Wrist Ship Supply A/S
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Generalforsamling: 09.03.2016
Dirigent: Søren Dan Johansen

ANNUAL REPORT 2015

SHIP SUPPLY

Contents

EXPERT CARE

Wrist Ship Supply is the world's leading ship and offshore supplier of provisions and stores with a market share in excess of 7%. Wrist offers a global 24/7 service, including handling of owners' goods, shipping, air freight and related marine services that meet the demands of international organisations as well as local businesses.

From offices around the globe, all Wrist staff take pride in making it easy for customers to receive their supplies – where and when requested – efficiently and at the best possible price.

Our mission is to provide expert care to each ship and offshore location.

www.wrist.com

Wrist Ship Supply A/S

FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK'000 and ratios	IFRS 2015	IFRS 2014	2013	DK GAAP 2012	DK GAAP 2011
Net Sales	3,674,577	3,347,343	3,032,383	2,858,159	2,447,000
Gross profit	932,444	805,408	701,355	663,512	574,238
Operating profit (EBITDA)	227,598	208,638	180,145	155,792	98,611
Earnings before interest and tax (EBIT)	190,092	210,753	125,431	104,594	57,000
Profit of financial items	-51,572	-46,927	-20,227	-21,320	-21,000
Profit for the year	104,555	130,091	75,900	60,893	21,691
Inventories	218,230	195,202	166,467	152,547	143,859
Trade receivables	574,949	549,142	469,425	530,020	491,546
Total assets	1,717,337	1,522,820	1,289,874	1,261,368	1,163,000
Shareholders' equity	463,204	337,218	231,692	271,338	204,607
Investment capital including goodwill	883,302	755,504	690,723	680,000	622,000
Net interst-bearing debt (NIBD)	469,018	474,223	520,677	388,000	497,000
Acquisition etc of property, plant and equipment	37,495	49,516	81,883	23,206	17,934
Cash flow from investing activities (CFFI)	89,441	33,481	102,219	46,145	153,403
Cash flow from operating activities (CFFO)	143,245	135,860	103,002	209,911	38,000
Number of employees	1,167	1,105	981	948	939
Performance ratios (%)					
Gross margin	25.4	24.1	23.1	23.2	23.5
Operating margin (EBITDA)	6.2	6.2	5.9	5.5	4.0
Return on invested capital	21.8	28.5	23.0	20.3	13.7
Equity ratio	26.1	45.7	30.2	25.6	11.2

The figures stated for 2014 and 2015 as well as the balance sheet items for 2013 have been prepared in accordance with IFRS. All other figures have been prepared in accordance with the Danish Financial Statements Act. The effect of the change to IFRS is described in note 1.

Definitions of financial highlights and key ratios

Financial highlights are defined and calculated in accordance with “Recommendations & Ratios 2015” issued by the Danish Society of Financial Analysts.

Ratios		Calculation formula	Ratios reflect
Gross margin (%)	=	$\frac{\text{Gross profit x 100}}{\text{Net sales}}$	The enterprise’s operating gearing.
Operating margin (EBITDA) (%)	=	$\frac{\text{EBITDA x 100}}{\text{Net sales}}$	The enterprise’s operating profitability.
Return on invested capital (%)	=	$\frac{\text{EBIT x 100}}{\text{Average invested capital incl goodwill}}$	The return generated by the enterprise on investors’ funds.
Equity ratio (%)	=	$\frac{\text{Profit/(loss) for the year Excl. minority interests x 100}}{\text{Average equity}}$	The enterprise’s return on capital invested in the enterprise by the owners.

Invested capital including goodwill is defined as net working capital plus the carrying amount of property, plant and equipment and intangible assets as well as accumulated amortisation of intangible assets including goodwill, and less other provisions and long-term operating liabilities. Accumulated impairment losses on goodwill are not added.

Net interest-bearing debt is defined as interest-bearing liabilities, including income tax payable, net of interest-bearing assets, including cash and income tax receivable.

THE YEAR IN REVIEW

During 2015 Wrist further consolidated its position as the world's largest supplier to ships and offshore locations.

Volumes and sales increased more than market growth

Wrist achieved substantial growth in volumes supplied to ships, but saw a decline in demand from the badly hit offshore market. Through the Group's constant focus on customer service, responsiveness to changes in customer demand and competitive sourcing, a substantial growth in supplies to ships more than offset the negative impact from the headwinds experienced by the offshore oil and gas industry. Actually, Group revenue increased by 1% in local currencies and by as much as 10% in the reporting currency, reaching DKK 3.7bn.

Operating profits increased

Due to efficiency improvements in all our operations, the Group increased its gross profit margin from 24.1% in 2014 to 25.4% in 2015. The operating profit (EBITDA) advanced by 9% from DKK 209m in 2014 to DKK 228m in 2015, while the operating margin remained at a healthy level of 6.2% for 2015.

Business platform expanded through acquisitions

In order to expand its offering further and seize new market opportunities, Wrist acquired businesses in Aberdeen in the UK and Den Helder in the Netherlands, both contributing positively to sales as well as earnings. In January 2016, the Wrist Group announced its acquisition of Garrets International Ltd., which delivers provision management services to more than 1,000 ships worldwide. Together with Wrist's subsidiary SeaStar Management, Garrets will strengthen the global proposition to customers and enhance the Group's ability to support welfare on board as well as securing more resources for the development of service tools for the crew.

Innovation in service offerings

Wrist continued to seek solutions that improve its range of service offerings. The Group introduced bundled services for ship customers, including provision management and optimisation of last-mile logistics, enabling savings in the operating budgets of the ships. Another initiative was additional investments in 'Ice-Box' container inlets, a concept enabling a stable temperature to be maintained for several days without a power source, introduced to customers in the North Sea, US Gulf and Middle East. Further, Wrist initiated the implementation of a new and more efficient procurement and stock management tool for ships operating under provision management contracts.

Further investments in operational capabilities and infrastructure

The Group continued to develop its global operational capabilities and infrastructure with the aim of improving the quality and responsiveness of its customer services, while at the same time increasing its operational efficiency. The development and improvement of storage and warehousing facilities included new facilities in Algeciras, Corpus Christi and Peterhead, resulting in additional capacity as well as process flow optimisation. Enhanced quality management systems were implemented in more locations, allowing e.g. higher levels of quality accreditation. Further, in 2015 the Wrist Group initiated the roll-out of a new, global business support system, building a platform for additional digitalised customer and vendor solutions.

CUSTOMER FOCUS

Wrist is an experienced and distinguished supplier of provisions and stores to the shipping and offshore industries. The company is continuously developing its business and capabilities, and after more than 60 years in the market, Wrist is today the world's leading ship supplier, with a market share in excess of 7%. Wrist's principal activities are the sale and delivery of provisions and stores to ships, offshore locations and a number of adjacent markets. The company supplies a broad range of products, including deck, engine, electrical, cabin and bonded stores. The company's service concept comprises the storage, surrender and transport of customers' own supplies and spare parts – often through a general warehouse managed by Wrist.

Seafarers' welfare

Wrist is aware of the crucial role played by seafarers. Their welfare is of paramount importance to the business of Wrist's customers, and Wrist is dedicated to ensuring the delivery of high-quality products and services to seafarers all over the world. This is essential for them to stay healthy, content and motivated, and to making life at sea easier for them.
Wrist is a responsible business intent on making a difference over and above the primary competitive parameters.

Global network, local excellence

Through Wrist's global key account management organisation, regional and local teams provide customers with outsourced ship supply services, operating as an extension of their own businesses and thereby optimising operational efficiencies and vessel profitability. Wrist strives to understand and meet the exact needs and requirements of each customer in so far as is possible.
That is the purpose of developing regional networks and appointing key account managers to provide dedicated outsourced services in important regions where customers need support – i.e. global customer expertise combined with local supply chain knowledge and understanding.
Customers are naturally keen to work with a supplier that provides the scale, organisational resources, technology and infrastructure required to deliver an end-to-end service. Wrist's worldwide network is essential to meeting these demands, and Wrist continuously strives to strengthen this further.
Wrist's employees are instrumental to unlocking growth potential in new geographical regions. Our operational capability to streamline the procurement process and play an active role in raising the level of crew nutrition enables Wrist to continuously improve its service and create stronger partnerships. Customers require effective management by specialist providers with the necessary technological solutions to ensure budget transparency and planning control.

Provision management

The outsourcing of vessel provisioning has increased significantly in recent years. More and more operators are looking to centralise their processes to a single point of contact and are looking for partners that can take care of all their purchasing and supply needs – globally. They wish to outsource processes as a means of enhancing efficiency and reducing overheads without impacting quality or the morale of their crews.

Garrets is a business unit within Wrist, dedicated to the handling of consumable budgets and the delivery of provisions and stores to ships all over the world. The volumes handled by the business unit more than doubled through the operational merger in early 2016 of Wrist Ship Supply's subsidiary SeaStar Management and Garrets International.

Garrets' strategy is to help customers optimise their supply patterns by guiding vessels to use the most cost-efficient ports during their global voyages. Based on extensive knowledge, the business unit also helps vessels to ensure the correct product mix for their provision orders, thereby ensuring a nutritious and healthy meal plan for crews in compliance with the MLC 2006 requirements. Customer focus is driving improvements, increasing efficiencies and streamlining customer procurement processes.

CORPORATE RESPONSIBILITY

Statutory statement on corporate social responsibility in compliance with sections 99a and 99b of the Danish Financial Statements Act (Årsregnskabsloven).

To promote the long-term interests of the company and its stakeholders, Wrist strives to comply with high ethical standards in all business practices.

Business Principles

In 2013, Wrist defined its Business Principles, providing guidelines to increase transparency and describe the way the company and its staff must act whilst achieving the business objectives.

http://www.wrist.com/download/sustainability/business_principles_rev4_13feb14.pdf

The Business Principles are incorporated into Wrist's general business practices when living out its vision, "We are recognised for making our customers' life at sea better", and they reflect the UN Global Compact and relevant regulations on anti-corruption, competition law and international trade sanctions. The Business Principles guide and direct employees and managers in essential matters such as:

• Relationships with authorities
• Transparency
• Anti-trust, anti-corruption and trade sanctions
• Anti-fraud and accuracy of accounting records
• Respect for generally recognised (internationally and locally) human and labour rights and employment practices

The Business Principles represent the codification of the ethical standards representing the Wrist culture, and they are an important step in the formulation and communication of Wrist's ethical position and policies. Wrist does not have a policy for environment and climate change.

Compliance programme

Wrist Compliance Programme was introduced in 2014, covering the topics of:

1) international trade sanctions
2) anti-bribery rules and principles and
3) anti-trust rules/competition law

The programme complies with applicable rules and regulations and is tailored to Wrist and its industry. Within each of these areas, the programme comprises a detailed written policy and training.

The policies contain rules and regulations as well as practical advice for employees. The policies are distributed to all relevant employees, followed by training. The anti-bribery programme also consists of a set of guidelines with clear and specific rules for the giving and receiving of business courtesies. It is supplemented by a set of procedures designed to monitor compliance with the anti-bribery policy. In 2015, the procedures were extended with a section introducing procedures for providing cash discounts in cash sales and a procedure for cash withdrawals to limit the risk of inappropriate behaviour. Furthermore, the policy on business courtesies has been tightened.

In 2015, on-site compliance training was conducted at the Wrist entities in North America, Scotland, England and the Netherlands. The training of new staff and newly acquired entities is ongoing. In total, more than 300 employees have participated in on-site training sessions.

The implementation of the Business Principles and the compliance programme has drawn attention to and increased awareness among staff and managers of the importance of avoiding violations, which is reflected in the number of questions received by the Legal Department about the Wrist compliance policies.

Human rights

It is essential for Wrist that all business activities are performed with respect for human and labour rights – for instance fair employment, dissociation from forced or compulsory labour and the use of child labour, freedom of association, the right to collective bargaining and freedom from discrimination. Employees must act accordingly, and the Wrist Business Principles are used as a reference in dealings with external stakeholders.

Whistleblowing policy

In 2015, a whistleblowing system specifically tailored to the requirements of Wrist was developed in cooperation with a leading Danish law firm. The whistleblowing system is a mechanism which allows employees to report violations of legislation and policies with no risk of retaliation. At present, the whistleblowing system is awaiting approval by the Danish Data Protection Agency. The whistleblowing system is expected to be introduced in Q1 2016.

Seafarers

Aligned with Wrist's vision of "…making our customers' life at sea better", the life of seafarers is always at the forefront of our minds.

Life at sea is known to be tough! Working conditions are risky, and hiring periods are long, meaning absence from family and friends, and in case of reprehensible working conditions, being out there in the middle of the ocean means that help is not close at hand.

A lot of charitable organisations do a tremendous amount of work to help seafarers. Wrist has been a member of ISWAN (International Seafarers' Welfare and Assistance Network) since 2013, and in 2015 Wrist again sponsored the ISWAN "Seafarer Centre of the Year" award. Furthermore, Wrist has supplied computers and other equipment to a new welfare centre in Rotterdam run by the Danish Government's Seamen's Service (*Handelsflådens Velfærdsråd*). In addition, Wrist is making donations to "Seamen Aalborg".

In recognition of the crews of three vessels that have picked up large numbers of refugees in the Mediterranean, Wrist boarding representatives have handed out goodie bags to all seafarers on board these vessels when they came to port.

Donations and charitable activities are focused on projects that have a positive impact on life at sea.

Promotion of the underrepresented gender

Board of Directors

The gender composition at the Board of Directors level remains unchanged from 2014 since the right candidate has not yet been found (the current composition of the Board of Directors being no women and four men). There is currently one vacancy at the Board of Directors level, for which a qualified candidate is sought to, firstly, complement the current composition of the Board of Directors, and, secondly add to gender diversity.

Wrist is committed to striking a sound gender balance between men and women on the Board of Directors. The company's target is to achieve at least a 60/40 distribution between men and women on the Board of Directors before end of 2016. The target includes the owner's representatives and does not include employee representatives (if any).

Management

In accordance with Wrist's commitment to achieving a sound and balanced composition of genders across the company, the Board of Directors has approved a policy aimed at increasing the share of the underrepresented gender at all management levels. Training, development and promotional opportunities are available to prepare employees for becoming leaders.

This policy will be monitored and reviewed annually by the Board of Directors, and progress compared to the stated intention and the policy as such will be described in Wrist's annual report. The policy has the full support of the executive management and has been approved by the Board of Directors.

Wrist defines "Management" as:

- The Executive Board
- Managers reporting directly to the Executive Board
- A manager leading a team of two or more employees
- A subject matter expert with company-wide impact.

At management level, the current gender composition is 82% men and 18% women.

Initiatives

In support of this target, Wrist will be introducing a number of initiatives to help managers fulfil the target:

Talent acquisition

Ensure that lists of candidates for job interviews at all levels have an equal representation of both genders, and where top candidates are equally qualified, select the underrepresented gender.

Internal promotions

Ensure that lists of candidates for internal promotions at all levels have an equal representation of both genders, and where top candidates are equally qualified, select the underrepresented gender.

Talent development

Ensure that the underrepresented gender is provided with training, development and mentoring opportunities to assist their professional growth. This specifically includes defining managerial development opportunities during the annual performance review.

Role models

Create a forum where the underrepresented gender can participate in activities, (e.g. talks at local focus groups) to gain insight and inspiration on how to develop their own career opportunities

General

The overarching principle, however, remains that the company will select the best-qualified person, irrespective of gender, race, age or religious beliefs.

RISK MANAGEMENT

Wrist is exposed to various risks that may impact the Group's results, cash flow, financial position and future prospects.

Significant potential risk factors related to markets, business operations and financial markets are identified, evaluated and reported on a continuous basis, and risk management is also integrated in the Group's strategic planning process.

Market risk

Market risk refers primarily to risk factors on which the management can exert only limited influence in the short term, but which it is addressing in its long-term planning.

Shipping and offshore industry prospects

Wrist offers its services to the shipping and offshore industry in numerous countries, and this diversification does in itself amount to risk mitigation. Wrist continuously monitors the development of the industries which it serves to enable timely adjustments of its strategic planning.

Structural changes

Structural changes among onshore and offshore distributors and the consolidation of service providers to the shipping industry create opportunities as well as risks. Wrist monitors developments and adjusts its strategic and operational planning accordingly.

Business risk

Business risks refer to overall risks relating to the current management and operation of the company.

Price fluctuations

Wrist is continuously working to improve its sales processes to support the more precise pricing of products, contractual agreements and manage inventory levels to mitigate risks associated with fluctuations in cost.

Customer retention

Wrist serves a large and diverse customer base which is broadly distributed both geographically and in terms of supply solutions and products. This is in itself a risk-mitigating factor, as is the Group's focus on customer service. With its global key account management organisation, Wrist has a thorough understanding of the needs of its customers and is able to clarify where initiatives may be needed to improve its offering to customers.

Financial reporting

The mitigation of the key risks relating to the Group's financial reporting is ensured through group policies on financial management, a financial manual, internal controls and the statutory audit. Wrist adheres to firm budgeting and reporting schedules and monitors the performance of its business units on a monthly basis. Structured business review meetings are held quarterly.

IT system availability

High-quality and reliable IT systems are important for the Group's storing and processing orders, warehousing, delivery services, financial reporting and accounting records. Wrist is continuously testing and developing the capacity and reliability of its IT systems to secure high performance.

Compliance with regulations

Wrist is committed to conducting its business in compliance with all applicable laws and other regulations and adhering to principles of good corporate citizenship in all the countries in which it is active. The manager of each business unit, supported by group functions, is responsible for monitoring and enforcing the Group's policies as well as ensuring compliance with national legislation and local requirements. Wrist's Business Principles and related policies and procedures are made available to managers and employees to assist and direct them in carrying out their duties.

Financial risk

Financial risk factors refer to fluctuations in the Group's results, cash flow and financial position due to changes in Wrist's financial exposure. The overall objective of risk monitoring and control is to ensure cost-effective financing and to minimise potential adverse impacts from market fluctuations.

Exchange rate risk

The Group's business activities are predominantly based in USD, GBP, SGD and EUR, and many credit facilities are denominated in DKK, USD and GBP (currencies listed according to the size of aggregated amounts). In order to reduce the exchange rate risk, Wrist aims to match costs and revenues, as well as assets and liabilities, in each business unit. Overall, the estimated risk arising from currency exposure is limited as most of the business has limited transaction exposure.

Interest rate risk

The interest rates of credit facilities are variable. Wrist uses derivative contracts to hedge interest rate risks, and currently the company has chosen to hedge the majority of such risk for a period of three years.

Funding risk

Wrist has entered into a long-term committed financing agreement with credit facilities enabling both current operations and planned expansion. Treasury management is centralised and ensures that sufficient financial resources are available to meet planned requirements. Wrist has a good financial position, cash flow and liquidity reserve.

Credit risk

Credit risk mainly relates to trade debtors, other receivables and cash at banks. The aggregate amounts recognised under these items in the balance sheet constitute the maximum credit risk. Receivables relate to shipping, ship management and catering companies. Handling increased credit risk in the shipping industry, Wrist's global credit function monitors the creditworthiness of existing and new customers and assists in debt collection. Wrist conducts individual assessments of customer creditworthiness, managed globally. Cash is held with banks with high credit ratings.

FINANCIAL REVIEW

Transition to IFRS

The accounting policies have been changed relative to last year due to the Group's transition from reporting according to the Danish Financial Statements Acts to reporting according to IFRS as of 1 January 2015. The comparative figures for 2014 have been restated in accordance with the IFRS standards, and the opening balance sheet as at 1 January 2014 has also been restated so that it too complies with the transitional provisions set out in IFRS 1 concerning first-time adoption of International Financial Reporting Standards.

The transition to presenting the financial statements in accordance with IFRS impacts the Wrist Ship Supply Group, for example, in the following areas:

- Goodwill is no longer amortised on a straight-line basis, but is subject to an annual impairment test in which the value of goodwill is assessed based on several financial ratios
- Lease payments are recognised as an expense on a straight-line basis over the lease term
- Adjustments in equity will in future be classified as other comprehensive income
- The notes have been significantly expanded.

All adopted and relevant standards have been applied on implementation.

The effect of the transition to IFRS is shown in the notes to the financial statements along with explanations of the most significant changes to the figures. The most significant changes for the 2014 financial year relate to the reversal of goodwill amortisations. The operating profit (EBIT) rose from DKK 183m to DKK 211m, of which DKK 31m results from the reversal of goodwill amortisation. The consolidated profit inclusive of minorities' share of the profit rose from DKK 104m to DKK 130m.

The group's balance sheet total as at 31 December 2014 rose from DKK 1,494m to DKK 1,523m, of which DKK 33m results from the reversal of goodwill amortisations.

Equity including minorities rose from DKK 327m to DKK 337m.

For a further specification of the changes in the income statement and balance sheet, reference is made to note 1 to the financial statements.

Sales

Sales developed positively in all regions except Asia. The supplies to ships developed very positively whereas supplies to offshore locations decreased due to less activity in the offshore oil and gas industry. Net sales reached DKK 3,675m compared to DKK 3,347m in 2014, an increase of 9.8%. Measured in the local currencies, growth totalled 1.0%.

Gross profit

Gross profit amounted to DKK 932m compared to DKK 805m in 2014, an increase of 15.8%. The gross profit ratio increased to 25.4% compared to 24.1% in 2014, supported by the Group's continued focus on procurement.

Operating profit

Operating profit (EBITDA) amounted to DKK 228m compared to DKK 209m in 2014, an increase of 9.1%. The profit margin stayed at 6.2%.

Net profit

Profit for the year amounted to DKK 105m compared to DKK 130m in 2014. The profit is satisfactory and above the expected level. In 2014, the net profit was affected by income of DKK 33m from the sale of a facility in Singapore. Adjusted for this special item, net profit increased by 8.3%.

Cash flows

Cash flow from operating activities amounted to DKK 143m in 2015 against DKK 136m in 2014, an improvement on 5.4%. The cash flow improvement was due to improved earnings whereas working capital increased to 8.5% of net sales compared to 8.2% in 2014. The group's procurement strategies to improve services and achieve more competitive pricing have resulted in higher inventories.

Investments

Net investments amounted to DKK 89m compared to DKK 33m in 2014. Investments in software and property, plant and equipment aggregated DKK 53m in 2015 against DKK 77m in 2014. Sales of assets of DKK 43m in 2014 relate mainly to the previously mentioned sale of a facility in Singapore.

Financial position

At 31 December 2015, cash and cash equivalents totalled DKK 186m, while undrawn credit facilities amounted to DKK 70m. Accordingly, total available cash and undrawn credit facilities amounted to DKK 266m. Wrist has entered into a long-term committed financing agreement with credit facilities enabling both current operations and planned expansion.

Net interest-bearing debt amounted to DKK 469m at 31 December 2015 (DKK 474m at the end of 2014). The net interest-bearing debt as a ratio to like-for-like EBITDA improved to 2.1 in 2015 from 2.3 in 2014.

Subsequent events

Since the balance sheet date, Wrist has acquired Garrets International Ltd., a global provider of provision management solutions to ship owners and ship managers. Garrets has annual sales in excess of DKK 0.5bn, and the acquisition will strengthen Wrist's presence in this niche market. The acquisition was financed by available cash and a new committed credit facility.

Outlook for 2016

The shipping industry expects 2016 to be another challenging year in most of segments. Activity in the ship supply markets is dependent on the number of ships in operation, and thus the growth in global transports driven by global economic growth. However, Wrist expects growth in supplies to the shipping markets. The outlook in the offshore sector is depressing due to the consistently low oil prices and thus a lower demand for drilling rigs, seismic offshore support and other specialised ships.

The recent acquisitions have strengthened the Group's position in key market segments and will, combined with new green field establishments, underpin Wrist's strong market position and the strength of its business model. The continued focus on developing a robust and stable logistics and technological infrastructure, supported by financial resources, a global presence, agility and the high quality of its products and services, remains the mainstay of the business.

Overall, Wrist anticipates organic growth in sales, benefitting from the Group's strong market position and the constant enhancements of its business model. For 2016, Wrist expects total sales of DKK 4.2-4.5bn and an operating profit (EBITDA) of DKK 270-290m. The outlook is based on foreign exchange rates similar to the December 2015 rates.

STATEMENT BY MANAGEMENT

The Board of Directors and the Executive Board have today considered and approved the annual report of Wrist Ship Supply A/S for the financial year 1 January – 31 December 2015.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2015 and of the results of their operations and cash flows for the financial year 1 January – 31 December 2015.

In our opinion, the management commentary contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent face.

We recommend the annual report for adoption at the Annual General Meeting.

Aalborg, 9 March 2016

Executive Board

Robert Steen Kledal
CEO

Anders Skipper
Executive Vice President, CFO

Søren Juul Jørgensen
Executive Vice President, CCO

Martin Gaard Christiansen
Executive Vice President

Board of Directors

Søren Dan Johansen
Chairman

Tom Sten Behrens-Sørensen

Kurt Kokhauge Larsen

Petter Samlin

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Wrist Ship Supply A/S

Report on the consolidated financial statements and parent financial statements

We have audited the consolidated financial statements and parent financial statements of Wrist Ship Supply A/S for the financial year 1 January 2015 – 31 december 2015, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including the accounting policies, for the Group as well as the Parent. The consolidated financial statements and parent financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent 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 the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the overall presentation of the consolidated financial statements and parent 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 consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2015, and of the results of their operations and cash flows for the financial year 1 January 2015 – 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of the Danish Financial Statements Act.

Statement on the management commentary

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

Copenhagen, 9 March 2016

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No 33 96 35 56

Lynge Skovgaard	**Rasmus B. Johnsen**
State-Authorised Public Accountant	State-Authorised Public Accountant

ACCOUNTING POLICIES AND CHANGES AS A RESULT OF THE TRANSITION TO IFRS

The 2015 consolidated financial statements of Wrist Ship Supply A/S are presented in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for the financial statements of class C enterprises, cf. the Danish Executive Order on IFRS (*IFRS-bekendtgørelsen*) issued in accordance with the Danish Financial Statements Act. Wrist Ship Supply A/S is a limited company incorporated in Denmark.

The consolidated financial statements are presented in Danish kroner (DKK'000), which is the presentation currency for the group's activities and the functional currency for the parent company.

The consolidated financial statements are presented on the basis of historical costs, except for derivative financial instruments. The most important elements of the accounting policies and changes resulting from new and changed standards are described below. The accounting policies in general are described in note 26.

Changes in accounting policies as a result of the adoption of IFRS

The 2015 consolidated financial statements are the first financial statements to be prepared in accordance with IFRS.

Upon transition to IFRS, IFRS 1 "First-time Adoption of International Financial Reporting Standards" has been applied. According to this standard, the opening balance sheet as at 1 January 2014 and the comparative figures for 2014 have been prepared in accordance with the standards and interpretations applicable as at 31 December 2015. The opening balance sheet as at 1 January 2014 has been prepared as if these standards and interpretations had always been applied, except for situations where the special transitional and commencement provisions in IFRS 1 described below apply.

The transition to preparing financial statements and consolidated financial statements in accordance with IFRS has made it necessary to change the Group's accounting policies in a number of important areas regarding recognition and measurement:

- Restatement of goodwill and no more amortisation of goodwill.
- Lease payments are recognised as an expense on a straight-line basis over the lease term.
- Estimated costs of contractual obligations in lease contracts for the dismantling and removing of items and restoration of sites at the end of lease terms have been recognised as part of PP&E and amortised over the lease term.
- The impact of the changes on deferred tax.

The main rule for the accounting treatment of changes to the accounting policies is that in the year of change, the annual report must be prepared with retroactive effect as if the Group had always applied the new accounting policies. This includes the restatement of comparative figures. In connection with the transition to IFRS, IFRS 1 contains a number of mandatory and optional exceptions to this main rule.

- Business combinations completed before 1 January 2014, including related determined pre-acquisition balance sheets and goodwill amounts, have not been adjusted in accordance with the provisions of IFRS 3.
- The amount to be included in the cost of property, plant and equipment related to decommissioning and restoration liabilities has been determined in accordance with the exemption in IFRS 1:D21.
- Cumulative translation differences that existed at the date of transition to IFRSs have been deemed to be zero in accordance with the exemption in IFRS 1:D13.

Apart from changes regarding recognition and measurement, the presentation and classification of accounting items have been changed for the following areas due to the transition to IFRS:

- Non-controlling interests are presented as part of consolidated equity.
- Provisions are included under current and non-current liabilities, respectively.

The monetary effect of the changes in accounting policies as a result of the transition to reporting according to IFRS is specified in note 1.

Application of new and revised International Financial Reporting Standards (IFRSs)

Amendments to IFRSs that are mandatorily effective for the current year

New and revised standards and interpretations that are mandatorily effective for 2015 have been implemented as part of the transition to IFRS.

New and revised IFRSs in issue but not yet effective

At the time of publication of the 2015 consolidated financial statements of Wrist Ship Supply A/S, there are a number of new or changed standards and interpretations which have not yet come into effect and which therefore have not been incorporated into the consolidated financial statements.

IFRS 15 “Revenue from Contracts with Customers” is effective for annual periods beginning on or after 1 January 2018.

Wrist Ship Supply A/S is currently analysing the potential effects of IFRS 15; however, since the analysis is at a preliminary stage, it is not possible to provide an estimate of the expected consequences. The preliminary analysis indicates that the more detailed requirements on identifying performance obligations as well as the requirements on determining whether revenue should be recognised over time or at a point in time may to some extent affect the timing of future revenue recognition; however, this is not expected to have any material impact on future consolidated financial statements.

IASB has also issued IFRS 9 “Financial Instruments”, which also awaits EU endorsement. The new standard will change the provisions for bad debts, which will be based on expected losses and not incurred losses. Wrist Ship Supply A/S is assessing the impact of the standard, but it is not expected to have any material impact on future consolidated financial statements.

IFRS 16 “Leases” is effective for annual periods beginning on or after 1 January 2019.

Wrist Ship Supply A/S has not begun analysing the possible effects of IFRS 16 yet; however, as Wrist Ship Supply A/S has significant operating lease commitments, IFRS 16 is expected to increase non-current assets (right-of-use assets) as well as lease liabilities, and will also impact the income statement, cash flow statement and equity to some degree.

Other new or revised IFRSs in issue but not yet effective are not expected to have any material impact on future consolidated financial statements.

CONSOLIDATED INCOME STATEMENTS

	Note	2015 DKK'000	2014 DKK'000
Net Sales	2	3,674,577	3,347,343
Cost of sales		-2,742,133	-2,541,935
Gross profit		**932,444**	**805,408**
Other external expenses	3	-253,550	-221,800
Staff costs	4	-452,531	-375,132
Other operating income		0	32,204
Other operating expenses		1,235	162
Depreciation, amortisation and impairment	5	-37,506	-30,089
Operating profit before interest and tax (EBIT)		**190,092**	**210,753**
Financial income	6	22,366	20,042
Financial expenses	7	-73,938	-66,969
Profit before tax (EBT)		**138,520**	**163,826**
Income tax	8	-33,852	-33,712
Profit for the year		**104,668**	**130,114**
Attributable to:			
Shareholders of Wrist Ship Supply A/S		104,555	130,091
Non-controlling interests		113	23

STATEMENT OF COMPREHENSIVE INCOME

	Note	2015 DKK'000	2014 DKK'000
Profit for the year		104,668	130,114
Other comprehensive income			
Items that can be reclassified to the income statement when certain conditions are met:			
Exchange differences, foreign entities		20,625	17,451
Fair value adjustment for the year relating to hedging instruments		905	-2,489
Tax relating to hedging instruments		-212	498
Total comprehensive income		**125,986**	**145,574**
Attributable to:			
Shareholders of Wrist Ship Supply A/S		125,873	145,551
Non-controlling interests		113	23
		125,986	**145,574**

CONSOLIDATED CASH FLOW STATEMENT

	Note	2015 DKK'000	2014 DKK'000
Profit before tax (EBT)		138,520	163,828
Amortisation and depreciation		37,506	30,089
Working capital changes	19	-9,799	3,775
Adjustments for non-cash items	20	52,549	16,031
Cash flow from ordinary operating activities		**218,776**	**213,723**
Financial income		22,461	19,914
Financial expenses		-68,629	-62,600
Income taxes refunded/paid		-29,363	-35,177
Cash flow from operating activities (CFFO)		**143,245**	**135,860**
Acquisition etc of intangible assets		-15,020	-27,382
Acquisition etc of property, plant and equipment		-37,495	-49,516
Sale of property, plant and equipment		2,694	43,200
Acquisition of enterprises		-39,620	0
Disposal of enterprises		0	217
Cash flow from investing activities (CFFI)		**-89,441**	**-33,481**
Loans raised		39,617	82,200
Instalments on loans etc		-39,766	-87,312
Dividend paid		0	-40,000
Other cash flows from financing activities		257	-2,593
Cash flows from financing activities		**108**	**-47,705**
Cash flow for the year		**53,912**	**54,673**
Cash and cash equivalents at 1 January		132,169	77,214
Currency translation adjustments of cash and cash equivalents		-171	282
Cash and cash equivalents at 31 December		**185,911**	**132,169**

The cash flow statement cannot be derived from the published financial information only.

CONSOLIDATED BALANCE SHEET, ASSETS

	Note	2015 DKK'000	2014 DKK'000	1 January 2014 DKK'000
Goodwill		380,728	322,155	292,279
Software		33,031	3,501	4,105
Intangible assets in development		11,732	29,859	6,614
Intangible assets	9	**425,491**	**355,515**	**302,998**
Land and buildings		75,033	78,184	91,692
Fixtures and fittings, tools and equipment		105,891	95,246	76,417
Leasehold improvements		18,892	15,796	5,689
Prepayments for property, plant and equipment		0	593	0
Property, plant and equipment	10	**199,815**	**189,819**	**173,797**
Investments in associates		0	0	226
Deferred tax assets	13	16,047	22,686	22,253
Other non-current assets		**16,047**	**22,686**	**22,479**
Total non-current assets		**641,353**	**568,020**	**499,274**
Inventories		**218,230**	**195,202**	**166,467**
Trade receivables	15	574,949	549,142	469,425
Receivables from group enterprises		14,322	1,739	10,253
Income tax receivable		1,467	3,532	4,561
Other receivables		73,811	65,520	53,306
Prepayments		7,295	7,497	9,374
Receivables		**671,844**	**627,430**	**546,919**
Cash and cash equivalents		**185,911**	**132,169**	**77,214**
Total current assets		**1,075,984**	**954,801**	**790,600**
Total assets		**1,717,337**	**1,522,820**	**1,289,874**

CONSOLIDATED BALANCE SHEET EQUITY AND LIABILITIES

	Note	2015 DKK'000	2014 DKK'000	1 January 2014 DKK'000
Share capital		16,112	16,112	16,112
Foreign currency translation reserve		38,076	17,451	0
Hedging reserves		-1,676	-2,369	-378
Retained earnings		410,604	306,049	215,958
Shareholders´ share of equity		**463,116**	**337,243**	**231,692**
Non-controlling interests		**88**	**-25**	**-48**
Total equity		**463,204**	**337,218**	**231,644**
Deferred tax	13	6,892	3,543	3,340
Provisions	16	7,672	6,491	4,681
Accrual for straight-line lease expense		14,480	12,852	10,986
Debt to mortgage credit institutions	17	2,998	3,271	5,375
Debt to credit institutions	17	489,688	477,768	436,343
Leasing debt	17	34,117	38,212	36,632
Other debt	17	42	114	371
Total non-current liabilities		**555,890**	**542,251**	**497,727**
Instalment of non-current debt next year	17	91,673	54,006	37,446
Provisions	16	19	107	0
Debt to credit institutions		0	7,545	9,592
Trade creditors		379,303	384,155	315,231
Debt to group enterprises		38,273	27,612	3,483
Corporate tax		7,185	13,868	18,033
Other payables	18	175,668	152,170	176,150
Deferred income		6,122	3,888	568
Total current liabilities		**698,243**	**643,351**	**560,503**
Total liabilities		**1,254,133**	**1,185,602**	**1,058,230**
Total equity and liabilities		**1,717,337**	**1,522,820**	**1,289,874**

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

DKK'000	Share capital	Retained earnings	Foreign currency translation adjustment	Hedging reserves	Wrist Ship Supply's share	Non-controlling interests	Total
Shareholders equity at 1 January 2015	**16,112**	**306,049**	**17,451**	**-2,369**	**337,243**	**-25**	**337,218**
Profit for the year	0	104,555	0	0	104,555	113	104,668
Other comprehensive income	**0**	**0**	20,625	693	21,318	**0**	21,318
Total comprehensive income	**0**	**104,555**	**20,625**	**693**	**125,873**	**113**	**125,986**
Shareholders equity at 31 December 2015	**16,112**	**410,604**	**38,076**	**-1,676**	**463,116**	**88**	**463,204**
Shareholders equity at 1 January 2014	**16,112**	**228,840**	**0**	**-378**	**244,574**	**-48**	**244,526**
Adjustment according to IFRS	0	-12,882	0	0	-12,882	0	-12,882
Adjusted equity at 1 January 2014	**16,112**	**215,958**	**0**	**-378**	**231,692**	**-48**	**231,644**
Profit for the year	0	130,091	0	0	130,091	23	130,114
Other comprehensive income	0	0	17,451	-1,991	15,460	0	15,460
Total comprehensive income	**0**	**130,091**	**17,451**	**-1,991**	**145,551**	**23**	**145,574**
Dividend distributed	0	-40,000	0	0	-40,000	0	-40,000
Shareholders equity at 31 December 2014	**16,112**	**306,049**	**17,451**	**-2,369**	**337,243**	**-25**	**337,218**

Number of shares is 16,112 with the nominel value of DKK 1,000.

Dividend per share declared in 2014 amounted to DKK 2,483. No dividend was declared in 2015.

NOTES

1 Effect of IFRS and Critical accounting judgements and key sources of estimation uncertainty

1.1 Effect of IFRS

The consolidated financial statements included in this annual report have been prepared in accordance with the international Financial Reporting Standards (IFRS) as adopted by the EU and additional disclosure requirements in the Danish Financial Act.

The financial statements for 2015 are the first financial statements of the Group to be prepared in accordance with IFRS. The amounts in the consolidated financial statements for 2015 and 2014 as well as the opening balance sheet at 1 January 2014 have been prepared as if IFRS had always been applied, except where the Group has applied the special provisions of IFRS 1 "First-time Adoption of IFRSs" as explained below. Financial highlights and key ratios for the years 2011-2013 in the management commentary have not been restated.

The consolidated effects of the transition to IFRS on the income statement and balance sheet position are shown in the overview below with explanatory notes:

	1 January 2014			31 December 2014			
DKK'000	**Assets**	**Liabilities**	**Equity**	**Profit/loss**	**Assets**	**Liabilities**	**Equity**
Applied after Danish GAAP	**1,287,869**	**1,043,295**	**244,574**	**104,490**	**1,494,252**	**1,166,784**	**327,468**
Reversed amortisation of goodwill	0		0	30,732	30,651		30,651
Other non current assets	-2,205		-2,205	564	-4,059	0	-4,059
Provisions	0	4,681	-4,681	-626	0	6,598	-6,598
Accrual for straight line lease expense		10,986	-10,986	-1,505		12,852	-12,852
Other changes	3,369	191	3,178	-2,104	2,320	435	1,885
Tax effect on above changes	841	-970	1,811	-1,314	-344	-1,094	750
Currency effect on IFRS conversion				-144			
Adjustments Total	**2,005**	**14,887**	**-12,882**	**25,603**	**28,568**	**18,791**	**9,777**
Non-controlling interests		48	-48	23		25	-25
Applied after IFRS	**1,289,874**	**1,058,230**	**231,644**	**130,116**	**1,522,820**	**1,185,600**	**337,220**

Goodwill

Goodwill is no longer amortised in the income statement. Instead, the Group performs impairment tests annually and when there are indications for impairments. Until this point in time, goodwill has been amortised on a straight-line basis over its economic life up to a maximum of 15 years. At the transition to IFRS, the Group has exercised the exemption provision of IFRS 1, which allows the use of the carrying value of goodwill at the date of transition as the new cost price in the opening balance sheet as at 1 January 2014.

Straight-line Lease

According to IFRS, lease payments under operating leases must be recognised as an expense in the income statement over the term of lease on a straight-line basis. Previously, lease expenses were recognised in the income statement when paid.

1.1 Effect of IFRS continuing

Provisions and property, plant and equiment
Decommissioning and restoration liabilities primarily related to leasehold improvements and assets installed in rented premises are recognises as a provision with a corresponding addition to the cost of property plant and equipment. Upon transition to IFRS, Wrist has applied the exemption in IFRS 1:D21, whereby the carrying value of the addition to property plant and equipment in the opening balance sheet is calculated as the liability on the date of transition, discounted back to the date when the liability arose, less accumulated depreciation from that date and until the date of transition.

1.2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 26, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill
Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The key assumptions used in the impairments tests of goodwill are disclosed in note 11.

Revenue recognition
Revenue for the sale of goods is recognized in accordance with IAS 18, when Wrist Ship Supply Group has transferred to the customer the significant risks and rewards of ownership of the goods. Sometimes Wrist Ship Supply Group enters into contracts where the contracted payment for the goods delivered is based on the number of meals prepared from the goods delivered, measured on a monthly basis. However, Wrist Ship Supply Group has transferred all significant risks and rewards related to the goods delivered under such contract upon delivery alongside the ships, including any risk of physical damage to the goods, and do not have any continuing managerial involvement in the goods. The revenue, which can be measured reliably, is therefore recognized upon delivery alongside ship.

	2015 DKK'000	2014 DKK'000
2 Net Sales		
Europe	2,089,212	1,976,877
North America	1,110,779	932,531
Asia	240,632	252,906
Middle East and Africa	199,554	176,346
Other regions	34,400	8,683
	3,674,577	**3,347,343**

The Group is not listed or in the process of becoming listed, and no segment information is disclosed according to IFRS. Revenue is split between geographical regions. This information does not amount to segment information to IFRS.

3 Fees to auditors appointed at the annual general meeting

	2015	2014
Statutory audit	2,506	2,388
Other engagement services	0	119
Tax and VAT services	903	710
Other services	2,855	548
Fees to auditors	**6,264**	**3,765**
Statutory audit (other auditors)	234	135
Other engagement services (other auditors)	118	0
Tax and VAT services (other auditors)	61	73
Other services (other auditors)	493	0
Other fees	**906**	**208**
	7,170	**3,973**

		2015 DKK'000	2014 DKK'000
4	**Staff costs**		
	Wages and salaries	384,078	313,749
	Pension costs	18,172	27,267
	Other social security costs	17,598	6,064
	Other staff costs	32,683	28,052
		452,531	**375,132**
	Global:		
	Average number of full-time employees at 1 January	1,105	981
	Accession	62	124
	Average number of full-time employees at 31 December	1,167	1,105
	Number of full-time employees at 31 December	1,216	1,163
	Denmark:		
	Average number of full-time employees at 1 January	231	205
	Accession	16	26
	Average number of full-time employees at 31 December	247	231
	Number of full-time employees at 31 December	256	236

4 Staff costs continuing

DKK'000	Board of Directors	Executive Board	Other top manage-ment	Total
Remuneration	380	0	0	380
Salary	0	5,424	8,796	14,220
Bonus	0	5,023	2,675	7,698
Pension, company contributions	0	70	396	466
Benefits (car, housing, phone etc.)	0	1,309	1,402	2,711
Cost at 31 December 2015	**380**	**11,826**	**13,269**	**25,475**
Remuneration	538	0	0	538
Salary	0	4,563	8,128	12,691
Bonus	0	4,068	2,289	6,357
Pension, company contributions	0	69	353	422
Benefits (car, housing, phone etc.)	0	390	1,280	1,670
Cost at 31 December 2014	**538**	**9,090**	**12,050**	**21,678**

The Executive Board and a number of members of other top management in both the parent company and in the Group are comprised by special bonus arrangements based on individual performance targets. For the Executive Board the bonus payments are maximized at 75% - 130% of the individual basic salary, and for other top management these vary between 10% to 60% of the individual basic salary. The bonus arrangements are unchanged compared to previous year.

Certain employees and members of management have in May 2015 acquired warrants and shares in the parent Wrist Ship Supply Holding A/S at the fair value of the warrants and shares. The warrants and shares are fully vested and the warrants are exercisable in the period of 28 January to 28 February 2018, or if Wrist Ship Supply Holding is sold or becomes listed before 28 January 2018. However, exercise also requires that certain thresholds for increase in the fair value of the shares in the company are achieved.

A total of 1,101 warrants have been issued and acquired by employees and management with an exercise price of 64,808 per share.

	2015 DKK'000	2014 DKK'000
5 Depreciation, amortisation and impairment		
Amortisation of intangible assets	2,678	4,603
Depreciation of property, plant and equipment	34,828	25,486
	37,506	**30,089**

	2015 DKK'000	2014 DKK'000
6 Financial income		
Financial income arising from Group enterprises	75	565
Interest income	21,105	18,513
Other financial income	1,186	964
	22,366	**20,042**
7 Financial expenses		
Financial expenses from group enterprises	1,234	150
Interest expenses	50,665	46,762
Exchange rate adjustments	6,480	3,304
Financial leasing	2,975	3,028
Other financial expenses	12,584	13,725
	73,938	**66,969**

8 Income tax

Current tax:		
Current tax on profit for the year	24,495	29,150
Adjustment in respect of prior year s	794	1,895
Total current tax	25,289	31,045
Deferred tax:		
Adjustment of deferred tax asset/liability	9,346	3,413
Adjustment of deferred tax asset/liability in respect of prior years	-783	-746
Total deferred tax	8,563	2,667
Total income tax	**33,852**	**33,712**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the profit of the consolidated entities as follows:

Earnings before tax	**138,520**	**163,829**
Calculated tax at Danish statutory rate of 23.5% in 2015 (24.5% 2014)	32,552	40,138
Effect of difference in tax rate in foreign subsidiaries	-771	-187
Adjustment in respect of prior years	-327	811
Effect from change in local tax rate	-781	-729
Income / expenses not subject to tax	3,179	-6,322
Tax charge	**33,852**	**33,712**

The changes in local tax rate is related to deferred tax in individual countries and is due to the gradual decrease in corporate tax rates. The effect in 2015 is due to changes in the timing of reversals of the temporary differences compared to the initial estimate.

	Software DKK'000	Goodwill DKK'000	Intangible assets in development DKK'000	Total DKK'000
9 Intangible assets				
Cost at 1 January 2015	**35,331**	**322,155**	**29,859**	**387,345**
Exchange rate adjustments	2,688	27,575	0	30,263
Additions	118	30,998	14,530	45,646
Transfer to software	32,657	0	-32,657	0
Total cost at 31 December 2015	**70,794**	**380,728**	**11,732**	**463,254**
Amortisation at 1 January 2015	**31,830**	**0**	**0**	**31,830**
Exchange rate adjustments	3,255	0	0	3,255
Amortisation for the year	2,678	0	0	2,678
Total amortisation at 31 December 2015	**37,763**	**0**	**0**	**37,763**
Carrying amount at 31 December 2015	**33,031**	**380,728**	**11,732**	**425,491**
Cost at 1 January 2014	**35,128**	**407,157**	**6,614**	**448,899**
Adjustment according to IFRS	-2,680	0	0	-2,680
Adjusted to net value according to IFRS	0	-114,878	0	-114,878
Adjusted cost at 1 January 2014	**32,448**	**292,279**	**6,614**	**331,341**
Exchange rate adjustments	5	25,952	0	25,957
Additions	2,878	3,924	23,245	30,046
Total cost at 31 December 2014	**35,331**	**322,155**	**29,859**	**387,344**
Amortisation at 1 January 2014	**29,614**	**116,838**	**0**	**146,452**
Adjustment according to IFRS	-1,272	-1,960	0	-3,232
Adjusted to net value according to IFRS	0	-114,878	0	-114,878
Adjusted amortisation at 1 January 2014	**28,342**	**0**	**0**	**28,342**
Exchange rate adjustments	-1,116	0	0	-1,116
Amortisation for the year	4,604	0	0	4,604
Total amortisation at 31 December 2014	**31,830**	**0**	**0**	**31,830**
Carrying amount at 31 December 2014	**3,501**	**322,155**	**29,859**	**355,515**

	Land and buildings DKK'000	Ships, fixtures and fittings, tools and equipment DKK'000	Leasehold improve-ments DKK'000	Prepayments for property, plant and equipment DKK'000	Total DKK'000
10 Property, plant and equipment					
Cost at 1 January 2015	**98,579**	**240,144**	**32,186**	**593**	**371,502**
Exchange rate adjustments	2,073	7,301	2,383	10	11,767
Additions	2,370	33,981	6,218	-8	42,561
Disposals	-462	-27,493	-6,025	0	-33,980
Reclassifications	-952	-6,339	1,485	-595	-6,401
Total cost as at 31 December 2015	**101,608**	**247,594**	**36,247**	**0**	**385,449**
Depreciation at 1 January 2015	**20,395**	**144,898**	**16,390**	**0**	**181,683**
Exchange rate adjustments	767	5,463	1,750	0	7,980
Depreciation for the year	5,980	24,343	4,505	0	34,828
Reversal regarding disposals	-462	-26,385	-5,610	0	-32,457
Reclassifications	-105	-6,616	320	0	-6,401
Depreciation at 31 December 2015	**26,575**	**141,703**	**17,355**	**0**	**185,633**
Carrying amount at 31 December 2015	**75,033**	**105,891**	**18,892**	**0**	**199,816**
Hereof financial leasing	**29,045**	**405**			
Cost at 1 January 2014	**108,832**	**201,949**	**18,700**	**0**	**329,481**
Adjustment according to IFRS	3,301	-372	-170	0	2,759
Adjusted cost at 1 January 2014	**112,133**	**201,577**	**18,530**	**0**	**332,240**
Exchange rate adjustments	633	10,523	1,889	22	13,067
Additions	375	34,636	11,825	571	47,407
Disposals	-14,562	-6,592	-58	0	-21,212
Total cost at 31 December 2014	**98,579**	**240,144**	**32,186**	**593**	**371,502**
Depreciation at 1 January 2014	**24,125**	**127,292**	**11,969**	**0**	**163,386**
Adjustment according to IFRS	-3,683	-2,132	872	**0**	-4,943
Adjusted depreciation at 1 January 2014	**20,442**	**125,160**	**12,841**	**0**	**158,443**
Exchange rate adjustments	306	-3,271	1,382	0	-1,583
Depreciation for the year	5,953	17,322	2,211	0	25,486
Reversal regarding disposals	-6,306	5,687	-44	0	-663
Total depreciation at 31 December 2014	**20,395**	**144,898**	**16,390**	**0**	**181,683**
Carrying amount at 31 December 2014	**78,184**	**95,246**	**15,796**	**593**	**189,819**
Hereof financial leasing	**30,520**	**726**			

11 Impairment test

Goodwill

Besides goodwill there are no intangible assets with indefinite useful lives. At 31 December 2015, the CGUs North America and Offshore accounted for DKK 201m and 129m of the consolidated goodwill. Goodwill allocated across multiple CGUs for which the goodwill so allocated to each unit is not significant amounts to DKK 50m. Wrist Ship Supply Group performed impairment test of the carrying amount of goodwill at 31 December 2015 based on value in use. Impairment testing is performed in Q4 each year, based on the budgets or business plans approved by the Board of Directors.

The impairment test for cash-generating units compares the recoverable amount, equivalent to the present value of the expected future free cash flow, with the carrying amount of the individual cash-generating units. The expected future free cash flow is based on budgets and projections for subsequent years. Key parameters include net sales, gross profit margin, EBIT margin and future capital expenditure, and general growth expectations for the years after 2019.

Budgets and projections for the 2016-2019 period are based on business plans and external market surveys, assessing risks associated with key parameters and incorporating these in expected future free cash flows. The value for the period after 2019 takes in account the general growth expectations of the ship supply and offshore industries.

Growth rates are not expected to exceed the average long-term growth rate in the Group's market for supplying provisions to the global ship fleet, so a growth rate of 1% is used in the terminal period.

The discount rates used to calculate the recoverable amounts are after tax, and reflect the risk-free interest plus specific risks associated with the individual geographic segments. The discount rates for the individual segments are North America 9.2% (10.6 % before tax), and offshore 9.6% (10.2% before tax).

Key assumptions from the impairment testing of goodwill are as follows.

	Increase in EBIT 2016 until terminal period	Increase of Net Working Capital from 2016 until terminal period
North America	10-12%	10-12%
Offshore	10-12%	10-12%

The impairment tests performed at 31 December 2015 for both North America and offshore indicate significantly higher capital values of the assets compared to the carrying amounts, and the impairment tests are therefore not sensitive to changes in the significant conditions and factor.

12 Subsidiaries

Company name	Registered office in	City	Ownership share %
Wrist Far East (Singapore) Pte. Ltd.	Singapore	Singapore	100
Wrist Far East (Malaysia) SDN BHD	Malaysia	Jahor Bahru	100
Wrist Middle East (U.A.E.) LLC	Dubai, U.A.E.	Dubai	100
H.S. Hansen A/S	Denmark	Nørresundby	100
Danish Supply Corporation A/S	Denmark	Esbjerg	100
Saga Shipping A/S	Denmark	Skagen	100
Aalborg Trosseføring ApS	Denmark	Skagen	70
Gasværksvej Aalborg A/S	Denmark	Nørresundby	100
Skagen Lodseri A/S	Denmark	Skagen	100
Rederiet Skawlink IV A/S	Denmark	Skagen	100
Wrist Offshore Supply A/S	Denmark	Nørresundby	100
Wrist Africa Tanger SARL	Marocco	Tanger	100
J.A. Arocha S.L.	Spain	Las Palmas	100
Wrist Europe Intership (Algeciras) S.L.	Spain	Algeciras	100
Wrist Europe (Gibraltar) Ltd.	Gibraltar	Gibraltar	100
Wrist Europe (Marseille) SAS	France	Marseille	100
Wrist Europe (Norway) AS	Norway	Haugesund	100
Wrist-Kooyman Ship-Supply B.V.	Netherlands	Rotterdam	100
Wrist Europe (UK) Ltd.	United Kingdom	London	100
Strachans Ltd.	United Kingdom	Peterhead	100
Wrist North America Inc.	USA	Pasadena	100
Marwest dba West Coast LLC	USA	Oakland	100
East Coast Ship Supply LLC	USA	New Jersey	100
Wrist USA (Houston) Inc	USA	Pasadena	100
World Delivery Enterprises LLC	USA	Pasadena	100
Karlo Corporation Supply & Services	Canada	Montreal	100
Wrist Hong Kong Trading Company Ltd.	Hong Kong	Hong Kong	100
Wrist Shenzhen Trading Company Ltd.	China	Shenzhen	100
North Sea Stores Ltd.	United Kingdom	Aberdeen	100
Den Helder Stores B.V.	Netherlands	Den Helder	100
Wrist Holding NL B.V.	Netherlands	Rotterdam	100

13 Deferred tax assets and deferred tax liabilities

2015 DKK'000	Deferred tax, intangible assets	Deferred tax, tangible assets	Deferred tax, current assets	Deferred tax, provisions	Defered tax, long term liabilities	Deferred tax, short term liabilities	Total deferred tax
Defered tax begining of year	**-106**	**1,790**	**-21,998**	**-3,191**	**4,416**	**-54**	**-19,143**
Charge to the income statement	5,449	-144	1,191	-1,289	3,010	347	8,563
Exchange rate adjustments	2,050	-793	-1,265	-750	1,822	190	1,253
Other adjustments	0	39	0	133	0	0	172
Deferred tax end of year	**7,393**	**891**	**-22,073**	**-5,096**	**9,248**	**483**	**-9,155**

Deferred tax is presented in the balance sheet as follows:	
Deferred tax asset	16,047
Deferred tax liability	6,892
Deferred tax asset year end, net	9,155

The Group experts to utilize the deferred tax assets, as the Group entities generel have a positive taxable income

2014 DKK'000	Deferred tax, intangible assets	Deferred tax, tangible assets	Deferred tax, current assets	Deferred tax, provisions	Defered tax, long term liabilities	Deferred tax, short term liabilities	Total deferred tax
Defered tax begining of year	**1,450**	**954**	**-18,633**	**-5,122**	**1,668**	**44**	**-19,639**
Charge to the income statement	-1,519	811	795	-267	2,937	-93	2,666
Change in tax rate	-54	-20	59	4	3	3	-5
Exchange rate adjustments	16	45	-4,219	2,192	-193	-8	-2,167
Deferred tax end of year	**-106**	**1,790**	**-21,998**	**-3,191**	**4,416**	**-54**	**-19,143**

Deferred tax is presented in the balance sheet as follows:	
Deferred tax asset	22,686
Deferred tax liability	3,543
Deferred tax asset year end, net	19,143

The Group experts to utilize the deferred tax assets, as the Group entities generel have a positive taxable income

14 Acquisition of companies

In 2015, Wrist Ship Supply Group acquired two small companies, Den Helder Stores B.V. and North Sea Stores Ltd. The acquisitions where made to ensure a supply chain within the offshore operations of Wrist Ship Supply Group. The total acquisition price is DKK 46m. The companies did not contribute significantly to Net sales and net profit in 2015.

Non-current assets	
Property, plant and equipment	2,201
Current assets	
Inventories	5,814
Account receivable	12,148
Other current recievables	2,842
Cash and cash equivalents	6,350
Non-current and current liabilities	
Loans	-746
Accounts payable	-9,224
Other debt	-4,412
Acquired net assets	**14,973**
Goodwill	30,998
Consideration paid in cash	**45,971**
Cash and cash equivalents acquired	-6,350
Cash flow from acquisition of enterprises	**39,621**

On 28 January 2016, Wrist Ship Supply Group acquired Garrets International Ltd. As the acquisition took place after the balance sheet date, Wrist has not yet been able to determine the fair values of assets and liabilities acquired in accordance with Wrist's accounting policies. The below figures show the carrying amounts of the net assets acquired at 28 January 2016 according to the accounting policies of Garrets International Ltd.
The acquisition price for 100% of the shares was DKK 280m. The purpose of the acquisition is to grow the budget management segment of the Wrist Ship Supply Group and ensure a sales channel.

Cost relating to the acquistion are DKK 5.8m.

14 Acquisition of companies continuing

Non-current assets	
Property, plant and equipment	2,140
Intangible assets	116,154
Current assets	
Account receivable	102,143
Other current recievables	19,737
Cash and cash equivalents	31,114
Non-current and current liabilities	
Loans	-69,157
Accounts payable	-103,439
Other debt	-47,358
Acquried net assets	**51,334**

	2015	2014
	DKK'000	DKK'000

15 Trade receivables

	2015	2014
Trade receivables	595,496	573,105
Provisions for impairment of trade receivables	-20,547	-23,963
	574,949	**549,142**
Impairment losses at 1 January	-23,963	-26,384
Exchange rate adjustments	-868	-879
Impairment losses in the year	2,675	-556
Realised in the year	1,609	3,856
Impairment losses at 31 December	**-20,547**	**-23,963**

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concerntration of credit risk is limited due to the fact that the customer base is large and unrelated.

Overdue trade receivables not written down are broken down as follows:

	2015	2014
Overdue 1-30 days	130,136	115,835
Overdue 31-60 days	45,724	40,931
Overdue 61-90 days	22,596	18,129
Over 90 days	35,599	33,856
	234,055	**208,751**

Included in the provision for impairment of trade receivables are individually impaired trade receivables amounting to DKK 9,046 (31 December 2014: DKK 6,454).

16 Provisions

DKK'000	Provisions for pension and pension-like liabilities	Provisions for restoration liabilities	Provisions for dismantling liabilities	Total provisions
Provisions at 1 January 2015	**1,290**	**2,913**	**2,395**	**6,598**
Increase	71	366	413	**850**
Discounting interests	0	180	61	**241**
Decrease	-99	0	0	**-99**
Exchange rate adjustments	-9	1	110	**102**
Provisions at 31 December 2015	**1,253**	**3,460**	**2,979**	**7,692**
Non-current provisions	**1,234**	**3,460**	**2,979**	**7,673**
Current provisions	**19**	**0**	**0**	**19**
Provisions at 1 January 2014	**1,276**	**2,162**	**1,166**	**4,604**
Increase	14	556	1,097	**1,667**
Discounting interests	0	195	43	**238**
Decrease	0	0	0	**0**
Exchange rate adjustments	0	0	89	**89**
Provisions at 31 December 2014	**1,290**	**2,913**	**2,395**	**6,598**
Non-current provisions	**1,290**	**2,805**	**2,395**	**6,491**
Current provisions	**0**	**107**	**0**	**107**

Provisions for restoration liabilities are where the Group has an obligation to restore rented facilities upon vacating such facilities.

Provisions for dismantling liabilities are where the Group is obligated to dismantle assets placed in rented facilities.

Provisions for pension and pension-like liabilities are where the Group is obligated to pay anniversary bonuses etc.

	Payments due one year DKK'000	Payments due between 1-5 years DKK'000	Outstand-ing after 5 years DKK'000
17 Total non-current liabilities			
Debt to mortgage credit institutions	275	2,081	917
Leasing debt	4,553	34,117	0
Debt to credit institutions	79,249	489,688	0
Other debt	7,596	42	0
	91,673	**525,928**	**917**

	2015 DKK'000	2014 DKK'000
18 Other payables		
Social security and other related expenses	43,092	26,414
Customer bonuses	19,885	9,833
Commissions	48,121	52,082
VAT	4,299	500
Financial instruments - market value	2,253	3,159
Other accrued expenses	58,018	60,182
	175,668	**152,170**
19 Change in working capital		
Increase/decrease in inventories	-5,283	-16,831
Increase/decrease in receivables	89,686	21,751
Increase/decrease in trade payables etc.	-94,202	-2,854
	-9,799	**2,066**

20 Adjustments for non-cash items

	2015 DKK'000	2014 DKK'000
Financial income and expenses	51,571	46,927
Gains/losses from sale of non-current assets	-1,235	-33,394
Change in provisions	2,213	2,499
	52,549	**16,032**

21 Mortgages and collateral

Land and buildings have been used to secure mortgage loans totalling DKK 3,273k. The book value is DKK 8,361k as at 31 December 2015.

As security for the Group's credit facilities, Wrist Ship Supply Holding A/S has issued floating-charge and share pledge securities to Nordea for all material companies in Wrist Ship Supply A/S.

Joint taxation arrangement
The company is party to a mandatory Danish joint taxation arrangement with Wrist Adm ApS serving as the administration company. The joint taxation arrangement complies with general Danish tax legislation and has included other Danish sister companies due to common ultimate ownership. Due to the joint taxation, under Danish tax legislation, the company is subject to partial joint and secondary liability from the financial year 2013 for income taxes etc. for the jointly taxed companies, and from 1 July 2012 also partial joint and secondary liability for obligations, if any, relating to withholding of tax on interest, royalties and dividend for the jointly taxed companies. In both cases, however, secondary liability cannot exceed an amount equivalent to the share of capital of the company which is owned directly or indirectly by the ultimate parent. Tax liabilities concerning sister companies previously included in the joint tax arrangement and for which the company may be jointly liable as described above are covered by an indemnification agreement with W.S.S. Holding A/S.

22 Lease commitments

Financial lease commitments

2015	Payments due one year DKK'000	Payments due between 1-5 years DKK'000	Outstand-ing after 5 years DKK'000
Minimum lease payments	3,550	39,198	0
Present value of minimum lease payments	3,283	27,776	0

The Group is obligated to purchase Gasværksvej 46-48, Denmark in 2020 for DKK 25m.

Tenants have rental commitments vis-á-vis Wrist Ship Supply A/S in period of notice DKK 8,590k.

The rental income for the year is DKK 3,485m which is included in Other external expenses.

2014	Payments due one year DKK'000	Payments due between 1-5 years DKK'000	Outstand-ing after 5 years DKK'000
Minimum lease payments	3,550	42,748	0
Present value of minimum lease payments	3,283	28,729	0

22 Lease commitments continuing

Operational lease commitments

Operating leases related to leases of building and equipment with lease terms between 5 and 10 years. The Group does not have an option to purchase the leased building or equipment at the end of the lease terms.

2015	Payments due one year DKK'000	Payments due between 1-5 years DKK'000	Outstand-ing after 5 years DKK'000
Minimum lease payments	42,302	139,621	95,503
Present value of minimum lease payments	40,165	116,652	64,851

2014	Payments due one year DKK'000	Payments due between 1-5 years DKK'000	Outstand-ing after 5 years DKK'000
Minimum lease payments	56,088	122,616	138,550
Present value of minimum lease payments	53,255	102,442	91,767

	2015 DKK'000	2014 DKK'000
Minimum lease payments in the profit for the year	40,158	3,464

Tenants have rental commitments vis-á-vis Wrist Ship Supply A/S in period of notice DKK 2,350k.

The rental income for the year is DKK 2,100m which is included in Other external expenses.

23 Related parties and group relations

Related parties of the company are Wrist Ship Supply Holding A/S, W.S.S. Holding A/S, O.W. Lux SARL and their subsidiaries.

Altor Fund II GP Limited, Jersey controls W.S.S. Holding A/S, which is the upper Danish holding company of the Group.

Transactions with parent entities.

	2015 DKK'000	2014 DKK'000
Financial items, net	-1,160	-408
Financial receivables	1,955	1,804
Financial payables	-38,364	-25,889

All transactions were made on terms equivalent to arm's length principles.

24 Financial risks and financial instruments

Financial risk factors refer to fluctuations in the Group's results, cash flows and financial position due to changes in financial exposure. The overall objective of risk monitoring and control is to provide cost-effective financing and to minimise potential adverse impacts from market fluctuations.

Exchange rate risk
The Group's business activities are predominantly based in USD, GBP, SGD and EUR, and many credit facilities are denominated in DKK, USD and GBP (currencies listed according to the size of aggregated amounts). In order to reduce the exchange rate risk, Wrist aims to match costs and revenues, as well as assets and liabilities, through representation in the countries in which Wrist operates, and transacting in the functional currencies of the various business units. Therefore, most of the business has no or very limited transaction-related exchange rate exposure. Significant investments in foreign entities are financed in the investment currency. Consequently, material currency exposure for the Group is limited to translation risks related to foreign subsidiaries, and the loans taken out to finance these investments.

The Group is mainly exposed to the currencies USD and GBP.

The following table details the Group's sensitivity to a 10% increase in USD and GBP. The sensitivity analysis includes investments in relevant subsidiaries and external debt, where the debt is denominated in the relevant currency. A positive number indicates an increase in profit/(loss) or equity where the currency strengthens 10% against DKK at the balance sheet date. A 10% weakening of the currency would have a comparable but opposite impact on profit/(loss) and equity.

	USD impact		GBP impact	
	2015	**2014**	**2015**	**2014**
Impact on profit/(loss) from translation of debt and investments in subsidiaries	-23,232	-24,817	-12,837	-13,310
Impact on equity from translation of debt and investments in subsidiaries	-15,832	-20,386	-116	-508

Interest rate risk
The interest rates of credit facilities are variable. Wrist uses derivative contracts to hedge the interest rate risks, and currently the company has chosen to hedge most of such risks for a period of 15 months. Under the interest rate derivative contracts, the Group agrees to exchange the difference between fixed and floating-rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the cash flow exposures on the issued variable-rate debt.

24 Financial risks and financial instruments continuing

Derivative financial instruments hedging future cash flow

Currency and DKK	Currency	DKK'000	2015 Book value	2014 Book value
Loan USD, expiring March 2017	25,037	171,619	-175	-370
Loan DKK, expiring March 2017	113,333	113,333	-1,377	-1,734
Loan GBP, expiring March 2017	4,895	50,319	-339	-548
Loan GBP, expiring March 2017	4,000	41,118	-362	-507
			-2,253	**-3,159**

Fair value adjusments on hedging instruments recognised in other comprehensive income in 2015 amounts to DKK 905k (2014: DKK -2,489k).

Interest rate sensitivity analysis:
If interest rates had been 100 basis points higher and all other variables constant, the Group's profit for the year ended 31 December 2015 would decrease by DKK 4m (2014: decrease by DKK 4m) due to the Group's exposure to interest rates on variable-rate borrowings, partly offset by a change in the fair value of interest rate derivative contracts.

The sensitivity analysis was based on the Group's exposure to floating-rate liabilities and derivatives at the end of the reporting period. For floating-rate liabilities, the analysis is based on the assumption that the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

Liquidity risk
Wrist has entered into a long-term committed financing agreement with credit facilities enabling both the current operations and planned expansion. Treasury management is centralised and ensures that sufficient financial resources are available to meet planned requirements. This is done by ensuring that the cash flow on a monthly basis matches the planned cash needs. The entities in the Wrist Ship Supply Group have a positive cash flow on a monthly basis. Wrist is in a sound financial position with significant positive cash flows from operating activities and adequate cash reserves.

Credit risk
Credit risk mainly relates to trade debtors, other receivables and cash at banks. The aggregate amounts recognised under these items in the balance sheet constitute the maximum credit risk. Receivables relate to shipping, ship management and catering companies. Credit risk associated with the shipping industry is handled by the global credit function, which monitors the creditworthiness of existing and new customers and assists in collection. Wrist conducts individual assessments of customer creditworthiness, and credit lines are managed globally. Cash is held with banks with high credit ratings.

24 Finansiel risks and financial instruments continuing

Fair value measurements

Wrist Ship Supply Group measures financial instruments hedging future cash flow at fair value level 2.

Wrist does not have any assets or liabilities measured at fair value other than interest rate derivative contracts entered into to hedge future cash flows of floating-rate financing. Interest rate derivative contracts are measured at fair value based on discounted cash flows based on observable input (level 2). Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

The management is of the opinion that the carrying amounts of all other financial assets and liabilities recognised in the consolidated financial statements approximate their fair values.

Capital structure

The Company's management assesses whether the Group's capital structure is in line with the interests of the company and its shareholders. The overall objective is to ensure a capital structure that supports long-term profitable growth. As of 31 December 2015, the Group's interest-bearing debt net comprise DKK 469 million (2014: DKK 474 million), which is considered a reasonable level compared to the current need for financial flexibility. There are no changes in the Group's guidelines and procedures for managing capital structure in 2015.

25 Events after the reporting period

Apart from the acquisition of Garrets International Ltd. mentioned in note 14, there have been no post-balance sheet events material to this Annual Report which have not been recognised or mentioned.

26 Accounting policies

Accounting policies are as described below.

Consolidated financial statements

The consolidated financial statements incorporate the financial statements of Wrist Ship Supply A/S (the parent company) and entities controlled by Wrist Ship Supply A/S and its subsidiaries. Control is achieved when the parent company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The parent company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Wrist Ship Supply A/S and its subsidiaries. The consolidated financial statements are prepared by combining items of a uniform nature. All financial statements used for consolidation are presented in accordance with the accounting policies of the Group.

On consolidation, intercompany income and expenses, intercompany accounts and dividends as well as gains and losses on transactions between the consolidated entities are eliminated.

The items in the financial statements of the subsidiaries are recognised in full in the consolidated financial statements.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit/(loss) as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee* Benefits, respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in profit/(loss) as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests’ proportionate share of the recognised amounts of the acquiree’s identifiable net assets. The measurement basis is decided on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment of goodwill is recognised directly in profit/(loss). An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit/(loss) on disposal.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into DKK using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of foreign operations (i.e. disposal of the Group's entire interest in foreign operations or disposal involving loss of control over a subsidiary that includes foreign operations, all of the exchange differences accumulated in equity in respect of such operations attributable to the owners of the parent company are reclassified to profit/(loss).

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of foreign operations are treated as assets and liabilities of such foreign operations and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on the taxable profit for the year. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit/(loss), except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Income statement and statement of comprehensive income

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Cost of sales

Cost of sales includes expenses incurred to purchase goods, adjusted for changes in inventories of goods for resale.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Employee benefits

Retirement benefit costs and termination benefits

Payments to defined-contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Wrist Ship Supply Group does not have any material defined-benefit plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period in which the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits mainly consist of jubilee obligations, and are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Other operating income and expenses

Other operating income and expenses comprise income and expenses of a secondary nature viewed in relation to the Group's primary activities, including gains (losses) from the sale of tangible and intangible non-current assets, if the sales price exceeds the original cost price.

Balance sheet

Intangible assets

Software is recognised initially at cost including the directly attributable cost of preparing the software for its intended use. Software is amortised on a straight-line basis over the estimated useful life (3-5 years).

Internally generated assets arising from development are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources necessary to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

The cost of internally generated assets is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above, and comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

Property, plant and equipment

Sites and buildings, leasehold improvements as well as other facilities, equipment and fixtures are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the acquisition price, costs directly related to the acquisition and the costs of preparing the asset up until such time as the asset is ready for use. Land is not depreciated.

If the acquisition or use of the asset requires the Group to incur costs for dismantling or restoration of the asset, the estimated costs of such measures are recognised as a provision and a part of the cost of the asset concerned, respectively.

The basis of depreciation is the cost of the asset less its residual value. The residual value is the expected amount that could be obtained if the asset were sold today less selling costs if the asset already had the age and was in the condition that the asset is expected to be in at the end of its useful life. The cost of a combined asset is split into smaller parts which are depreciated separately if the useful lives differ.

Depreciation is recognised so as to write off the cost or valuation of assets (other than land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The depreciation periods are as follows:

- Buildings, 20-40 years
- Fixtures and fittings, tools and equipment, 3-6 years
- Leasehold improvements, 3-7 years or the lease term if shorter
- Ships, 15-20 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain/(loss) arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit/(loss).

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

Receivables

Receivables comprise trade receivables and other receivables.

On initial recognition, receivables are measured at fair value and subsequently at amortised cost, which usually corresponds to the nominal value less write-downs for bad debts.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, when it is probable that the Group will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Financial assets in Wrist Ship Supply Group are all classified as ‘loans and receivables' except for assets related to derivatives entered into to economically hedge future cash flows, which are classified as assets at fair value through profit/(loss).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash, and others [describe]) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets are assessed for indications of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Wrist Ship Supply Group has historically not experienced material losses related to receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit/(loss).

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be attributed objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit/(loss) to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the parent company's own equity instruments is recognised and deducted directly in equity. No gain/(loss) is recognised in profit/(loss) on the purchase, sale, issue or cancellation of the parent company's own equity instruments.

Financial liabilities

Financial liabilities in Wrist Supply Group are all classified as 'other financial liabilities' measured at amortised cost except for liabilities related to derivatives entered into to hedge future cash flows, which are classified as liabilities at fair value through profit/(loss).

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derivative financial instruments

The Group enters into interest rate swaps to manage its exposure to interest rate risks. Further details of derivative financial instruments are disclosed in note 24.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/(loss) is recognised in profit/(loss) immediately unless the derivative is designated and effective as a hedging instrument, in which event the gain/(loss) is recognised in other comprehensive income and accumulated in the cash flow hedging reserve in equity.

Segment information

The Group is not listed or in the process of becoming listed, and no segment information is disclosed according to IFRS.

In note 2, revenue is split between Europe and the rest of the world as well as into the sale of goods and services. This information is not segment information in accordance with IFRS.

INCOME STATEMENT

PARENT

	Note	2015 DKK'000	2014 DKK'000
Net Sales	2	455,699	488,270
Cost of sales		-360,604	-386,984
Gross profit		**95,095**	**101,286**
Other external expenses	3	-18,468	-20,539
Staff costs	4	-81,138	-79,919
Depreciation, amortisation and impairment	5	-6,966	-6,567
Operating profit before interest and tax (EBIT)		**-11,477**	**-5,739**
Profit from investments in subsidiaries	6	123,623	147,163
Financial income	7	48,746	38,559
Financial expenses	8	-60,215	-54,928
Profit before tax (EBT)		**100,677**	**125,055**
Income tax	9	3,877	5,037
Profit for the year		**104,554**	**130,092**

STATEMENT OF COMPREHENSIVE INCOME

PARENT

	Note	2015 DKK'000	2014 DKK'000
Profit for the year		104,554	130,092
Other comprehensive income			
Items that can be reclassified to the income statement when certain conditions are met:			
Exchange differences, foreign entities		20,625	17,451
Fair value adjustment for the year relating to hedging instruments		905	-2,489
Tax relating to hedging instruments		-212	498
Total comprehensive income		**125,872**	**145,552**

CONSOLIDATED CASH FLOW STATEMENT

	Note	2015 DKK'000	2014 DKK'000
Profit before tax (EBT)		100,677	125,056
Profit from investments in subsidiaries		-123,623	-147,163
Amortisation and depreciation		6,966	6,567
Working capital changes	19	-31,559	13,362
Adjustments for non-cash items	20	12,624	17,943
Cash flow from ordinary operating activities		**-34,915**	**15,765**
Financial income		48,747	38,559
Financial expenses		-54,887	-50,752
Income taxes refunded/paid		4,328	-3,591
Cash flow from operating activities (CFFO)		**-36,727**	**-19**
Acquisition etc of intangible assets		-14,678	-26,420
Acquisition etc of property, plant and equipment		-2,529	-2,628
Acquisition of enterprises		0	-6,854
Dividend received		138,103	67,908
Cash flow from investing activities (CFFI)		**120,896**	**32,006**
Loans raised		59,500	111,017
Instalments on loans etc		-183,870	-23,177
Dividend paid		0	-40,000
Other cash flows from financing activities		236	-2,618
Cash flows from financing activities		**-124,134**	**45,222**
Cash flow for the year		**-39,965**	**77,209**
Cash and cash equivalents at 1 January		77,209	0
Currency translation adjustments of cash and cash equivalents		0	0
Cash and cash equivalents at 31 December		**37,245**	**77,209**

The cash flow statement cannot be derived from the published financial information only.

BALANCE SHEET, ASSETS

PARENT

	Note	2015 DKK'000	2014 DKK'000	1 January 2014 DKK'000
Software		32,922	3,315	5,201
Intangible assets in development		11,732	30,155	6,614
Intangible assets	10	**44,654**	**33,470**	**11,815**
Fixtures and fittings, tools and equipment		6,396	7,344	7,350
Leasehold improvements		2,283	2,279	1,610
Property, plant and equipment	11	**8,679**	**9,623**	**8,960**
Investments in subsdiaries	12	409,640	401,886	299,198
Deferred tax assets	14	0	2,738	0
Other non-current assets		**409,640**	**404,624**	**299,198**
Total non-current assets		**462,973**	**447,717**	**319,973**
Inventories		**36,807**	**34,878**	**34,573**
Trade receivables	15	44,800	42,600	31,561
Receivables from group enterprises		581,597	465,150	437,418
Income tax receivable		16,861	5,627	0
Other receivables		15,652	10,440	15,743
Prepayments		2,648	477	1,468
Receivables		**661,558**	**524,294**	**486,190**
Cash and cash equivalents		**37,245**	**77,209**	**0**
Total current assets		**735,610**	**636,381**	**520,763**
Total assets		**1,198,583**	**1,084,098**	**840,736**

BALANCE SHEET, EQUITY AND LIABILITIES

PARENT

	Note	2015 DKK'000	2014 DKK'000	1 January 2014 DKK'000
Share capital		16,112	16,112	16,112
Foreign currency translation reserve		38,076	17,451	0
Reserve for net revaluation under the equity method		151,309	144,461	46,657
Hedging reserves		-1,676	-2,369	-378
Retained earnings		259,296	161,589	169,301
Shareholders' equity		**463,117**	**337,244**	**231,692**
Loss in subsidiaries		578	588	112
Deferred tax	14	2,638	0	113
Provisions	16	3,186	2,810	2,410
Accrual for straight line lease expense		11,607	10,643	9,276
Debt to credit institutions	17	489,688	477,684	436,171
Total non-current liabilities		**507,698**	**491,725**	**448,082**
Instalment of non-current debt next year	17	79,149	49,023	33,742
Debt to credit institutions		0	0	38,457
Trade creditors		36,071	48,832	39,292
Debt to group enterprises		61,322	114,530	10,871
Corporate tax		6,666	0	812
Other payables	18	44,560	42,744	37,765
Deferred income		0	0	23
Total current liabilities		**227,768**	**255,129**	**160,962**
Total liabilities		**735,466**	**746,854**	**609,044**
Total equity and liabilities		**1,198,583**	**1,084,098**	**840,736**

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STATEMENT OF SHAREHOLDERS' EQUITY

PARENT

DKK'000	Share capital	Retained earnings	Foreign currency translation adjustment	Hedging reserves	Reserve for net revaluation under the equity method	Total
Shareholders equity at 1 January 2015	**16,112**	**161,589**	**17,451**	**-2,369**	**144,461**	**337,244**
Profit for the year	0	97,706	0	0	6,848	104,554
Other comprehensive income	0	0	20,625	693	0	21,318
Total comprehensive income	**0**	**97,706**	**20,625**	**693**	**6,848**	**125,872**
Shareholders equity at 31 December 2015	**16,112**	**259,296**	**38,076**	**-1,676**	**151,309**	**463,117**
Shareholders equity at 1 January 2014	**16,112**	**174,827**	**0**	**-378**	**54,013**	**244,574**
Adjustment according to IFRS	0	-5,526	0	0	-7,356	-12,882
Adjusted equity at 1 January 2014	**16,112**	**169,301**	**0**	**-378**	**46,657**	**231,692**
Profit for the year	0	32,288	0	0	97,804	130,092
Other comprehensive income	0	0	17,451	-1,991	0	15,460
Total comprehensive income	**0**	**32,288**	**17,451**	**-1,991**	**97,804**	**145,552**
Dividend distributed	0	-40,000	0	0	0	-40,000
Shareholders equity at 31 December 2014	**16,112**	**161,589**	**17,451**	**-2,369**	**144,461**	**337,244**

Number of shares is 16,112 with the nominel value of DKK 1,000.

Dividend per share declared in 2014 amounted to DKK 2,483. No dividend was declared in 2015.

NOTES

PARENT

1 Effect of IFRS

The separate financial statements of the parent included in this annual report have been prepared in accordance with the international financial reporting standards (IFRS) as adopted by EU and additional disclosure requirements in the Danish Financial Act.

The separate financial statements for 2015 are the first financial statements of the parent to be prepared in accordance with IFRS.

The parent has elected to early adopt the amendment to IAS 27 Separate Financial Statements, and measures subsidiaries in accordance with the equity method. The net effects of the transition to IFRS on the income statement for 2014 and equity at 1.12014 and 31.12.2014 respectively are therefore identical to the net effects in the consolidated financial statements.

In the separate financial statements of the parent, the accumulated effects of the transition related to subsidiaries are reflected in Investments in subsidiaries in the below table. For an explanation of the significant effects of the transition reference is made to note 1 of the consolidated financial statements.

The effects of the transition to IFRS on the income statement and balance sheet position are shown in the overview below with explanatory notes:

		1 January 2014			31 December 2014		
DKK'000	**Assets**	**Liabilities**	**Equity**	**Profit/loss**	**Assets**	**Liabilities**	**Equity**
Applied after Danish GAAP	**845,987**	**601,413**	**244,574**	**104,490**	**1,061,952**	**734,485**	**327,468**
Other non-current assets	-1,233	0	-1,233	-427	-569	0	-569
Investments in subsdiaries	-5,396		-5,396	28,063	19,665		19,665
Provisions		2,410	-2,410	-399	0	2,810	-2,810
Accrual for straight line lease expense		9,276	-9,276	-1,368		10,643	-10,643
Other changes	1,378	-1,400	2,778	-639	311	-801	1,112
Tax effect on above changes		-2,655	2,655	372	2,739	-283	3,022
Adjustments Total	**-5,251**	**7,631**	**-12,883**	**25,603**	**22,146**	**12,369**	**9,776**
Applied after IFRS	**840,736**	**609,044**	**231,691**	**130,093**	**1,084,098**	**746,854**	**337,244**

		2015 DKK'000	2014 DKK'000
2	**Net Sales**		
	Europe	410,607	449,065
	North America	4,286	21,137
	Asia	5,047	9,722
	Middle East and Africa	2,148	5,387
	Other regions	33,611	2,959
		455,699	**488,270**

3	**Fees to auditors appointed at the annual general meeting**		
	Statutory audit	645	410
	Other engagement services	0	34
	Tax and VAT services	820	522
	Other services	2,347	518
	Fees to auditors	**3,812**	**1,484**
	Other services (other auditors)	159	0
	Other fees	**159**	**0**
		3,971	**1,484**

4 Staff costs

	2015 DKK'000	2014 DKK'000
Wages and salaries	65,188	63,562
Pension costs	1,021	3,620
Other social security costs	5,285	1,891
Other staff costs	9,644	10,846
	81,138	**79,919**
Average number of full-time employees at 1 January	124	119
Accession	5	5
Average number of full-time employees at 31 December	129	124
Number of full-time employees per at 31 December	132	127

4 Staff costs *continuing*

DKK'000	Board of Directors	Executive Board	Other top manage-ment	Total
Remuneration	380	0	0	380
Salary	0	4,659	2,111	6,770
Bonus	0	4,717	565	5,282
Pension, company contributions	0	70	125	195
Benefits (car, housing, phone etc.)	0	425	117	542
Cost at 31 December 2015	**380**	**9,871**	**2,918**	**13,169**
Remuneration	538	0	0	538
Salary	0	4,563	2,076	6,639
Bonus	0	4,068	425	4,493
Pension, company contributions	0	69	123	192
Benefits (car, housing, phone etc.)	0	390	117	507
Cost at 31 December 2014	**538**	**9,090**	**2,741**	**12,369**

The Executive Board and a number of members of other top management in both the parent company and in the Group are comprised by special bonus arrangements based on individual performance targets. For the Executive Board the bonus payments are maximized at 75% - 130% of the individual basic salary, and for other top management these vary between 10% to 60% of the individual basic salary. The bonus arrangements are unchanged compared to previous year.

Certain employees and members of management have in May 2015 acquired warrants and shares in the parent Wrist Ship Supply Holding A/S at the fair value of the warrants and shares. The warrants and shares are fully vested and the warrants are exercisable in the period of 28 January to 28 February 2018, or if Wrist Ship Supply Holding is sold or becomes listed before 28 January 2018. However, exercise also requires that certain thresholds for increase in the fair value of the shares in the company are achieved.

A total of 1,101 warrants have been issued and acquired by employees and management with an exercise price of 64,808 per share.

		2015 DKK'000	2014 DKK'000
5	**Depreciation, amortisation and impairment**		
	Amortisation of intangible assets	3,494	4,477
	Depreciation of property, plant and equipment	3,472	2,090
		6,966	**6,567**
6	**Profit/(loss) from investments in subsidiaries**		
	Share of profit/(loss) in subsidiaries	123,623	147,163
		123,623	**147,163**
7	**Financial income**		
	Financial income arising from Group enterprises	34,546	28,110
	Interest income	14,200	10,449
		48,746	**38,559**
8	**Financial expenses**		
	Financial expenses from Group enterprises	2,569	2,231
	Interest expenses	45,329	40,491
	Exchange rate adjustments	4,668	3,774
	Other financial expenses	7,649	8,432
		60,215	**54,928**

	2015 DKK'000	2014 DKK'000
9 Income tax		
Current tax:		
Current tax on profit for the year	-10,530	-3,659
Adjustment in respect of prior years	1,275	1,475
Total current tax	-9,255	-2,184
Deferred tax:		
Adjustment of deferred tax asset/liability	5,606	-1,332
Adjustment of deferred tax asset/liability in respect of prior years	-228	-1,521
Total deferred tax	5,378	-2,853
Total income tax	**-3,877**	**-5,037**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the profit of the consolidated entities as follows:

	2015	2014
Earnings before tax	**100,677**	**125,093**
Income from equity method used towards subsidaries	123,623	147,163
Earnings before tax, Parent company	**-22,946**	**-22,070**
Calculated tax at Danish statutory rate of 23.5% in 2015 (24.5% 2014)	-5,392	-5,407
Adjustment in respect of prior years	1,047	-46
Effect from change in local tax rate	-330	877
Income/expenses not subject to tax	798	-461
Tax charge	**-3,877**	**-5,037**

Effect from changes in local tax rate is related to the graduate reduction in the Danish Corporate tax rates from 25% in 2013 to 24.5% in 2014, 23.5% in 2015 and 22% in 2016 and onwards. The effect in 2015 is due to changes in the estimate of the reversal of temporary differences, and hence the tax rate applied to measure deferred tax.

	Software DKK'000	Intangible assets in development DKK'000	Total DKK'000
10 Intangible assets			
Cost at 1 January 2015	**34,351**	**30,155**	**64,507**
Additions	120	14,558	14,678
Reclassifications	32,981	-32,981	0
Total cost at 31 December 2015	**67,452**	**11,732**	**79,185**
Amortisation at 1 January 2015	**31,036**	**0**	**31,036**
Amortisation for the year	3,494	0	3,494
Total amortisation at 31 December 2015	**34,530**	**0**	**34,530**
Carrying amount at 31 December 2015	**32,922**	**11,732**	**44,655**
Cost at 1 January 2014	**34,154**	**6,613**	**40,767**
Additions	197	23,542	23,739
Total cost at 31 December 2014	**34,351**	**30,155**	**64,506**
Amortisation at 1 January 2014	**28,953**	**0**	**28,953**
Amortisation for the year	4,476	0	4,476
Reclassifications	-2,393	0	-2,393
Total amortisation at 31 December 2014	**31,036**	**0**	**31,036**
Carrying amount at 31 December 2014	**3,315**	**30,155**	**33,470**

11 Property, plant and equipment

	Ships, fixtures and fittings, tools and equipment DKK'000	Leasehold improve-ments DKK'000	Total DKK'000
Cost at 1 January 2015	**22,752**	**3,939**	**26,691**
Additions	1,978	551	2,529
Disposals	-4,522	0	-4,522
Total cost at 31 December 2015	**20,208**	**4,490**	**24,698**
Depreciation at 1 January 2015	15,408	1,661	17,069
Depreciation for the year	2,926	546	3,472
Reversal regarding disposals	-4,522	0	-4,522
Total depreciation at 31 December 2015	**13,812**	**2,207**	**16,019**
Carrying amount at 31 December 2015	**6,396**	**2,283**	**8,679**
Cost at 1 January 2014	**21,057**	**2,802**	**23,859**
Adjustment according to IFRS	-2,477	0	-2,477
Adjusted cost at 1 January 2014	**18,580**	**2,802**	**21,382**
Exchange rate adjustments	0	0	0
Additions	4,172	1,137	5,309
Total cost at 31 December 2014	**22,752**	**3,939**	**26,691**
Depreciation at 1 January 2014	**12,474**	**1,192**	**13,666**
Adjustment according to IFRS	-1,244	0	-1,244
Adjusted depreciation at 1 January 2014	**11,230**	**1,192**	**12,422**
Depreciation for the year	1,754	337	2,091
Reversal regarding disposals	2,424	132	2,556
Total depreciation at 31 December 2014	**15,408**	**1,661**	**17,069**
Carrying amount at 31 December 2014	**7,344**	**2,278**	**9,622**

12 Investments in subsidiaries

	2015 DKK'000	2014 DKK'000
Cost price at 1 January	**257,425**	**250,581**
Additions in the year	0	6,844
Cost price at 31 December	**257,425**	**257,425**
Value adjustments at 1 January	**143,459**	**54,013**
Adjustment according to IFRS	0	-5,396
Adjusted value adjustments at 1 January	**143,459**	**48,617**
Dividend distribution	-138,103	-67,908
Currency translation adjustment	20,625	17,451
Profit for the year after tax	123,623	147,163
Other adjustments	1,707	-1,864
Value adjustments at 31 December	**151,311**	**143,459**
Investments in subsidiaries with a negative net asset:		
Value written off against intercompany accounts	326	414
Provisions for loss in subsidiaries	578	588
Carrying amount at 31 December	**409,640**	**401,886**

13 Subsidiaries

Company name	Registered office in	City	Ownership share %
Wrist Far East (Singapore) Pte. Ltd.	Singapore	Singapore	100
Wrist Far East (Malaysia) SDN BHD	Malaysia	Jahor Bahru	100
Wrist Middle East (U.A.E.) LLC	Dubai, U.A.E.	Dubai	100
H.S. Hansen A/S	Denmark	Nørresundby	100
Danish Supply Corporation A/S	Denmark	Esbjerg	100
Saga Shipping A/S	Denmark	Skagen	100
Aalborg Trosseføring ApS	Denmark	Skagen	70
Gasværksvej Aalborg A/S	Denmark	Nørresundby	100
Skagen Lodseri A/S	Denmark	Skagen	100
Rederiet Skawlink IV A/S	Denmark	Skagen	100
Wrist Offshore Supply A/S	Denmark	Nørresundby	100
Wrist Africa Tanger SARL	Marocco	Tanger	100
J.A. Arocha S.L.	Spain	Las Palmas	100
Wrist Europe Intership (Algeciras) S.L.	Spain	Algeciras	100
Wrist Europe (Gibraltar) Ltd.	Gibraltar	Gibraltar	100
Wrist Europe (Marseille) SAS	France	Marseille	100
Wrist Europe (Norway) AS	Norway	Haugesund	100
Wrist-Kooyman Ship-Supply B.V.	Netherlands	Rotterdam	100
Wrist Europe (UK) Ltd.	United Kingdom	London	100
Strachans Ltd.	United Kingdom	Peterhead	100
Wrist North America Inc.	USA	Pasadena	100
Marwest dba West Coast LLC	USA	Oakland	100
East Coast Ship Supply LLC	USA	New Jersey	100
Wrist USA (Houston) Inc	USA	Pasadena	100
World Delivery Enterprises LLC	USA	Pasadena	100
Karlo Corporation Supply & Services	Canada	Montreal	100
Wrist Hong Kong Trading Company Ltd.	Hong Kong	Hong Kong	100
Wrist Shenzhen Trading Company Ltd.	China	Shenzhen	100
North Sea Stores Ltd.	United Kingdom	Aberdeen	100
Den Helder Stores B.V.	Netherlands	Den Helder	100
Wrist Holding NL B.V.	Netherlands	Rotterdam	100

14 Deferred tax assets and deferred tax liabilities

2015 000'DKK	Deferred tax, intangible assets	Deferred tax, tangible assets	Deferred tax, financial non-current assets	Deferred tax, current assets	Deferred tax, provisions	Total deferred tax
Defered tax begining of year	**793**	**300**	**-454**	**-446**	**-2,930**	**-2,738**
Charge to the income statement	6,478	-487	-403	-19	-194	5,375
Deferred tax end of year	**7,271**	**-187**	**-857**	**-465**	**-3,124**	**2,638**

Deferred tax is presented in the balance sheet as follows:

Deferred tax asset	0
Deferred tax liability	2,638
Deferred tax asset year end net	-2,638

2014 000'DKK	Deferred tax, intangible assets	Deferred tax, tangible assets	Deferred tax, financial non-current assets	Deferred tax, current assets	Deferred tax, provisions	Total deferred tax
Defered tax begining of year	**2,844**	**518**	**0**	**-466**	**-2,783**	**113**
Charge to the income statement	-2,051	-218	-454	20	-148	-2,851
Deferred tax end of year	**793**	**300**	**-454**	**-446**	**-2,930**	**-2,738**

Deferred tax is presented in the balance sheet as follows:

Deferred tax asset	0
Deferred tax liability	2,738
Deferred tax asset year end net	-2,738

	2015 DKK'000	2014 DKK'000
15 Trade receivables		
Trade receivables	46,829	44,808
Provision for impairment of trade receivables	-2,029	-2,208
	44,800	**42,600**
Impairment losses at 1 January	-2,208	-3,097
Impairment losses in the year	179	-2,272
Realised in the year	0	3,161
Impairment losses at 31 December	**-2,029**	**-2,208**

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concerntration of credit risk is limited due to the fact that the customer base is large and unrelated.

Overdue trade receivables not written down can be broken down as follows:

	2015	2014
Overdue 1-30 days	7,015	7,732
Overdue 31-60 days	2,518	2,062
Overdue 61-90 days	865	277
Over 90 days	225	236
	10,623	**10,307**

16 Provisions

000'DKK	Provisions for pension and pension-like liabilities	Provisions for restoration liabilities	Provisions for dismantling liabilities	Provisions total
Provisions at 1 January 2015	**515**	**2,035**	**259**	**2,809**
Increase	5	207	0	**213**
Discounting interests	0	177	8	**185**
Decrease	-21	0	0	**-21**
Provisions at 31 December 2015	**499**	**2,419**	**268**	**3,186**
Non-current provisions	**499**	**2,419**	**268**	**3,186**
Current provisions	**0**	**0**	**0**	**0**
Provisions at 1 January 2014	**515**	**1,643**	**251**	**2,409**
Increase	0	207	0	**207**
Discounting interests	0	184	8	**192**
Provisions at 31 December 2014	**515**	**2,035**	**259**	**2,809**
Non-current provisions	**515**	**2,035**	**259**	**2,809**
Current provisions	**0**	**0**	**0**	**0**

Provisions for restoration liabilities are where the Group has an obligation to restore rented facilities upon vacating such facilities.

Provisions for dismantling liabilities are where the Group is obligated to dismantle assets placed in rented facilities.

Provisions for pension and pension-like liabilities are where the Group is obligated to pay anniversary bonuses etc.

		Payments due one year DKK'000	Payments due between 1-5 years DKK'000	Outstanding after 5 years DKK'000
17	**Total non-current liabilities**			
	Debt to credit institutions	79,149	489,688	0
		79,149	**489,688**	**0**

		2015 DKK'000	2014 DKK'000
18	**Other payables**		
	Social security and other related expenses	15,636	7,719
	Customer bonuses	7,806	5,542
	Commissions	46	3,051
	VAT	3,637	0
	Financial instruments - market value	2,253	3,159
	Other accrued expenses	15,183	23,274
		44,561	**42,745**
19	**Change in working capital**		
	Increase/decrease in inventories	-1,928	-306
	Increase/decrease in receivables	-17,925	1,063
	Increase/decrease in trade payables etc.	-11,706	12,604
		-31,559	**13,361**
20	**Adjustments for non-cash items**		
	Financial income and expenses	11,468	16,368
	Change in provisions	1,156	1,575
		12,624	**17,943**

21 Mortgages and collateral

As security for the Group's credit facilities, Wrist Ship Supply Holding A/S has issued floating-charge and share pledge securities to Nordea for all material companies in Wrist Ship Supply A/S.

Wrist Ship Supply A/S has guaranteed for subsidiaries' outstanding debt to suppliers in the amount of DKK 25,000k.

Joint taxation arrangement

The company is party to a mandatory Danish joint taxation arrangement with Wrist Adm ApS serving as the administration company. The joint taxation arrangement complies with general Danish tax legislation and has included other Danish sister companies due to common ultimate ownership. Due to the joint taxation, under Danish tax legislation, the company is subject to partial joint and secondary liability from the financial year 2013 for income taxes etc. for the jointly taxed companies, and from 1 July 2012 also partial joint and secondary liability for obligations, if any, relating to withholding of tax on interest, royalties and dividend for the jointly taxed companies. In both cases, however, secondary liability cannot exceed an amount equivalent to the share of capital of the company which is owned directly or indirectly by the ultimate parent. Tax liabilities concerning sister companies previously included in the joint tax arrangement and for which the company may be jointly liable as described above are covered by an indemnification agreement with W.S.S. Holding A/S.

22 Lease commitments

Operational leasing commitments

Operating leases related to leases of building and equipment with lease terms between 5 and 10 years. The Group does not have an option to purchase the leased building or equipment at the end of the lease terms.

2015	**Payments due one year**	**Payments due between 1-5 years**	**Outstand-ing after 5 years**
	DKK'000	**DKK'000**	**DKK'000**
Minimum lease payments	15,838	64,486	72,890
Present value of minimum lease payments	15,038	53,878	49,496

2014	**Payments due one year**	**Payments due between 1-5 years**	**Outstand-ing after 5 years**
	DKK'000	**DKK'000**	**DKK'000**
Minimum lease payments	14,427	59,869	87,524
Present value of minimum lease payments	13,699	50,019	54,694

	2015	**2014**
	DKK'000	**DKK'000**
Minimum lease payments in the profit for the year	10,499	10,182

Tenants have rental commitments vis-á-vis Wrist Ship Supply A/S in period of notice DKK 2,350k.

The rental income for the year is DKK 2,100m which is included in Other external expenses.

23 Related parties and group relations

Related parties of the company are Wrist Ship Supply Holding A/S, W.S.S. Holding A/S, O.W. Lux SARL and their subsidiaries, as well as all subsidiaries of the Company.

Altor Fund II GP Limited, Jersey controls W.S.S. Holding A/S, which is the upper Danish holding company of the Group.

Transactions with group relations:

	2015 DKK'000	**2014 DKK'000**
Financial items, net	-1,160	-408
Financial receivables	1,955	1,804
Financial payables	-38,364	-25,889

All transactions were made on terms equivalent to arm's length principles.

Transactions with related parties within Wrist Ship Supply Group:

2015	**Subsi-diaries**	**Manage-ment**	**Total**
Intra-group management and administration agreements	24,719		24,719
Financial items, net	29,352		29,352
Staff cost cf. note 4		-13,169	-13,169
Financial receivables	551,848		551,848
Financial payables	-23,101		-23,101

2014	**Subsi-diaries**	**Manage-ment**	**Total**
Intra-group management and administration agreements	28,599		28,599
Financial items, net	25,819		25,819
Staff cost cf. note 4		-12,369	-12,369
Financial receivables	453,325		453,325
Financial payables	-24,030		-24,030

24 Financial risks and financial instruments

Financial risk factors refer to fluctuations in the Company's results, cash flows and financial position due to changes in financial exposure. The overall objective of risk monitoring and control is to provide cost-effective financing and to minimise potential adverse impacts from market fluctuations.

Exchange rate risk
The Companies's business activities are predominantly based inDKK and EUR, and many credit facilities are denominated in DKK, USD and GBP. Most of the business has no or very limited transaction-related exchange rate exposure. Significant investments in foreign entities are financed in the investment currency. Consequently, material currency exposure for the Company is limited to translation risks related to foreign subsidiaries, and the loans taken out to finance these investments.

The Company is mainly exposed to the currencies USD and GBP.

The following table details the Company's sensitivity to a 10% increase in USD and GBP. The sensitivity analysis includes investments in relevant subsidiaries and external debt, where the debt is denominated in the relevant currency. A positive number indicates an increase in profit/(loss) or equity where the currency strengthens 10% against DKK at the balance sheet date. A 10% weakening of the currency would have a comparable but opposite impact on profit/(loss) and equity.

	USD impact		GBP impact	
	2015	2014	2015	2014
Impact on profit/(loss) from translation of debt and investments in subsidiaries	-23,232	-24,817	-12,837	-13,310
Impact on equity from translation of debt and investments in subsidiaries	-15,832	-20,386	-116	-508

Interest rate risk
The interest rates of credit facilities are variable. Wrist uses derivative contracts to hedge the interest rate risks, and currently the company has chosen to hedge most of such risks for a period of 15 months. Under the interest rate derivative contracts, the Company agrees to exchange the difference between fixed and floating-rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the cash flow exposures on the issued variable-rate debt. Fair value adjusments on hedging instruments recognised in other comprehensive income in 2015 amounts to DKK 905k (2014: DKK -2,489k).

24 Financial risks and financial instruments continuing

Derivative financial instruments hedging future cash flow

Currency and DKK	Currency	DKK'000	2015 Book value	2014 Book value
Loan USD, expiring March 2017	25,037	171,619	-175	-370
Loan DKK, expiring March 2017	113,333	113,333	-1,377	-1,734
Loan GBP, expiring March 2017	4,895	50,319	-339	-548
Loan GBP, expiring March 2017	4,000	41,118	-362	-507
Total hedge account measured at fair value recognised in equity			**-2,253**	**-3,159**

Interest rate sensitivity analysis:
If interest rates had been 100 basis points higher and all other variables were held constant, the Group's profit for the year ended 31 December 2015 would decrease by DKK 1m (2014: decrease by DKK 2m) due to the Company's exposure to interest rates on variable rate borrowings, partly offset by a change in the fair value of interest rate derivative contracts

The sensitivity analysis have been determined based on the exposure to floating rate liabilities and derivatives at the end of the reporting period. For floating rate liabilities, the analysis is prapred assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

Liquidity risk
Wrist has entered into a long-term committed financing agreement with credit facilities enabling both the current operations and planned expansion. Treasury management is centralised and ensures that sufficient financial resources are available to meet planned requirements. This is done by montering the cash flow on a monthly basis matches the planned cash needs. Wrist has a good financial position significant positive cash flows from operating activities and an adequate liquidity reserve.

Credit risk
Credit risk mainly relates to trade debtors, other receivables and cash at banks. The aggregate amounts recognised under these items in the balance sheet constitute the maximum credit risk. Receivables relate to shipping, ship management and catering companies. The handling of credit risk in the shipping industry is done by the global credit function which monitors the creditworthiness of existing and new customers and assists in collection. Wrist conducts individual assessment of customers’ creditworthiness and credit lines are managed globally. Cash is held with banks with high credit ratings.

24 Financial risks and financial instruments continuing

Fair value measurements

Wrist Ship Supply A/S measure its financial instruments hedge future cash flow to fair value level 2.

Wrist does not have any assets or liabilities measured at fair value other than interest rate derivative contracts entered into to economically hedge the future cash flows of floating rate financing . Interest rate derivative contracts are measured at fair value based on discounted cash flows based on observable input (level 2). Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

The management consider that the carrying amounts of all other financial assets and liabilities recognised in the consolidated financial statements approximate their fair values.

Capital structure

The Company's management assesses whether the Company's capital structure is in line with the interests of the company and its shareholders. The overall objective is to ensure a capital structure that supports long-term profitable growth. There are no changes in the Company's guidelines and procedures for managing capital structure in 2015.

25 Events after the reporting period

Apart from the acquisition of Garrets International Ltd. mentioned in note 14 in the consolidated financial statements, there have been no post-balance sheet events material to this Annual Report which have not been recognised or mentioned.

26 Accounting policies and changes as a result of the adoption of IFRS

The 2015 annual report of the parent company is presented in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for the financial statements of class C enterprises, cf. the Danish Executive Order on IFRS (IFRS-bekendtgørelsen) issued in accordance with the Danish Financial Statements Act.

The accounting policies for the Parent Company and for the Wrist Ship Supply Group are identical (see note 26 for the Wrist Ship Supply Group) except for the situations mentioned below.

Changes in accounting policies as a result of the adoption of IFRS

The 2015 annual report is the first annual report to be prepared in accordance with IFRS.

Upon transition to IFRS, IFRS 1 "First-time Adoption of International Financial Reporting Standards" has been applied. According to this standard, the opening balance sheet as at 1 January 2014 and the comparative figures for 2014 have been prepared in accordance with the standards and interpretations applicable as at 31 December 2015. The opening balance sheet as a 1 January 2014 has been prepared as if these standards and interpretations had always been applied, except for situations where the special transitional and commencement provisions in IFRS 1 described below apply.

The transition to preparing financial statements in accordance with IFRS has made it necessary to change the accounting policies of the Parent Company in the same areas regarding recognition and measurement and the presentation and classification of accounting items as for the Wrist Ship Supply Group.

The monetary effect of the changes in accounting policies as a result of the transition to reporting according to IFRS is specified in note 1.

Application of new and revised International Financial Reporting Standards (IFRSs)

Amendments to IFRSs that are mandatorily effective for the current year

Implementation of new and revised standards and interpretations, that are mandatorily effective for 2015, has been implemented as part of the transition to IFRS.

New and revised IFRSs in issue but not yet effective

Besides the new and revised IFRSs mentioned for the Wrist Ship Supply Group, the Parent Company has decided to early adopt the revised IAS 27 "Separate Financial Statements" regarding amendment "Equity Method in Separate Financial Statements", which allows entities to use the equity method to account for investments in subsidiaries in their separate financial statements.

Situations, where the accounting policies of the Parent Company deviate from the Group's

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or less unamortised positive, or negative, goodwill and plus or less unrealised intra-group profits or losses.

The Parent's share of the enterprises' profits or losses after elimination of unrealised intra-group profits and losses and less amortisation of goodwill is recognised in the income statement.

Subsidiaries with a negative equity value are measured at zero value, and any receivables from these enterprises are written down by the Parent's share of such negative equity if it is deemed irrecoverable. If the negative equity exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

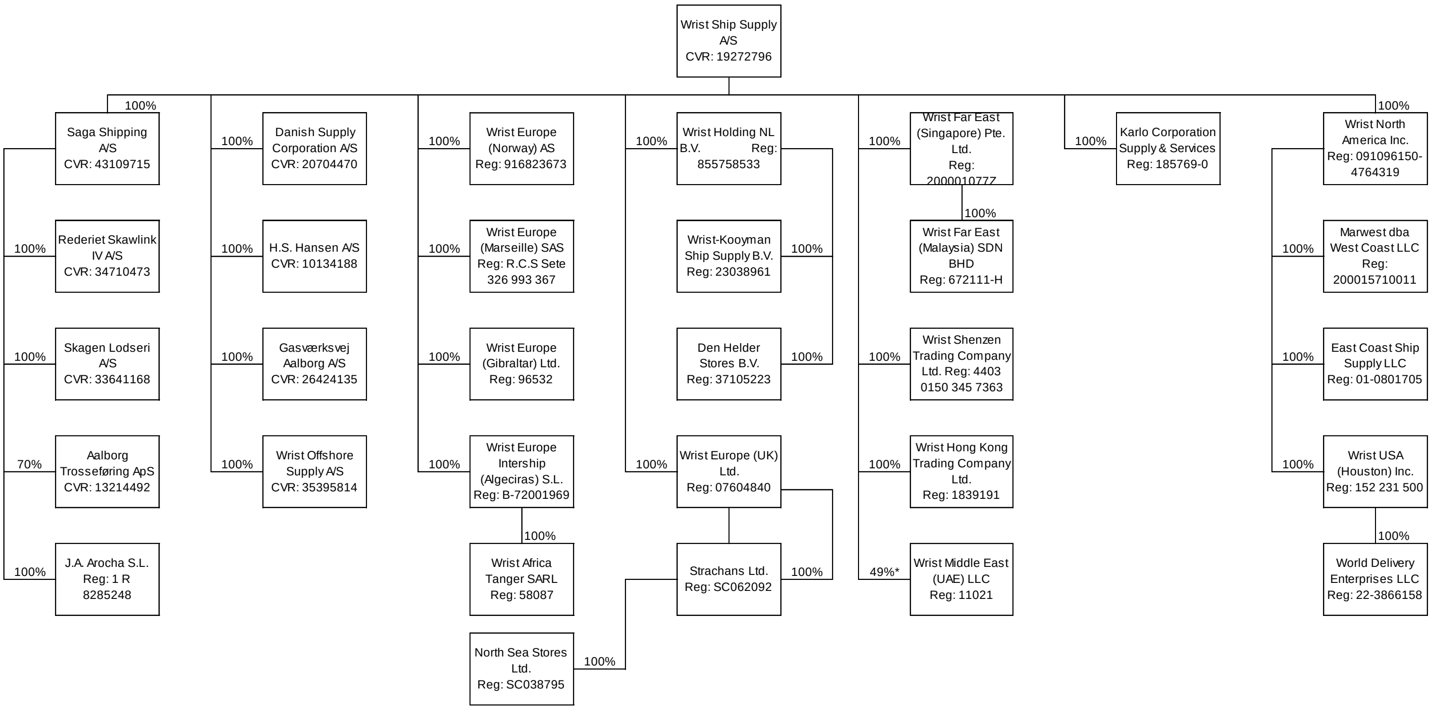
Upon distribution of profit or loss, net revaluation of investments in subsidiaries is transferred to reserve for net revaluation according to the equity method under equity.

The purchase method is applied in the acquisition of investments in subsidiaries.

Corporation tax

The Parent Company is jointly taxed with all of its Danish subsidiaries with Wrist Adm ApS serving as the administration company. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

LEGAL STRUCTURE



Note:
Wrist Middle East (UAE) LLC is controlled 100% by Wrist Ship Supply A/S according to shareholders agreement.

MANAGEMENT

Board of Directors

Søren Dan Johansen, Chairman
Born 1965, Danish
Member of the Board of Directors and Chairman since November 2014
Mr Johansen is a partner of Altor Equity Partners AB, Sweden, and Chief Executive Officer of Altor Equity Partners A/S, Denmark. He holds a Master's degree in Law.

Other duties:
- Wrist Ship Supply Holding A/S, Denmark (C)
- W.S.S Holding A/S, Denmark (C)
- Haarslev Industries A/S, Denmark (C)
- Haarslev Group A/S, Denmark (C)
- Haarslev Group Holding A/S, Denmark (C)
- Norican Global A/S, Denmark (C)
- Statens Ejendomssalg A/S, Denmark (C)
- Okholm ApS, Denmark (C)
- CAM Group Holding 1 DK ApS, Denmark (C)
- CAM Group Holding 2 DK ApS, Denmark (C)
- Carnegie Asset Management Holding Danmark A/S, Denmark (BM)
- CAM Group Holding A/S, Denmark (BM)
- PSR ApS, Denmark (BM)
- Hamlet Protein A/S, Denmark (BM)
- New Nutrition ApS, Denmark (BM)
- New Nutrition Holding ApS, Denmark (BM)

Tom Sten Behrens-Sørensen
Born 1958, Danish
Member of the Board of Directors since 2014

Mr Behrens-Sørensen is a graduate from the A.P. Moller Shipping Academy and has also attended management courses at INSEAD and The Wharton School of the University of Pennsylvania.

Other duties:
- Odense Maritime Technology A/S, Denmark (BM)

Kurt Kokhauge Larsen
Born 1945, Danish
Member of the Board of Directors since 2010.

Mr Larsen is trained in freight management.

Selected other duties:
- Polaris III Invest Fonden, Denmark (C)

DSV A/S, Denmark (C)

Petter Samlin
Born 1979, Swedish
Member of the Board of Directors since 2013.

Mr Samlin is a director with Altor Equity Partners AB, Sweden. He holds a Master's degree in Engineering and Business Management from the Royal Institute of Technology in Stockholm, as well as a Bachelor's degree in Business and Administration from Stockholm University School of Business.

Other duties:
- Wrist Ship Supply Holding A/S, Denmark (BM)
- W.S.S. Holding A/S, Denmark (BM)
- Aktiebolaget Skrindan AB, Sweden (BM)
- Valot Group AB, Sweden (C)
- CIBVESTCO AB, Sweden (C)
- Nilmasp 2 AB, Sweden (BM)
- CIBVESTCO Junior AB, Sweden (C)
- Nilmasp AB, Sweden (BM)

(C): Chairman of the Board of Directors
(BM): Member of the Board of Directors

Executive Board

Robert Steen Kledal, CEO
Born 1969, Danish
Joined Wrist Ship Supply in 2010 as CEO
Other duties: DSV A/S, Denmark (BM)

Anders Skipper, Executive Vice President, CFO
Born 1967, Danish
Joined Wrist Ship Supply in 2011 as Executive Vice President, CFO

Søren Juul Jørgensen, Executive Vice President, CCO
Born 1974, Danish
Joined Wrist Ship Supply in 1994, appointed Executive Vice President, CCO, in 2008

Martin Gaard Christiansen, Executive Vice President
Born 1970, Danish
Joined Wrist Ship Supply in 2015 as Executive Vice President

Ownership

Wrist Ship Supply Holding A/S (wholly owned). Wrist Ship Supply Holding A/S is owned by Altor Fund II GP Limited, Jersey, through subsidiaries (90.4%) and management investors (9.6%).

Annual general meeting
The annual general meeting will be held on 9 March 2016 at the company's registered office.