-down financial fixed assets		0	141
0	0	Loss from associates	5	0	6 096
6 888	7 692	Interest expenses to subsidiaries	19	0	0
0	93	Interest expenses		230 717	245 520
1	5	Other financial expenses		147 572	111 077
<u>8 691</u>	<u>7 564</u>	Financial result		<u>-209 671</u>	<u>-275 162</u>
<u>8 604</u>	<u>7 456</u>	Result before tax		<u>-448 675</u>	<u>-1 086</u>
1 116	-30	Tax on ordinary result	16	-42 193	-21 389
<u>7 488</u>	<u>7 487</u>	Profit for the year		<u>-406 482</u>	<u>20 302</u>
0	0	Minority share		-128 882	-5 982
		Brought forward			
10 000	9 100	Dividend	11	10 000	9 100
0	0	To other equity	11	0	11 202
2 512	1 613	From other equity	11	416 482	0
<u>7 488</u>	<u>7 487</u>	Net brought forward		<u>-406 482</u>	<u>20 302</u>

Balance sheet

Taubåtkompaniet AS

Figures in 1 000 NOK

Parent company				Group	
2015	2014	Assets	Note	2015	2014
		Fixed assets			
		Intangible assets			
0	0	Concessions, patents etc	4	1 500	1 000
14 250	15 367	Deferred tax asset	16	260 481	217 932
14 250	15 367	Total intangible assets		261 981	218 932
		Tangible fixed assets			
0	0	Buildings and land	4	9 618	9 925
0	0	Fictures and fitting etc.	4	8 062	7 414
0	0	Vessels and barges	4, 17	3 152 167	2 721 196
0	0	Helicopters	4, 17	112 581	78 298
0	0	Newbuilding contracts	4	304 677	1 232 648
0	0	Total tangible fixed assets		3 587 105	4 049 482
		Financial fixed assets			
112 159	112 159	Investments in subsidiaries	5	0	0
25 000	31 242	Loans to group companies	15	0	0
0	0	Investments in associated comp. and joint ventures	5	10 182	4 634
0	0	Loans to associated companies and joint ventures	8	2 309	2 529
0	0	Investments in shares	6	3 455	431
0	0	Other receivables	3, 8, 12	22 028	203 767
137 159	143 402	Total financial fixed assets		37 973	211 362
151 410	158 768	Total fixed assets		3 887 059	4 479 776
		Current assets			
0	0	Inventories	9, 17	22 282	14 836
		Receivables			
0	0	Trade receivables	7, 17	213 917	399 837
3 887	2 398	Other receivables		852 536	231 390
3 887	2 398	Total receivables		1 066 453	631 227
		Investments			
0	0			350	334
0	0	Total investments		350	334
4	5	Cash and bank deposits	17, 18	501 180	644 354
3 891	2 403	Total current assets		1 590 264	1 290 751
155 301	161 172	Total assets		5 477 323	5 770 527

Balance sheet
Taubåtkompaniet AS
Figures in 1 000 NOK

Parent company			Group	
2015	2014		2015	2014
		Equity and liabilities		
		Restricted equity		
1 200	1 200	Share capital	1 200	1 200
4 080	4 080	Share premium	4 080	4 080
<u>5 280</u>	<u>5 280</u>	Total restricted equity	<u>5 280</u>	<u>5 280</u>
		Retained earnings		
272	2 784	Other equity	1 210 773	1 567 991
<u>272</u>	<u>2 784</u>	Total retained earnings	<u>1 210 773</u>	<u>1 567 991</u>
<u>5 552</u>	<u>8 064</u>	Total equity	<u>1 216 053</u>	<u>1 573 271</u>
0	0	Minority share	47 789	124 682
		Liabilities		
		Provisions		
		Other long term liabilities		
0	0	Bonds	2 104 340	2 179 200
0	0	Liabilities to financial institutions	1 725 783	1 523 563
139 721	143 972	Liabilities to subsidiaries	0	0
<u>139 721</u>	<u>143 972</u>	Total other long term liabilities	<u>3 830 123</u>	<u>3 702 763</u>
		Current liabilities		
0	0	Trade creditors	163 172	268 643
0	0	Tax payable	950	11 502
0	0	Public duties payable	14 411	12 169
10 000	9 100	Dividends	10 000	9 100
0	36	Other short term liabilities	242 613	193 078
<u>10 028</u>	<u>9 136</u>	Total short term liabilities	<u>431 146</u>	<u>494 492</u>
<u>149 749</u>	<u>153 108</u>	Total liabilities	<u>4 261 269</u>	<u>4 197 255</u>
<u>155 301</u>	<u>161 172</u>	Total liabilities and equity	<u>5 477 323</u>	<u>5 770 527</u>

Balance sheet

Taubåtkompaniet AS

Trondheim, 27.04.2016



Ole T. Bjørnevik
Chairman of the Board / CEO

Taubåtkompaniet AS - group

Cash flow statement

Figures in 1 000 NOK

Parent company			Group	
2014	2015	Cash flow from operating activities	2015	2014
7 456	8 604	Profit before income taxes	-448 675	-1 086
0	0	Gain on investments in associated companies	-5 548	6 096
-14 600	-15 000	Gain on investments in subsidiaries	0	0
0	0	Income tax payable	-12 452	-15 860
0	0	Depreciation and write-down	453 449	198 866
0	0	Gain on sale of tangible fixed assets	-325	-241
0	0	Gain on sale of financial fixed assets	25	0
0	0	Currency gain/-loss	23 811	38 445
0	0	Changes in inventories	-7 446	-4 222
0	0	Changes in trade receivables	185 920	-147 641
-2 231	-1 489	Changes in other receivables	2 076	-146 118
0	0	Changes in trade creditors	-105 471	-120 857
22 017	16 991	Changes in receivables from subsidiaries	0	0
-474	-7	Changes in other short-term liabilities	51 777	147 141
12 168	9 099	Net cash flow from operating activities	137 140	-45 477
		Cash flow from investing activities		
		Investing activities		
0	0	Sale of tangible fixed assets	1 050	9 136
0	0	Purchase of tangible fixed assets	-444 189	-830 113
0	0	Sale of financial fixed assets	0	0
0	0	Purchase of financial fixed assets	-16 434	-915
0	0	Changes in other investments	0	-9 530
0	0	Net cash flow from investing activities	-459 573	-831 422
		Cash flow from financing activities		
0	0	Raised long term liabilities	627 355	1 902 470
0	0	Paid in long term liabilities	-499 995	-1 160 553
0	0	Changes in liabilities	0	-28 867
-12 167	-9 100	Dividends	-9 100	-12 167
0	0	Paid in equity	61 000	63 000
-12 167	-9 100	Net cash flow from financing activities	179 260	763 883
1	-1	Net changes in cash and cash equivalents	A+B+C	-143 174
4	5	Cash and cash equivalent at 01.01	644 354	757 370
5	4	Cash and cash equivalents at 31.12	501 180	644 354

Note 1 Accounting principles

The financial statement have been prepared in accordance with the Norwegian Accounting Act of 1998 and Generally Accepted Accounting Principles in Norway.

Consolidation principles

The consolidated financial statement comprises Taubåtkompaniet AS and subsidiaries, where the company has controlling interest as a result of legal or actual control. The consolidated accounts are established in accordance with uniform accounting principles for similar transactions within all companies included in the consolidated financial statement. All essential transactions and outstanding accounts between companies within the group are eliminated. Investments in companies in which the group has considerable influence (associates and joint ventures) are valued in the consolidated financial statement in accordance with the equity method. Considerable influence generally means that the group owns 20 to 50 percent of the voting capital.

Principle rule for recording and categorising assets and debts

Assets intended for long-term ownership or usage are categorised as fixed assets. Other assets are categorised as current assets. Accounts receivable that mature within one year are categorised as current assets. Similar criteria are used to categorise short-term and long-term debts.

Fixed assets are valued at purchase cost, and depreciated over the economic lifetime. If the actual value of the fixed assets is lower than the booked value and the decrease in value is not expected to be temporary, devaluation to the actual value is carried out. Fixed assets are depreciated linearly.

Current assets are valued at the lowest of historical cost and net realisable value.

Other long-term and short-term debts are recognised at nominal value.

Assets and debt in foreign currency

Liquid funds and debt in foreign currency are converted to the rate applicable on the balance sheet date.

Capitalised interests

Interest related to ships under construction are capitalized.

Shares in associates, joint ventures and subsidiaries

Investments in subsidiaries are valued according to the cost method and written down at the actual value if the decrease in value is not temporary, and it is considered necessary in accordance with generally accepted accounting principles. Dividend from subsidiaries are recorded as other financial income. The same applies to investments in associates and joint ventures.

Other shares classified as fixed assets

Shares and investments in general partnerships and limited partnerships in which the company does not have considerable influence are valued according to the cost method. Investments are written down at the actual value if the decrease in value is not expected to be temporary. Profits received from the companies are recognised as other financial income.

Bonds classified as fixed assets

Bonds are recognised at purchase cost. Bonds are written down at the actual value if the decrease in value is not expected to be temporary.

Investments classified as floating assets

Market-based financial instruments, including shares included in a trading portfolio, are recognised at the actual value on the balance sheet date.

Inventories

Inventories are recognised at the lowest of purchase cost and net sales value.

Receivables

Accounts receivable and other receivables are entered at nominal value after deducting the provision for expected losses. The provision for losses is based on an individual assessment of the separate claims.

Bank deposits, cash, etc.

Bank deposits, cash, etc includes cash, bank deposits and other forms of payment which mature less than three months from the acquisition date.

Revenue

On sale of goods:

Revenues from the sale of goods are recognised in the income statement once delivery has taken place and most of the risk and control has been transferred to the customer, normally on delivery to the customer. Revenues are booked at the net sales value at the time of the transaction.

On sale of services:

Revenues from the sale of services are recognised in the income statement according to the project's level of completion. Revenues are booked at the net sales value at the time of the transaction.

Expenses

Expenses are recognised in the same period as the related revenues. In those instances in which there is no clear connection between expenses and revenues, the distribution is determined based on discretionary criteria. Other exceptions from the classification principle are disclosed when relevant.

Pension

Contribution pension plan

The company has a contribution-based obligatory company pension scheme for onshore personnel. This is expensed at date of payment.

Performance-based scheme

The company also has a performance-based company pension scheme for maritime personnel. The liability is valued annually and the balance is classified as long-term provisions (receivables) in the balance sheet.

Government subsidies

The group receives a subsidy from the Norwegian Maritime Directorate in connection with the employment of Norwegian maritime personnel. The subsidy is entered as a reduction under the group's salary costs.

Taxes

Tax expenses are grouped with operating profit before tax. Taxes are recognised directly in equity to the extent that they relate to equity transactions.

Tax expenses consist of tax payable (tax on financial income for the year) and changes in deferred taxes. Tax expenses are divided between ordinary returns and returns from extraordinary items according to the tax base. Deferred tax and deferred tax assets are presented net in the balance sheet.

Miscellaneous

All numbers are presented in 1 000 NOK.

Note 2 Revenues**Group**

Per business area	2015	2014
Shipping activities	1 682 792	1 766 055
Helicopter/planes	102 052	90 754
Total	1 784 844	1 856 809

Note 3 Personnel expenses, number of employees, employee loans, etc.**Group**

	2015	2014
Salaries	301 851	232 787
Employer's national insurance contribution	20 508	19 817
Pension contribution	5 812	4 840
Other personnel expenses	11 412	7 652
Hired in staff	46 263	31 610
Total personnel costs	385 846	296 706

Number of man-labour years employed	454	406
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Management remuneration	Salary	Other
CEO	857	16
Board of Directors		713

Loan and securities to shareholders, management personnel and employees

	Amount	Interest rate	Securities
Employees	3 875	0 - 4 %	Real estate
Related parties	5 304	4 %	Shares

Auditor	Group	Parent company
Deloitte, audit	1 390	58
Deloitte, other services	194	0
Deloitte, lawyer	304	0
Total	1 887	58

Note 4 Fixed assets**Group****Intangible assets**

Acc. cost on Jan. 1	1 000
Additions	500
Disposals	0
Acc. cost on Dec. 31	1 500

Acc. depreciation on Jan. 1	0
Depreciation current year	0
Write-down current year	0
Acc. depreciation on Dec. 31	0

Book value on Dec. 31	1 500
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	Vessels and barges	Ships under construction	Helicopters	Fictures and fitting	Property	Total
Acc. cost on Jan. 1	3 714 699	1 253 313	98 811	24 768	17 626	5 109 217
Transfers	692 384	-1 118 236	0	-1 582	0	-427 434
Additions	69 717	336 985	32 592	4 491	404	444 189
Disposals	-13	-30 679	-1 200	0	0	-31 892
Acc. cost on Dec. 31	4 476 788	441 383	130 202	27 677	18 029	5 094 080
Acc. depreciation on Jan. 1	993 503	20 665	20 513	17 354	7 701	1 059 736
Acc. depreciation disposals	1 939	0	-475	-475	0	989
Depreciation current year	180 178	0	5 087	2 736	711	188 713
Write-down current year	149 000	116 041	0	0	0	265 041
Other changes	0	0	-7 503	0	0	-7 503
Acc. depreciation on Dec. 31	1 324 621	136 706	17 622	19 615	8 412	1 506 975
Book value on Dec. 31	3 152 167	304 677	112 581	8 062	9 618	3 587 105

Economic life	27-30 years	8 - 10 years	3 - 6 years	20 years
Depreciation schedule	Linear	Linear	Linear	Linear

Annual lease amount on fixed assets not included on the balance sheet

312 591

Note 5 Shareholdings in subsidiaries, associated companies and joint ventures

Group	Year of aquisition	Office address	Share	Equity 31.12.15	Results 2015
Subsidiaries (Norwegian)					
Boa Offshore AS	1979	Trondheim	100 %	1 083 494	-80 827
T.A. Kittilsen Shipping AS	1998	Brevik	100 %	9 039	1 226
Boa Shipping AS	2000	Trondheim	100 %	53 780	-257 955
Boa Eiendom AS	2000	Trondheim	100 %	29 491	-1 971
Boa OCV AS	2002	Trondheim	100 %	325 291	131 215
Boa SBL AS	2008	Trondheim	100 %	252 141	39 669
Boa Barges AS	2008	Trondheim	100 %	278 595	-37 008
Boa Tugs AS	2008	Trondheim	100 %	86 979	-20 722
Boa Investment AS	2006	Trondheim	100 %	23 694	-628
Nordenfjeldske Luftfart AS	2006	Trondheim	100 %	60 053	638
Nordenfjeldske Shipping AS	2015	Trondheim	100 %	-808	-531
Helitrans AS	2006	Stjørdal	100 %	15 161	1 891
Boa PSV AS	2011	Trondheim	100 %	41 686	-13 735
NFDS Offshore 1 AS	2012	Trondheim	79 %	100 482	-142 658
NFDS Offshore 2 AS	2014	Trondheim	78 %	128 204	-153 338
Det Nordenfjeldske Dampskibsselskab AS	2012	Trondheim	78 %	5 419	-24
Nye Kystlink AS	2012	Trondheim	100 %	-5 331	-2 158
Boa IMR AS	2014	Trondheim	63 %	94 856	-70 185
Subsidiaries (foreign)					
Rederi AB	2005	Sverige	100 %	1 093	-30
Boa Marine S.A	2006	Gdynia i Polen	100 %	58	48
Boa Offshore LLC	2008	USA	100 %	-10 469	228
Boa Marine Services Inc.	2009	USA	100 %	-122 927	-155 274
Boa Tugs AB	2011	Sverige	100 %	69	-79
Associated companies					
Royal Garden Invest AS	2003	Trondheim	25 %	-1 816	5
Fremo Næringspark AS	2007	Trondheim	28 %	15 300	608
Perpetual AS	2014	Trondheim	50 %	-86	0
KS Royal Garden Invest	2003	Trondheim	23 %	26 553	0

Associated companies and joint ventures are valued in accordance with the equity method in the consolidated accounts.

Associated companies

	Perpetual AS 50 %	Fremo Nærings-park AS 28 %	Royal Garden Invest AS 25 %	KS Royal Garden Invest 22,5 %	Total
Acquisition costs	15	4 800	25	8 775	13 615
Book value Jan. 1	0	4 634	0	0	4 634
Share of current year result	0	-427	0	5 974	5 548
Additions/disposals	0	0	0	0	0
Book value Dec. 31	0	4 208	0	5 974	10 182

Total share of current year result and book value at Dec. 31 in associated companies and joint ventures

	Year result	Book value
Associated companies this year result	5 548	10 182
Associated companies corrections	0	0
Associated companies loss from sale	0	0
Total	5 548	10 182

Note 6 Other shares and bonds

Group Company	Share	Acq. costs	Book value	Market value
Midnor Bestik	0,5 %	10	10	10
Åfjord Sparebank		3 024	3 024	3024
EMGS ASA		135	4	4
Nio Inc		10	0	0
Åfjord Utvikling AS	3,0 %	6	6	6
Trondheim Maritime Senter AS	12,5 %	161	161	0
Taklift AS	10,2 %	250	250	250
Total		3 596	3 455	3 294

Note 7 Accounts receivable

The group's accounts receivable are recorded at nominal value, reduced by the provision for bad debts by NOK 120 063 364. The corresponding provision last year was NOK 48 125 000.

Note 8 Long-term receivables**Group**

	2015	2014
Receivables against associated companies	2 309	2 529
Other long-term receivables	22 028	203 767

Note 9 Inventory

The bunker inventory was scanned on December 31, 2015. Inventory is valued at the lowest of purchase cost and bunker market price on the balance sheet date.

Note 10 Shareholder information

Shareholders	Shares	Class	Equity share	Voting share
Ole T. Bjørnevik	728	A	72,8 %	100 %
Boa 1 AS	68	B	6,8 %	0 %
Boa 2 AS	68	B	6,8 %	0 %
Boa 3 AS	68	B	6,8 %	0 %
Boa 4 AS	68	B	6,8 %	0 %
Total	1 000		100 %	100 %

The parent company's share capital is NOK 1.200.000, distributed among 1 000 shares of par value NOK 1 200.

Note 11 Shareholder's equity

Parent company	Share capital	Other premium	equity	Total equity
Book equity on Jan. 1	1 200	4 080	2 784	8 064
Dividend			-10 000	-10 000
Year result			7 488	7 488
Book equity on Dec. 31	1 200	4 080	272	5 552

	Share capital	Other premium	equity	Total equity
Book equity on Jan. 1	1 200	4 080	1 567 991	1 573 271
Year result			-406 482	-406 482
Conversion differences			-3 877	-3 877
Dividend			-10 000	-10 000
Paid in capital			61 000	61 000
Other changes			2 141	2 141
Book equity on Dec. 31	1 200	4 080	1 210 773	1 216 053

Note 12 Pension costs and net pension liabilities

The company is obliged to have a company pension scheme in accordance with the Norwegian Pension Act. for all employees.

The company has performance-based pension schemes for a total of 49 persons. These schemes entitle the employee to certain future payments. This primarily depends on the number of years of employment, the salary level upon reaching retirement age and the size of the contribution from the National Insurance. These obligations are covered through an insurance company.

Pension cost

	2015	2014
Net present value of pension build-up this year	2083	1054
Interest costs for pension obligation	199	270
Return on pension funds	-248	-305
Estimated deviation recorded	420	308
Administrative costs	184	154
Accrued employer's contribution	313	165
Net costs after employer's contribution	2 951	1 647

Pension obligation

	2015	2014
Pension obligation	-10 495	-8 895
Pension funds (at market value)	9 344	6 539
Accrued employer's contribution	-162	-332
Deferred obligation for (losses)/profits	6 198	7 008
Net pension funds	4 885	4 318

Financial assumptions

	2015	2014
Interest rate	2,7 %	2,3 %
Expected return	3,3 %	3,2 %
Salary increase	2,5 %	2,8 %
G-regulation	2,3 %	2,5 %
Regulation of continuous pension	0,0 %	0,0 %
Employer's contribution rate	14,1 %	14,1 %
Voluntary resignation before the age of 40	0 %	0 %
Voluntary resignation after the age of 40	0 %	0 %

Actuary predictions for demographic factors and resignations are based on commonly used assumptions within the insurance industry.

Note 13 Long-term debts

Instalment profile:

	2016	2017	2018	2019	2020	→
Instalments	409 609	248 136	1 196 060	1 005 399	435 673	535 247

Note 15 Intercompany balances

Parent company

Long-term liabilities	2015	2014
Boa Offshore AS	139 721	131 455
Boa Eiendom AS	0	12 517
Total	139 721	143 972

Long-term receivables	2015	2014
Boa Investment AS	25 000	10 000
Boa Shipping AS	0	12 142
Boa Offshore AS	0	9 100
Total	25 000	31 242

Note 16 Taxes**Parent company**

Tax expenses current year:	2015	2014
Changes in deferred taxes	1 116	-30
Payable taxes	0	0
Tax expenses in P&L	1 116	-30

Changes in deferred taxes:	2015	2014
Tax losses carried forward	-57 002	-56 914
Net tax asset (liability)	-57 002	-56 914
Net deferred tax at 25% (27%)	-14 250	-15 367

Group

Tax expenses current year:	2015	2014
Changes in deferred taxes	-42 549	-27 209
Payable taxes	793	11 440
Tonnage tax	157	154
Corrections prior year	-593	-5 774
Tax expenses in P&L	-42 193	-21 389

Taxes payable in balance sheet:	2015	2014
Calculated tonnage tax	157	154
Taxes payable	793	11 348
Taxes payable in balance sheet	950	11 502

Calculation of tax base for the year ordinary taxation:

	2015	2014
Result before taxes	-456 660	20 530
Permanent differences	271 345	-4 845
Changes in timing differences	-34 637	-19 278
Tax base for the year	-219 952	-3 593

Calculation of tax base for the year shipping taxation:

	2015	2014
Profit and loss account	2 937	42 371
Financial result	-54 034	-85 416
Loss carried forward used	0	-43 138
Tax base for the year	-51 097	-86 183

Deferred tax change:	2015	2014
Fixed assets	-53 986	14 726
Inventories	-2 951	-2 951
Receivables	-48 053	-1 663
Profit and loss account	95 356	123 121
Short-term liabilities	8 333	3 984
Tax losses carried forward	-1 162 144	-1 104 061
Share in KS company	-16 254	19 291
Total	-1 179 700	-947 552
Deferred tax benefit not recorded	137 778	140 399
Base for calculating deferred tax	-1 041 922	-807 153

Net deferred tax at 25% (27%)	-260 481	-217 932
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The shipowning companies in the group are taxed in accordance with the Norwegian shipowning tax regime.

Note 17 Pledges and guarantees, etc.**Group**

Book debt secured by pledge:	2015	2014
Debts to credit institutions	3 171 220	3 088 626
Accrued interest	28 526	21 707
Total	3 199 745	3 110 332

Book value of pledged assets	2015	2014
Bank deposits	420 103	253 106
Accounts receivable	39 822	138 352
Ships	3 506 242	3 740 980
Shares/bonds	1 032 990	1 125 895
Group receivables	647 819	1 033 230
Inventories	35 645	86 184
Total	5 682 621	6 377 747

Guarantee liabilities	1 069 403	1 134 615
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Taubåtkompaniet AS has provided jointly and severally security (as guarantor) to the subsidiaries, limited to NOK 1 069 402 544,-.

Note 18 Bank deposits

Restricted deposits	2015	2014
Employees' tax deduction	8 622	7 059
Other restricted deposits	53 221	153 536
Total	61 843	160 595

Note 19 Intercompany transactions

The controlling owner of the company is Ole T Bjørnevik.

Management remunerations are mentioned in note 3, and the outstanding accounts with group companies are mentioned in note 15. Mortgages and guarantees are mentioned in note 17.

Parent company

Operating transactions:	2015	2014
Services		
- Subsidiaries	18	18
Total expenses from operating transactions	18	18

Finance transactions:	2015	2014
Interest income		
- Subsidiaries	441	668
Income from guarantee commission		
- Subsidiaries	0	26
Dividend		
- Subsidiaries	15 000	14 600
Total income from finance transactions	15 441	15 294

Interest expense		
- Subsidiaries	6 888	7 692
Total expenses from finance transactions	6 888	7 692

Service to group companies are priced at the same conditions as for external parts. Services to group companies are management and crew hire. These services are priced at cost + 2,5% to 10%. Financial transactions are priced at the same conditions as for external parts.

Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Taubåtkompaniet AS

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Taubåtkompaniet AS, which comprise the financial statements of the parent company, showing a profit of NOK 7.488.000, and the financial statements of the group, showing a loss of NOK 406.482.000. The financial statements of the parent company and the financial statements of the group comprise the balance sheet as at 31.12.2015, and the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian accounting act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity'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 financial statements.

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

Opinion

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Taubåtkompaniet AS and of the group as at 31.12.2015,

and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian accounting act and accounting standards and practices generally accepted in Norway.

Report on Other Legal and Regulatory Requirements*Opinion on the Board of Directors' report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Trondheim, 29.04.2016
Deloitte AS

Jon Bjørnaas
State Authorised Public Accountant (Norway)

Translation has been made for information purposes only