

**TORM  
FONDEN**

ANNUAL REPORT

**2018**

(TORMS UNDERSTØTTESEFOND)  
(THE TORM FOUNDATION)



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

The Foundation's profit before tax was DKK 2.5 million compared to a profit of DKK 2.3 million in 2017. The profit for the year is regarded as satisfactory.

In 2018, grants of an overall DKK 1.6 million were allocated to non-profit causes and TORM employees, compared to DKK 1.5 million in 2017. Donations and grants in 2018 are described below.

The Foundation had an equity of DKK 47.5 million as at 31 December 2018.

## **EXPECTATIONS FOR 2019**

For 2019, 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, as a consequence of the envisaged donations and grants.

## **AWARDING OF GRANTS**

With less funds and income, the Foundation's framework for awarding grants in the period May 2019 – May 2020 is expected to be around DKK 4 million. However, as the Foundation 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 2018

DKK	2018	2017
Dividend from investments	1,394,705	1,109,051
Interest on bank deposits	-19,003	-18,101
Bond Interest	427,493	1,392,161
Currency gains, realized, bonds, disposable wealth	946,464	66,193
<b>Income</b>	<b>2,749,660</b>	<b>2,549,304</b>
Board Fees	45,000	40,000
Management fee	111,750	103,861
Fees and administration	31,449	49,815
Auditors and consulting services	70,00	78,500
Other administration costs	17,813	2,206
<b>Expenses</b>	<b>276,012</b>	<b>274,382</b>
<b>Profit before tax</b>	<b>2,473,648</b>	<b>2,274,922</b>
Tax on funds and adjustment before deferred tax	0	0
<b>Net profit for the year</b>	<b>2,473,648</b>	<b>2,274,922</b>
<b>DISTRIBUTION OF PROFIT</b>		
Proposed appropriation of profit:		
Provision for future use, opening balance	38,777,078	38,591,758
Net profit for the year	2,473,648	2,274,922
<b>Available</b>	<b>41,250,726</b>	<b>40,866,680</b>
Distributed as follows:		
Grants during the year	1,646,042	1,529,602
Provision for consolidation	610,000	560,000
Provision for future use, year end	38,994,684	38,777,078
<b>Total distribution</b>	<b>41,250,726</b>	<b>40,866,680</b>

# BALANCE SHEET AS AT 31 DECEMBER 2018

<b>ASSETS (DKK)</b>	2018	2017
Bonds	5,304,711	5,469,876
Shares and equity-based investment associations	4,477,810	3,102,036
Rebill account with available assets	610,000	560,000
Bank deposit	43,338	1,650,553
<b>Restricted assets</b>	<b>10,435,859</b>	<b>10,782,465</b>
Bonds and bond-based units in investment funds	15,436,229	23,527,522
Share-based investment units	25,016,484	11,029,914
Other receivables	688,438	1,131,300
Rebill account with restricted assets	-610,000	-560,000
Bank deposit	3,220,863	13,785,328
<b>Available assets</b>	<b>43,752,014</b>	<b>48,914,064</b>
<b>Assets</b>	<b>54,187,873</b>	<b>59,696,529</b>
<b>Restricted capital</b>	<b>10,435,859</b>	<b>10,782,465</b>
Provision for future use	38,994,684	38,777,078
Market value adjustments	-1,968,960	753,972
<b>Total available capital</b>	<b>37,025,740</b>	<b>39,531,050</b>
<b>Equity</b>	<b>47,461,599</b>	<b>50,313,515</b>
Accrued expenses	93,972	100,712
Designated grants	6,632,302	9,282,302
<b>Short-term debt</b>	<b>6,726,274</b>	<b>9,383,014</b>
<b>Liabilities and equity</b>	<b>54,187,873</b>	<b>59,696,529</b>

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## GRANTS AND AWARDS

The purpose of the Foundation is to provide grants for:

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

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Purpose	Grants				
	2018	2017	2016	2015	2014
<b>DKK</b>					
<b>Total Grants</b>	1,646,042	1,529,602	5,016,226	11,799,395	2,613,340
<b>Non-profit – including for maritime and related institutions</b>	904,000	638,602	2,996,626	10,175,141	1,376,233
<b>TORM Employees</b>	0	0	2,500	98,254	103,103
<b>TORM Employee Associations</b>	742,042	891,000	2,017,100	1,526,000	1,134,000

## GRANTS IN 2018

### **TORM EMPLOYEES**

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

Grants to employees amounted to DKK 742,042. 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.

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

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

### **SUPPORTING DANISH SAILING 2017-2020**

The TORM Foundation has been supporting Danish sailing since 2004. In the support period 2017-2020, focus is on "More people at sea". Under this umbrella, the TORM Foundation supports the national Danish sailing team, development of talents, development of sailing clubs and volunteers and education of coaches and volunteers and many other activities.

In 2018, Denmark hosted the World Sailing Championships for all Olympic classes in Aarhus. 1,400 sailors participated in 1,100 boats. Almost 1,200 volunteers from yacht clubs all over Denmark made it all possible, and approximately 400,000 onshore spectators visited the event in Aarhus. The TV broadcasting and media coverage transmitted the races from the Bay of Aarhus to viewers all over the world. This gave sailing, Aarhus and Denmark an exposure we have never seen before. The event was a big success for the organizers and for the sailing community, and it will set a new beacon for others to strive for in the planning and execution of major sailing events.

The goal for the Danish sailing Team at the World Sailing Championships was to secure five quota places for the Olympic Games in Japan in 2020. This goal was achieved with nation places in the 49'er, 49'erFX, Nacra 17, RS:X Women and Laser Radial classes.

With two years to the next Olympic Games, the Danish sailing team has been focusing on testing and developing the athletes more than achieving results. Despite this, the best sailors managed again to win medals at important events. Anne-Marie Rindom won a bronze medal in the Laser Radial class at the World Sailing Championships in Aarhus. Lin Ea Cenholt and Christian Peter Lübeck won bronze medals at the European Championships in the Nacra 17 class. Another remarkable result was Anna Munch winning a gold medal at the Youth World Sailing Championships and a silver medal at the Youth European Sailing Championships – both in the Laser Radial

class. Anna Munch is a young, talented sailor who is trained and skilled under the development program supported by the TORM Foundation.

The Danish Sailing Association is building up a new concept for developing future sailing talents in the “Sport Clubs”. By the end of 2018, eight sailing clubs are recognized under this development program and five more are in the process of being recognized. Furthermore, two new athlete development programs are under way. One level targeting the youth national sailing team has been started successfully at the beginning of 2019 reaching 30 of the best sailors in Denmark. And it is the intention to introduce the next level in collaboration with sailing clubs by the beginning of 2020. This level will reach up to 200 sailors and club coaches.

A campaign “Become a sailor” was introduced during the World Sailing Championships. Together with many other activities and events, this campaign is aimed at getting more people to become sailors. And for the first time in many years, a small increase in the number of members of the sailing clubs was registered in 2018.

The youth sailing activities is also in a positive development. The Grand Prix Series and the Youth Danish Sailing Championships had more than 500 young sailors from Denmark and the neighboring countries. This is a very positive indication for the future interest in sailing.

In 2018, 24 local sailing clubs made use of the concept ‘Summer Sailing’ for school children and young sailors. The concept is aimed at introducing new sailors to the sport and water activities. Approximately 1,000 children took part in this event.

All in all, the substantial support from The TORM Foundation to the Danish sailing community is highly appreciated by creating visible results on the race courses and a positive development in the sailing clubs.

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

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

TORM Philippines Education Foundation (TPEF) was established in 2007 and the TORM foundation has granted support to the TORM Philippines Education Foundation (TPEF) since 2007.

In 2018, 24 (or 13 young women and 11 young men) college scholars of TORM Philippines Education Foundation graduated and earned their degrees in various fields such as Health Science, Natural Science, Social Sciences, Transportation, Education, Environment, Business, and Information Technology. For the school year 2018-2019, TPEF supports 50 scholars from Luzon and Visayas regions including the National Capital Region. Six graduates (three women and three men) passed their respective licensure examinations in 2018. As part of its program, scholars were also provided with annual training within personal development and social responsibility.

Furthermore, the TPEF engaged in building the capacities of public school educators and learners in remote schools, with its pool of volunteering trainers/professionals. Around 38 teachers from three schools, and 25 teachers from 21 schools (or a total of 63 educators) participated in Basic Counselling for Non-Practitioners, and Theater Arts Training Workshop for Educators, respectively. Some TPEF trained graduates also held learning activities for 37 high school students on team and teamwork topics, the first venture of scholar-graduates who were trained to be trainers and facilitators for the foundation's development work for young learners.

The Scholars Alumni Association of TPEF (SAA-TPEF) had their first community outreach projects in 2018. The alumni provided school kits, food, and school's learning materials to 278 young learners in three remote schools in Visayas and Luzon regions with funds sourced out from donations of fellow scholars, alumni and other individuals.

Another first in 2018 was the tripartite partnership between TPEF, TORM Shipping and the Department of Education, under the Adopt-A-School Program or the construction of one classroom with chairs, chalkboards and toilet in a remote school in the northern part of Luzon. The said school has classrooms made of light materials including woven bamboo and wood as walls and earth flooring. Due to delays brought by typhoons, the classroom is expected to be completed by the first half of 2019. A Memorandum of Agreement was signed and groundbreaking was held in the last quarter of 2018.

## BOARD AND ADMINISTRATION

### THE BOARD OF THE TORM FOUNDATION



**LARS CHRISTENSEN**

Chairman of TORM A/S

Member of the board since 2018

Chairman since 2018 (March)



**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**