Aarstiderne A/S

Barritskovvej 34, 7150 Barrit

CVR no. 12 54 29 76

Annual report 2015

Approved at the annual general meeting of shareholders on 17/3 2016

Chairman:

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THOMAS HARTTUNG

Building a better
working world

Contents

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 Aarstiderne A/S for the financial year 1 January - 31 December 2015.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2015.

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

We recommend the adoption of the annual report at the annual general meeting.

Barrit, 17 March 2016
Executive Board:

Annette Hartvig Larsen

Thomas Slott

Board of Directors:

Thomas Harttung
Chairman

Søren Ejlersen

Riella Hollander

Independent auditors' report

To the shareholders of Aarstiderne A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Aarstiderne A/S for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Further, Management is responsible for such internal control as it determines is necessary to enable the preparation of 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 financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements according to Danish audit regulations. This requires 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 auditors' judgement, including an 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 Company's preparation of financial statements that give a true and fair view. The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by Management as well as 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.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations and cash flows for the financial year 1 January - 31 December 2015 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 other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Aarhus, 17 March 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28

Gert Foldager
state authorised public accountant

Lars Kruse
state authorised public accountant

Management's review

Company details

Name	Aarstiderne A/S
Address, Postal code, City	Barritskovvej 34, 7150 Barrit
CVR No.	12 54 29 76
Established	1 November 1988
Registered office	Hedensted
Financial year	1 January - 31 December
Website	www.aarstiderne.com
Telephone	+45 70 26 00 66
Telefax	+45 70 26 00 67
Board of Directors	Thomas Harttung, Chairman Søren Ejlersen Riella Hollander
Executive Board	Annette Hartvig Larsen Thomas Slott
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P O Box 330, 8100 Aarhus C, Denmark

Management's review

Financial highlights

DKKt	2015	2014	2013	2012	2011
Key figures					
Revenue	452,444	367,604	300,482	248,852	261,074
Gross margin	123,648	99,303	83,011	68,005	72,192
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)	48,460	35,196	24,968	13,936	14,286
Operating profit	42,232	29,827	15,924	6,651	6,043
Net financials	204	-1,807	-960	-1,177	-1,276
Profit/loss for the year	32,687	21,483	11,504	3,953	3,630
Total assets	98,771	73,865	71,201	104,339	101,086
Equity	32,689	20,234	20,025	27,499	28,119
Financial ratios in %					
Operating margin	9.3 %	8.1 %	5.3 %	2.7 %	2.3 %
Gross margin	27.3 %	27.0 %	27.6 %	27.3 %	27.7 %
Solvency ratio	33.1 %	27.4 %	28.1 %	26.4 %	27.8 %
Return on equity	123.5 %	106.7 %	48.4 %	14.2 %	12.2 %
Return on capital employed	144.0 %	120.1 %	71.7 %	24.4 %	22.7 %
Average number of employees	154	130	124	113	134

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Management's review

Operating review

The Company's business review

The Company's principal activities are to deliver organic products and meal solutions directly to private households, offices, catering companies and other businesses and institutions.

Objective

Aarstiderne recreates the close links between the work of the organic farmer and the work in all the kitchens – transforming the bounties of the land into feasts of good, nutritious, seasonal and inspired food.

Financial review

Revenue in the year under review totalled DKK 452.4 million and profit before tax totalled DKK 42.7 million. Profit after tax totalled DKK 32.7 million, and equity totalled DKK 32.7 million at 31 December 2015.

The pre-tax profit for the year was DKK 14.4 million higher than in 2014.

2015 was characterised by growth and, hence, hiring of many new employees, securing supplies and the need to expand the Company's productive capacity. Recruitments were made and plans developed, and the business managed to fulfil the expectations as to the year.

Conclusion

The executive management team and the board of directors consider the Company's financial performance in 2015 satisfactory.

Profit appropriation

Management recommends that the profit for the year, DKK 32.7 million, net of the distributed profits of DKK 20.1 million, is carried forward.

Equity

Equity came at DKK 32.7 million at 31 December 2015 (2014: DKK 20.2 million), corresponding to 33.1% (2014: 27.4%) of the balance sheet total.

Non-financial matters

Special risks

Price risks

Aarstiderne maintains comprehensive cooperation with growers inside and outside of Denmark. As a consequence, the forward price situation is well-known within a 12-month perspective. This unique collaboration was deepened further in 2015 through continued concerted efforts.

Currency risks

The Company pays its foreign suppliers in EUR or DKK.

All income is in DKK or SEK. The Company has hedged its currency risk in SEK for all of 2016.

Interest rate risks

The Company expects a positive net cash flow for the year.

Management's review

Operating review

Knowledge resources

The Company continuously accumulates internal knowledge with regard to its business model, customers and suppliers. Throughout 2015, particular emphasis was put on developing the cooperation with suppliers, expanding the diversity and the level of cooperation with farmers and producers of organic food.

Co-workers' commitment and ability to take charge of their situation is encouraged through cross-cutting work groups and development projects.

Impact on the external environment

As an organically certified entity and due to its articles of association, Aarstiderne is committed to minimising its energy consumption, avoiding any unnecessary negative impact on the environment and using local resources as much as possible. This is reflected in a comprehensive Environmental Assessment report, which governs company policy in this area and establishes frameworks for engagement and action plans.

The Company engages in carbon accounting, emissions are monitored and reduction projects are assessed.

Also in 2015 did the Company dedicate resources to gain knowledge about the impact on the environment from the various box meals offered by the company.

The Company maintained organic certification throughout the financial year.

Research and development activities

On the two farms Barritskov and Krogerup Avlsgaard, test fields are used to gain knowledge and test new varieties of vegetables, herbs, flowers etc. to be incorporated in the composition of the boxes.

The Company has tested 20 different heirloom varieties in cooperation with the University of Aarhus, AGRO TECH Danish Agricultural Museum, Gl. Estrup.

The Company has an ongoing development project on the use of GPS in vegetable production. The main goal of the project is to substitute animal manure with green manure fertilisation.

At the compost site at Krogerup Avlsgaard, the Company is testing the composting of organic material stemming from nature conservation activities in cooperation with the municipality and the Danish Ornithological Society.

Foreign branches

The Company has a minor branch in Sweden.

Post balance sheet events

After year-end, the Company has distributed dividends of DKK 10 million.

Outlook

2016 is expected to deliver stable performance, revenue growth and a higher profit for the year.

In 2016, emphasis will be on continued development of the Company's products and markets and cooperation with producers inside and outside of Denmark and Sweden.

The productive capacity in Barrit will be expanded in 2016.

Financial statements for the period 1 January - 31 December

Income statement

Notes	DKK'000	2015	2014
	Revenue	452,444	367,604
	Other operating income	2,919	2,206
	Raw materials and consumables	-227,624	-182,613
	Other external expenses	-104,091	-87,894
	Gross profit	123,648	99,303
2	Staff costs	-75,188	-64,107
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-6,228	-5,369
	Operating profit	42,232	29,827
	Income from investments in associates	301	330
	Financial income	368	353
	Financial expenses	-164	-2,160
	Profit before tax	42,737	28,350
3	Tax for the year	-10,050	-6,867
	Profit for the year	32,687	21,483
	Proposed profit appropriation		
	Extraordinary dividend distributed	20,140	21,274
	Retained earnings	12,547	209
		32,687	21,483

Financial statements for the period 1 January - 31 December

Balance sheet

Notes	DKK'000	2015	2014
	ASSETS		
	Non-current assets		
4	Intangible assets		
	IT Platform	4,159	4,715
	Intellectual property rights and trademarks	7,015	7,542
	Goodwill	2,069	2,271
		13,243	14,528
5	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	9,348	9,179
	Property, plant and equipment in progress	2,321	649
		11,669	9,828
6	Investments		
	Investments in associates, net asset value	56	52
		56	52
	Total non-current assets	24,968	24,408
	Current assets		
	Inventories		
	Raw materials and consumables	1,282	1,019
	Finished goods and goods for resale	7,143	4,064
		8,425	5,083
	Receivables		
	Trade receivables	16,004	10,986
	Receivables from group entities	302	28
	Other receivables	7,952	7,901
7	Prepayments	2,625	2,344
		26,883	21,259
	Cash	38,495	23,115
	Total current assets	73,803	49,457
	TOTAL ASSETS	98,771	73,865

Financial statements for the period 1 January - 31 December

Balance sheet

Notes	DKK'000	2015	2014
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	7,091	7,091
	Retained earnings	25,598	13,143
	Total equity	32,689	20,234
	Provisions		
9	Deferred tax	2,279	2,266
	Total provisions	2,279	2,266
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Current portion of long-term liabilities	0	706
	Prepayments received from customers	893	897
	Trade payables	36,784	31,040
	Payables to group entities	528	690
	Deposits, customers	1,449	1,492
	Other payables	24,149	16,540
		63,803	51,365
	Total liabilities other than provisions	63,803	51,365
	TOTAL EQUITY AND LIABILITIES	98,771	73,865

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10 Collateral
11 Contractual obligations and contingencies, etc.
12 Related parties

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2015	7,091	13,143	20,234
Profit/loss for the year	0	32,687	32,687
Exchange adjustment	0	-121	-121
Tax on items recognised directly in equity	0	29	29
Extraordinary dividend distributed	0	-20,140	-20,140
Equity at 31 December 2015	7,091	25,598	32,689

Financial statements for the period 1 January - 31 December

Cash flow statement

Notes	DKK'000	2015	2014
	Profit for the year	32,687	21,483
13	Adjustments	6,037	6,991
	Cash generated from operations (operating activities)	38,724	28,474
14	Changes in working capital	3,380	263
	Cash generated from operations (operating activities)	42,104	28,737
	Interest received, etc.	368	353
	Interest paid, etc.	-164	-2,160
	Cash flows from operating activities	42,308	26,930
	Additions of intangible assets	-2,214	-1,536
	Additions of property, plant and equipment	-4,936	-5,268
	Disposals of property, plant and equipment	366	44
	Income from investments in associated enterprises	-303	-330
	Dividend received from associates	299	356
	Cash flows from investing activities	-6,788	-6,734
	Dividends paid	-20,140	-21,274
	Servicing bank loans and lease liabilities	0	-622
	Cash flows from financing activities	-20,140	-21,896
	Net cash flow	15,380	-1,700
	Cash and cash equivalents at 1 January	23,115	24,815
15	Cash and cash equivalents at 31 December	38,495	23,115

Financial statements for the period 1 January - 31 December

Notes

1 Accounting policies

The annual report of Aarstiderne A/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards medium-sized reporting class C enterprises.

The accounting policies applied by the company are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner.

Currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are translated at the exchange rates at the transaction date.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement on a regular basis.

Leases

Leases for property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the company (finance leases) are initially recognised in the balance sheet at the lower of fair value and the present value of the minimum lease payments. In calculating the present value of the minimum lease payments the discount factor is the interest rate implicit in the lease, if this is practicable to determine; if not, an approximation of this is used. Finance leases are subsequently treated as the Company's other fixed assets.

The capitalised residual obligation on the lease is recognised in the balance sheet as a liability and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Financial statements for the period 1 January - 31 December

Notes

1 Accounting policies - continued

All other leases are considered operating leases. Payments relating to operating leases and any other lease agreements are recognised in the income statement over the term of the lease. The Company's total liability relating to operating leases and other lease agreements is disclosed in contingent liabilities etc.

Public grants

Public grants given to cover expenses are recognised in the income statement once it is probable that all criteria for being given the grant are satisfied. Grants which must be repaid under certain circumstances are recognised only in so far as they are not expected to be repaid.

Income statement

Revenue

Revenue from the sale of goods for resale is recognised in the income statement provided that delivery and transfer of risk to the buyer has taken place before year-end and that the income can be reliably measured and is expected to be received.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income

Other operating income comprise items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of fixed assets.

Raw materials and consumables, etc.

Costs of raw materials, consumables and goods for resale comprise purchases for the year and the change in the inventory of raw materials, consumables and goods for resale.

Other external expenses

Other external expenses comprise costs of packaging, distribution, sales, advertising, administration, premises, motor vehicles, operation of machines, bad debts, operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life. Acquired IP rights include patents, rights and licences.

Amortisation is recognised in the income statement.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Goodwill	20 years

Financial statements for the period 1 January - 31 December

Notes

1 Accounting policies - continued

IT platform	3-5 years
Intellectual property rights and trademarks	5-20 years

Goodwill is amortised over its estimated useful life determined on the basis of Management's experience of the specific business areas. Goodwill is amortised over a period of 20 years or less, as this amortisation period is considered the best way to reflect the utility of the resources in question.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Other fixtures and fittings, tools and equipment	3-10 years

Income from investments in group entities and associates

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries and associates after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Other intangible assets comprise the IT platform, ongoing development projects, intellectual rigths and trademarks.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Financial statements for the period 1 January - 31 December

Notes

1 Accounting policies - continued

Development projects regarding products and processes that are clearly defined and identifiable, where the technical utilisation degree, sufficient resources and a potential future market or development opportunities in the Company is evidenced, and where the Company intends to produce, market or use the project or the process in question, are recognised as intangible assets. Other development costs are recognised in the income statement when incurred.

Development costs comprise costs, including salaries and travelling expenses that are directly and indirectly attributable to the development projects.

Following the completion of the development work, development costs are amortised on a straight line basis over the estimated useful life. The amortisation period is usually five years.

The IT platform is measured at cost less accumulated amortisation and impairment. Cost comprises the acquisition price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Intellectual property rights and trademarks are measured at cost less accumulated amortisation and impairment. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Gains and losses on the disposal of intangible assets are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operation income or other operation costs, respectively.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Investments in associates

On initial recognition, investments in subsidiaries and associates are measured at cost and subsequently at the proportionate share of the enterprises' net asset values calculated in accordance with the parent company's accounting policies less or plus any residual value of positive or negative goodwill determined in accordance with the acquisition method. Subsidiaries and associates with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the enterprise's deficit. Net revaluations of investments in subsidiaries and associates are transferred to the net revaluation reserve according to the equity method in so far as the carrying amount exceeds the acquisition cost.

Enterprises acquired or formed during the year are recognised in the financial statements from the date of acquisition or formation. Enterprises disposed of are recognised up to the date of disposal.

Acquisitions of new subsidiaries and associates are accounted for using the purchase method, according to which the assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of revaluations made is taken into account.

Financial statements for the period 1 January - 31 December

Notes

1 Accounting policies - continued

Impairment of fixed assets

Intangible assets, property, plant and equipment and investments in subsidiaries and associates are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Inventories

Inventories are measured at cost in accordance with the weighted average price. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis.

Write-downs are calculated as the difference between the carrying amount of the 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.

Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

Equity

Proposed dividends

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

Financial statements for the period 1 January - 31 December

Notes

1 Accounting policies - continued

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

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 liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Prepayments from customers comprise payments received concerning income invoiced in the following year.

Advance invoicing of revenue comprises revenue excluding VAT on goods invoiced, but not yet delivered.

Deposits, customers, comprise deposits invoiced to the subscribers.

Cash flow statement

The cash flow statement shows the entity's net cash flows, broken down by operating, investing and financing activities, the year's changes in cash and cash equivalents and the entity's cash and cash equivalents at the beginning and the end of the year.

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

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 comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short-term bank loans and short-term marketable securities which are subject to an insignificant risk of changes in value.

Financial statements for the period 1 January - 31 December

Notes

1 Accounting policies - continued

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax x 100}}{\text{Average equity}}$
Return on capital employed	$\frac{\text{Operating profit x 100}}{\text{Average operating assets}}$

Financial statements for the period 1 January - 31 December

Notes

	DKK'000	2015	2014
2	Staff costs		
	Wages/salaries	68,967	58,701
	Pensions	5,296	4,546
	Other social security costs	925	860
		75,188	64,107
	Average number of full-time employees	154	130
	Remuneration to members of management:		
	Executive board	3,930	3,397
	Board of Directors	500	500
		4,430	3,897

	DKK'000	2015	2014
3	Tax for the year		
	Estimated tax charge for the year	10,037	6,943
	Deferred tax adjustments in the year	13	-236
	Tax adjustments, prior years	0	160
		10,050	6,867

In addition, tax on equity DKK -29 thousand.

The estimated tax charge for the year includes tax refunds paid, totalling DKK 10,037 thousand, between jointly taxed entities.

Financial statements for the period 1 January - 31 December

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4 Intangible assets

t.kr.	IT Platform	Intellectual property rights and trademarks	Goodwill	Total
Cost at 1 January 2015	12,214	11,901	3,818	27,933
Additions in the year	1,950	264	0	2,214
Disposals in the year	-409	0	0	-409
Cost at 31 December 2015	13,755	12,165	3,818	29,738
Impairment losses and amortisation at 1 January 2015	7,500	4,358	1,547	13,405
Amortisation/depreciation in the year	2,348	793	202	3,343
Reversal of amortisation/depreciation and impairment of disposals	-253	0	0	-253
Impairment losses and amortisation at	9,595	5,151	1,749	16,495
Carrying amount at 31 December 2015	4,160	7,014	2,069	13,243
Amortised over	3-5 years	5-20 years	20 years	

5 Property, plant and equipment

t.kr.	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2015	33,651	649	34,300
Additions in the year	3,078	1,858	4,936
Disposals in the year	-1,725	-186	-1,911
Cost at 31 December 2015	35,004	2,321	37,325
Impairment losses and depreciation at 1 January 2015	24,472	0	24,472
Amortisation/depreciation in the year	2,885	0	2,885
Reversal of amortisation/depreciation and impairment of disposals	-1,701	0	-1,701
Impairment losses and depreciation at 31 December 2015	25,656	0	25,656
Carrying amount at 31 December 2015	9,348	2,321	11,669
Amortised over	3-10 years		

Financial statements for the period 1 January - 31 December

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6 Investments

t.kr.	Investments in associates, net asset value
Cost at 1 January 2015	13
Cost at 31 December 2015	13
Value adjustments at 1 January 2015	38
Exchange adjustment	4
Dividend distributed	-299
Share of the profit/loss for the year	300
Value adjustments at 31 December 2015	43
Carrying amount at 31 December 2015	56

DKK'000	Legal form	Domicile	Interest	Equity	Profit/loss
Associates					
ÅT Ekologiskt KB	Kommandit selskab	Hägersten, Sverige	30.00 %	185	1,002

7 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and returnable packaging and boxes.

DKK'000	2015	2014
8 Share capital		
The share capital consists of the following:		
7,091,400 shares of DKK 1.00 each	7,091	7,091
	7,091	7,091

The Company's share capital has remained DKK 7,091 thousand over the past 5 years.

9 Deferred tax

Deferred tax relates to:

DKK'000	2015	2014
Intangible assets	-2,619	-2,727
Property, plant and equipment	760	874
Receivables	-78	-132
Inventories	-384	-321
Provisions	42	40
	-2,279	-2,266

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10 Collateral

As security for the Company's debt to other credit institutions, the Company has placed assets or other as security, worth a total of DKK 25,000 thousand. The total carrying amount of the assets having been put us as security is DKK 49,643 thousand. Breakdown of the security and the carrying amount:

Amounts owed to Sydbank are secured by a letter of indemnity, DKK 17,000 thousand (2014: DKK 17,000 thousand), secured trade receivables, stocks, operation equipment, goodwill and intellectual property rights.

The Company has issued letters of indemnity totaling DKK 8,000 thousand (2014: DKK 8,000 thousand) secured on fixtures and fittings, tools and equipment.

11 Contractual obligations and contingencies, etc.

Other contingent liabilities

DKK'000	2015	2014
Guarantee commitments	325	314
	325	314

A performance guarantee has been provided for obligations relating to the tenancy in Stockholm.

The Company is jointly taxed with its parent, Barritskov Holding ApS, which acts as management company, and has limited and alternative liability together with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2015	2014
Rent and lease liabilities	47,780	47,293

The Company has entered into eight leases for office space, pack house, terminals and warehousing with a rent commitment for 2016-2027 of DKK 43,774 thousand (2014: DKK 45,074 thousand).

Operating lease commitments total DKK 4,006 thousand (2014: DKK 2,219 thousand).

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12 Related parties

Aarstiderne A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Thomas Harttung A/S	Hedensted	Majority shareholder

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
Barritskov Holding ApS	Hedensted, Denmark	At the Company authorities

Related party transactions not carried through on normal market terms

In the year, no related party transactions that were not carried through on normal market terms took place.

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DKK'000	2015	2014
13 Adjustments		
Amortisation/depreciation and impairment losses	6,228	5,369
Financial income	-368	-353
Financial expenses	164	2,160
Deferred tax	13	-185
	6,037	6,991

DKK'000	2015	2014
14 Changes in working capital		
Change in inventories	-3,342	159
Change in receivables	-5,624	-3,157
Change in prepayments and trade and other payables	12,438	3,261
Other adjustments in working capital	-92	0
	3,380	263

DKK'000	2015	2014
15 Cash and cash equivalents at year end		
Cash and cash equivalents according to the balance sheet	38,495	23,115
	38,495	23,115