

**TORM  
FONDEN**

ANNUAL REPORT

**2016**

(TORMS UNDERSTØTTESEFOND)  
(THE TORM FOUNDATION)



---

## **THE TORM FOUNDATION AND THE RESULT FOR THE YEAR**

The Foundation's profit before tax was DKK 2,384,182 compared to a profit of DKK 1,416,965 in 2015. The profit for the year is regarded as satisfactory.

In 2016, grants of an overall DKK 5.0 million were allocated to non-profit causes and TORM employees, compared to DKK 11.8 million in 2015. Donations and grants in 2016 are described below.

The Foundation had an equity of DKK 49,366,315 as at 31 December 2016.

### **EXPECTATIONS FOR 2017**

For 2017, the Foundation's profit is expected to be in line with last year and coming from bond yields and corporate bonds. The Foundation's equity is expected to decline in the coming years.

### **AWARDING OF GRANTS**

With less funds and income, the Foundation's framework for awarding grants in the period May 2017–May 2018 is expected to be around DKK 4 million. However, as the Foundation still has funds available for distribution, it might be possible to award larger grants if particularly pertinent applications are received.

# INCOME STATEMENT FOR THE PERIOD

## 1 JANUARY – 31 DECEMBER 2016

DKK	2016	2015
Dividend from investments	1,625,240	283,262
Interest on bank deposits	63	6,774
Bond Interest	1,469,094	1,595,403
Currency gains, realized, bonds, disposable wealth	86,841	655,162
Gifts	0	0
	3,181,238	2,540,601
Board Fees	35,000	200,000
Management fee	25,000	114,250
Fees and administration	51,065	47,621
Lawyers, auditors and consultancy	79,375	121,875
Other administration costs	606,616	679,890
Expenses	797,056	1,163,636
<b>Profit before tax</b>	2,384,182	1,416,965
Tax on funds and adjustment before deferred tax	0	-38.061
<b>Net profit for the year</b>	2,384,182	1,338,904
<b>DISTRIBUTION OF PROFIT</b>		
Proposed appropriation of profit:		
Provision for future use, opening balance	41,813,804	52,608,295
Profit for the year	2,384,182	1,338,904
<b>Available</b>	44,197,986	53,987,199
Distributed as follows:		
Grants during the year	5,016,226	11,799,395
Provision for consolidation	590,000	334,000
Provision for future use, year end	38,591,760	41,813,804
<b>Total distribution</b>	44,197,986	53,947,199

# BALANCE SHEET AS AT 31 DECEMBER 2016

<b>ASSETS DKK</b>	2016	2015
Bonds	6,413,266	7,149,908
Shares and equity-based investment associations	3,169,115	1,375,052
Rebill account with available assets	590,000	334.000
Bank deposit	356	750,944
<b>Restricted assets</b>	<b>10,172,737</b>	<b>9,609,904</b>
Bonds and bond-based units in investment funds	27,064,420	46,746,604
Share-based investment units	11,240,641	11,868,946
Other receivables	1,363,164	1,107,545
Rebill account with restricted assets	-590,000	-334.000
Bank deposit	10,424,604	3.336,375
<b>Available assets</b>	<b>49,502,829</b>	<b>62,725,470</b>
<b>Assets</b>	<b>59,675,566</b>	<b>72,335,374</b>
<b>Restricted capital</b>	<b>10,172,738</b>	<b>9,609,904</b>
Provision for subsequent use	38,591,760	41,813,804
Market value adjustments	601,817	1,111,817
<b>Total available capital</b>	<b>39,193,578</b>	<b>42,925,621</b>
<b>Equity</b>	<b>49,366,315</b>	<b>52,535,525</b>
Accrued expenses	81,751	219,763
Designated grants	10,227,500	19,580,086
Accrued foundation income tax	0	0
<b>Short-term debt</b>	<b>10,309,251</b>	<b>19,799,849</b>
<b>Liabilities and equity</b>	<b>59,675,566</b>	<b>72,335,374</b>

---

## GRANTS AND AWARDS

The purpose of the Foundation is to provide grants for:

- Present and past employees of TORM A/S
  - Foundations for seamen and maritime causes
  - Other non-profit causes
- 

Purpose	Grants			
	2016	2015	2014	2013
DKK				
<b>Total Grants</b>	5,016,226	11,799,395	2,613,340	25,113,207
<b>Non-profit – including for maritime and related institutions</b>	2,996,626	10,175,141	1,376,233	21,729,784
<b>TORM Employees</b>	2,500	98,254	103,103	1,196,406
<b>TORM Employee Associations</b>	2,017,100	1,526,000	1,134,000	2,167,017

## **GRANTS IN 2016**

### **1. TORM EMPLOYEES:**

Grants are awarded to TORM employees primarily in the form of grants to employee associations at TORM's offices and on its ships.

Grants to employee and seafarer associations amounted to DKK 2,017,000. Subsidies for activities in the individual associations in Copenhagen, Manila, Singapore, Mumbai and Houston – employee associations, sports clubs, cultural associations, etc. – are agreed with the clubs or associations based on their applications and requirements in the associations and countries concerned.

### **GRANT TO TORM SEAFARERS**

The objective for support is to further improve the condition for seafarers on board TORM ships. For 2015 and 2016, the Foundation granted funds to improve the individual welfare of the seafarers by providing them with equipment and a possibility to play music wirelessly in high definition from their smartphones, tablets, or laptops.

Purchase of the equipment and the installation was completed during the first half of 2016.

### **2. GRANTS FOR DANISH SEAFARING AND MARITIME CAUSES**

One of the main purposes of the Foundation is grants for the development of seafaring and for creating opportunities in Denmark and internationally and other Danish maritime ventures such as sailing and training ships.

#### **SUPPORT FOR DANISH COMPETITIVE SAILING**

In providing support during the period 2013 to 2016, strong emphasis was placed on youth work in competitive sailing. This involved initiatives and activities to help attract and retain the interest of both girls and boys in competitive sailing and is seen as an important part of developing and retaining talent in Danish sailing in the longer run. Focus has been on the following initiatives:

- Strengthening sailing clubs and youth work
  - ATC (Age-related Training Concept) through supporting activities in the clubs
  - Developing concepts and events for sailing clubs
  
- Strengthening competencies
  - Coaches and youth leaders – development and education
  - Club conferences

- Encourage activities
  - Developing training concepts
  - Activity packs
  - Summer activities
  - Partnerships with schools
  
- Developing talent
  - Allowing talented sailors to further develop their sport
  
- Celebrate and recognize
  - TORM Sailing Award and TORM Grand Prix race

The Danish national sailing team represents the young talents in Danish sailing. The TORM Foundation has supported the sailing sport since 2004, and we can see the outcome of this with new generations of talented sailors winning both international World Championships, European Championships, and Danish Championships. In 2016, Denmark won a silver medal in the women's 49ER FX, in the Nacra 17 and in the Finn class. And a bronze medal in the women's Laser Radial at the World Championships. In the European Championships, Denmark brought home a gold medal in the women's 49ER FX. Furthermore in 2016, eight boat classes had qualified for the Olympic Games 2016 in Rio de Janeiro and Denmark won bronze in the two women's boat classes; Laser Radial and 49ER FX.

#### **SUPPORTING THE DANISH SAILING ASSOCIATION FROM 2017 TO 2020**

As mentioned above, the TORM Foundation has been providing grants for competitive sailing for the past 13 years. The foundation regards this as one of the building blocks of interest in the sea, which helps to generate interest in seafaring whilst also encouraging interest in maritime sport and leisure. Even with fewer funds, the Foundation finds it important to continue this project under the auspices of the Danish Sailing Association for working with young people and developing talent in the years ahead. The TORM Foundation is therefore pleased to announce that we will continue the longstanding support for Danish sailing in the period 2017 to 2020 under the headline 'More people at sea'. The project will cover the following five areas:

- Support the national Danish sailing team and talent development
- Develop sailing concepts and activities
- Develop local sailings clubs and volunteers
- Education of coaches and sailing academy
- Strengthen communication in local sailing clubs

### **EXPERIMENTARIUM – “THE PORT”**

Together with other Danish Foundations, the TORM Foundation supported the rebuilding of the Experimentarium – Science Center – in Hellerup. The rebuilding was completed in January 2017 with a lot of new features and activities. One of the new features is The Port covering 250 m<sup>2</sup> including a ship, bridge, loading facilities, cranes etc., which was financed by the TORM Foundation together with other Danish Maritime Foundations.

### **KDY (THE ROYAL DANISH YACHTCLUB)**

The TORM Foundation has for many years been providing grants for the local sailing club KDY in Hellerup for competition and youth activities. The Foundation has paid a new grant for projects running from 2016 to 2018.

KDY celebrated its 150-year anniversary in 2016, and the Foundation has provided a grant to the volunteers work in connection with the many international sailing events in 2016.

### **TRAINING VESSEL “DANMARK”**

The purpose with DANMARK is to have a proper training ship, where young people who want a career at sea can have their basic training on board. The Foundation has supported the education and maintenance of the vessel for many years. DANMARK was the official representation place for Denmark at the Olympic Games in Rio de Janeiro in August 2016. The Foundation has provided grants to help Brazilian cadets participate in the 2016 education and sailing from Denmark to Brazil.

### **WORLD CAREERS CAMPAIGN (BLUE DENMARK) – 2016 TO 2018**

One of the purposes of the Foundation has been grants for the development of seafaring occupations and for creating opportunities for mariners in Denmark. The Foundation has therefore continued the support and provided a grant to the World Careers Campaign 2016 to 2018. The campaign is engaged in creating and develop the framework for attracting young people to maritime occupations.

### **GRANTS FOR HUMANITARIAN CAUSES**

Although the Foundation’s grants mainly go towards maritime-related activities and projects, the Foundation also wants to be involved in creating a better world and opportunities for millions of people in need. This is done by means of aid to humanitarian causes – not only in countries with links to TORM A/S – such as the Philippines and India – but also more widely. For this reason, the Foundation has also donated to and supported “Danmarks Indsamlingen” since

2006 and again in 2016. The fundraising benefits a large number of humanitarian organizations such as the Danish Refugee Council, Save the Children Denmark, the Danish Red Cross, etc.

### **SUPPORT FOR PROJECTS IN INDIA**

In providing grants, the TORM Foundation is also keen to support non-profit projects in regions where TORM has employees, to assist with educational causes and social projects in India and the Philippines (The TORM Philippines Education Foundation) where TORM has offices and which many mariners hail from. In 2016, grants from the Foundation went to TORM's employees and their families in Mumbai to foster a good connection between the families of TORM's employees and hereby encourage a continued focus and support for children's education as well as a good work atmosphere.

### **3. DEVELOPMENTS IN PROJECTS EXTENDING OVER A PERIOD OF SEVERAL YEARS, SUPPORTED BY THE TORM FOUNDATION**

#### **DANISH MARITIME DAYS**

The TORM Foundation supported the development of Danish Maritime Days, which took place for the third time in October 2016 and brought together more than 200 leading individuals from the world of international shipping. The Danish Maritime Days was a three-year project running from 2014 to 2016 and the project has now been completed.

#### **THE MARITIME MUSEUM – GRANT FOR THE COMMUNICATION PROJECT 2014–2016**

The new museum has become a strong platform for communicating maritime history, industry and culture, and has helped boost awareness of Denmark as a seafaring and trading nation. Since opening, the museum has enjoyed great success. The Foundation has provided support through a three-year project to develop communications and PR with a view to marketing the museum and continue to attract visitors.

#### **TORM PHILIPPINE EDUCATION FOUNDATION (TPEF)**

TORM Philippines Education Foundation (TPEF) was established in 2007 and the TORM foundation has granted support for TORM Philippines Education Foundation (TPEF) from since 2007. TPEF has three different focus areas:

- **Scholarship Grant Program** - 170 young people have been awarded a college scholarship since 2007. The 66 current scholars study at 61 universities located in various parts of the country. In 2016, nine students supported by the Foundation graduated.
- **Scholars' Development Program** - Development of TPEF scholars' knowledge, skills, positive attitude and values by providing learning opportunities.

- **Engagement in other Social Development Initiatives** - Projects aimed at promoting quality education and better quality of life among poor Filipino communities e.g. note books and other school materials.

## BOARD AND ADMINISTRATION

### THE BOARD OF THE TORM FOUNDATION



**CHRISTIAN SØGAARD-CHRISTENSEN**  
Chairman of TORM A/S  
Member of the board since 2016  
Chairman since 2016



**JACOB MELDGAARD**  
CEO, TORM A/S  
Member of the board since 2010



**RASMUS HOFFMANN**  
Chief Engineer  
Member of the board of TORM A/S  
Member of the board since 2013



**NINA LOMBORG**  
Senior Communications Manager, TORM A/S  
Member of the board since 2017

### ADMINISTRATION



**VERONICA FAY BERMANN**  
Executive Assistant & Travel Manager, TORM A/S  
Administrator since 2017

### ACCOUNTANTS

**PWC**