IDAVANG

Idavang A/S

Tofthøjvej 41, 7321 Gadbjerg

CVR no. 20 95 61 43

Annual report 2015

Approved at the Company's annual general meeting on 13 May 2016

Chairman:

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Michael Henriksen

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Idavang A/S for the financial year 1 January - 31 December 2015.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the group's and the parent company's financial position at 31 December 2015 and of the results of the group's and the parent company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2015

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

We recommend that the annual report be approved at the annual general meeting.

Gadbjerg, 13 May 2016
Executive Board:

Claus Baltersen
CEO

Michael Henriksen
CFO

Board of Directors:

Niels Hermansen
Chairman

Jytte Rosenmaj
Deputy chairman

Peer Munkholt

Ole Bjerremand Hansen

Carsten Lund Thomsen

Independent auditors' report

To the shareholders of Idavang A/S

Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of Idavang A/S for the financial year 1 January - 31 December 2015, which comprise an income statement, comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies for the group as well as the company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

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

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent company 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 as to whether the consolidated financial statements and the parent company 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 the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and parent company 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group's and the parent company's financial position at 31 December 2015 and of the results of the group's and the parent company's operations and cash flows for the financial year year 1 January - 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Independent auditors' report

Statement on the Management's review

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

Aarhus, 13 May 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Hans Peter Roug
State Authorised
Public Accountant

Management's review

Company details

Name	Idavang A/S
Address, zip code, city	Tofthøjvej 41 7321 Gadbjerg
CVR no.	20 95 61 43
Established	1998
Financial year	1 January - 31 December
Website	www.idavang.com
Telephone	+45 75 87 64 15
Board of Directors	Niels Hermansen, Chairman Jytte Rosenmaj, Deputy chairman Carsten Lund Thomsen Ole Bjerremand Hansen Peer Munkholt
Executive Board	Claus Baltersen, CEO Michael Henriksen, CFO
Shareholders	Jast Holding ApS, Tofthøjvej 41, 7321 Gadbjerg, 80% International Finance Corporation, 2121 Pennylvania Avenue, Washington DC 20433, USA, 20%
Ultimate parent company	Jast Holding ApS, Tofthøjvej 41, 7321 Gadbjerg, 80%
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, 8000 Aarhus C

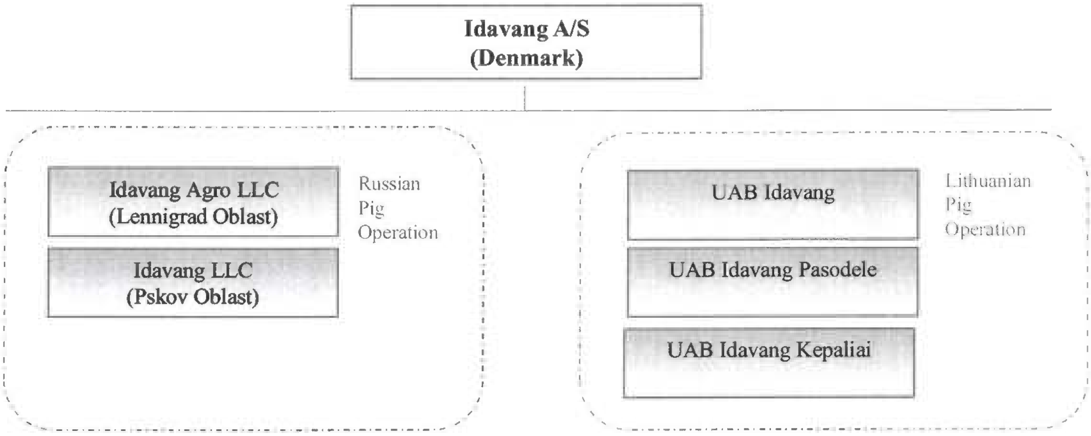
Management's review

Financial highlights

EUR'000,000	2015	2014	2013	2012	2011
Key figures					
Revenue	91,2	115,3	102,9	104,3	73,2
EBITDA	20,3	38,3	19,2	23,8	17,2
Profit/loss before net financials (EBIT)	12,3	29,5	10,9	16,8	12,5
Net financials	-6,3	-10,4	-8,7	-6,2	-5,9
Profit/loss for the year	5,9	18,8	1,9	12,0	7,7
Tangible assets	87,6	98,6	124,9	123,6	98,9
Biological assets (herd and crop)	32,6	35,4	44,0	43,0	37,8
Total assets	145,5	155,2	194,1	201,0	168,0
Equity	50,0	57,3	67,5	78,1	63,6
Non-current liabilities	56,9	70,2	85,6	92,9	77,8
Current liabilities	38,5	27,8	41,1	27,9	26,6
Cash flows from operating activities	10,9	29,6	12,8	10,0	0,8
Net cash flows from investing activities	-3,9	-8,2	-17,2	-32,1	-12,6
Cash flows from financing activities	-2,7	-20,1	1,3	18,0	26,5
Total cash flows	4,3	1,4	-3,2	-4,1	14,7
Financial ratios					
EBITDA margin	22%	33%	19%	23%	23%
Current ratio	109%	141%	120%	202%	201%
Equity ratio	34%	37%	35%	39%	38%
Return on equity	12%	33%	3%	15%	12%
Solid volume liveweight (kMT)	75	75	71	69	56
Net interesting-bearing debt (NIBD)	74,4	79,5	104,6	96,7	73,0
Return on average invested capital (ROIC)	9%	19%	6%	11%	12%
Average number of full-time employees	767	871	831	822	597

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

Group chart



Above group chart only shows operational entities. All group enterprises are owned 100% directly or indirectly by Idavang A/S.

Management's review

Revenue for the Idavang A/S group was EUR 91.2m in 2015 against EUR 115.3m in 2014.

EBITDA was EUR 20.3m against EUR 38.3m and profit after tax was EUR 5.9m against EUR 18.8m in 2014.

The year started strong, but as the last quarter was weak, the result for 2015 does not live up to expectations. During 4th quarter, the sales prices in Russia and Lithuania were below expectations, as demand dropped more than expected.

The weak sales were partly compensated by a record year in our field activities and the effect of general cost reductions implemented in the end of 2014.

The Group invested EUR 4.6m in 2015, which is significantly less than depreciation of EUR 9.0m.

Net interest-bearing debt (NIBD) decreased by EUR 5.1m (6%) in 2015. Furthermore, EUR 7.0m was distributed as dividend in 2015. The decrease of NIBD was mainly driven by depreciation of loans in RUB by EUR 4.9m.

During 2015, four additional biogas plants were established in Lithuania in corporation with Modus Energy, meaning that six are now in operation, and the construction of one new biogas plant is in progress and expected to start operations in Q1 of 2016.

Vision

Our vision is to produce pigs of high quality in undersupplied markets, always taking into consideration both ethical and environmental rules and standards.

Mission

Our mission is to be the leading producer of pigs in the Baltic countries and North Western Russia.

Furthermore, we want to be renowned for producing pigs of high quality and for being the leading company in regard to ethical and environmental standards. We strive to be an important and significant partner for our customers and the surrounding community. We wish to continue to offer an exciting and attractive workplace that provides our employees with personal and professional development in an appealing environment with steady career possibilities.

Management's review

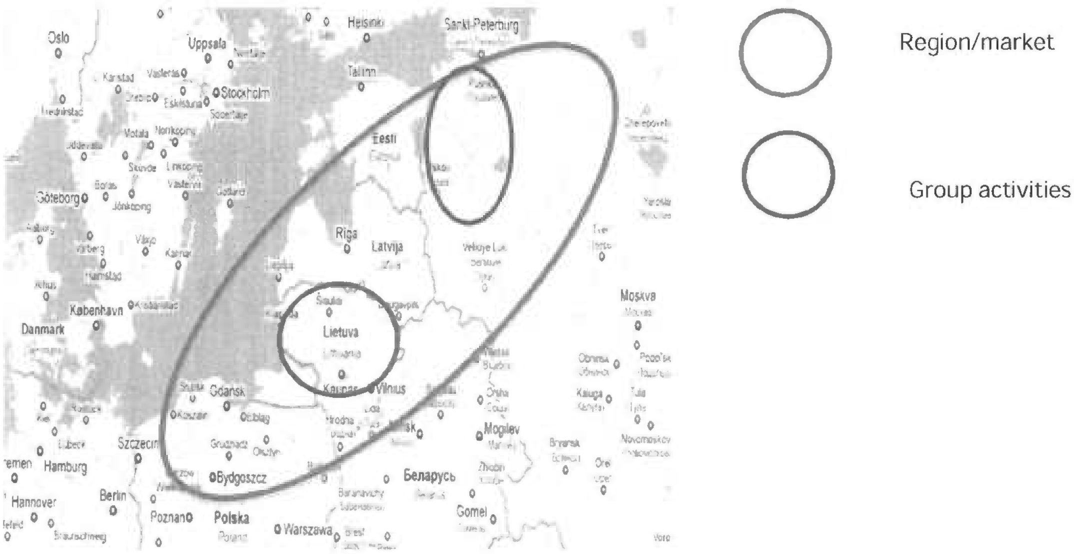
Core activity

Idavang's core activity is the production and sale of high-quality slaughter pigs and piglets in Russia and Lithuania.

Idavang specialises in both brown field and green field pig production projects in Lithuania and Russia.

We acquire and invest along with International Finance Corporation (part of World Bank Group) in larger production sites. We refurbish the facilities and renew the technology and knowhow with the companies well-developed production solutions.

Production sites are within a reasonable geographic area to enhance synergies.



Management's review

Historical development

- 1999 Idavang A/S started operating the first farm Salnaiciai (Lithuania) with an initial investment of EUR 800 thousand.
- 1999-2002 Rupinskai farm was acquired; in total, 3,000 sows were held.
- 2003-2006 Musa, Sajas and Kalvarija farms were acquired, and the production volume exceeded 11 kMT by 2005.
  Idavang paired off with IØ Fund (Danish Government) in Lithuanian operations from 2001-2005.
- 2007-2010 Skabeikiai, Lekeciai and Pasodele farms were bought, bringing sows in operation up to 19,000.
- 2010-2011 Activities were expanded to Russia as Farm Idavang Ostrov was acquired where the construction of a green field farm began in 2011 and Farm Vostochny was acquired (mid-2011). Farm Vostochny totals 6,600 sows. Furthermore, in 2011 the International Finance Corporation (part of World Bank Group) became an Idavang A/S shareholder and Joniskis, Seduva and Sesupe farms were acquired in Lithuania.
- 2012-13 Russian expansion continued. Farm Ostrov went into operation, and field operations increased significantly.
- 2014-15 Construction of six biogas sites in Lithuania in cooperation with Modus Energy and establishment of contracting in Poland. Also, in 2014 a small farm in Ramygala was acquired, which Idavang Lithuania started to use as a boars station in 2015.

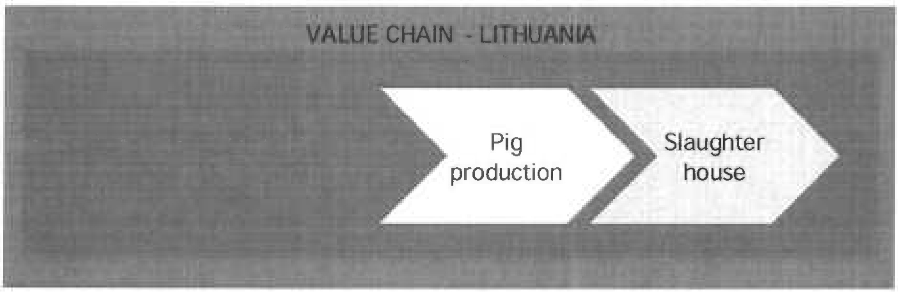
Business Focus

Lithuania

Our Lithuanian business model focuses primarily on pig production within brown field projects.

Our core competencies and superior efficiency in pig production take advantage of premier Danish production technology and quality.

Our grain is bought from third parties through stable and secure agreements.

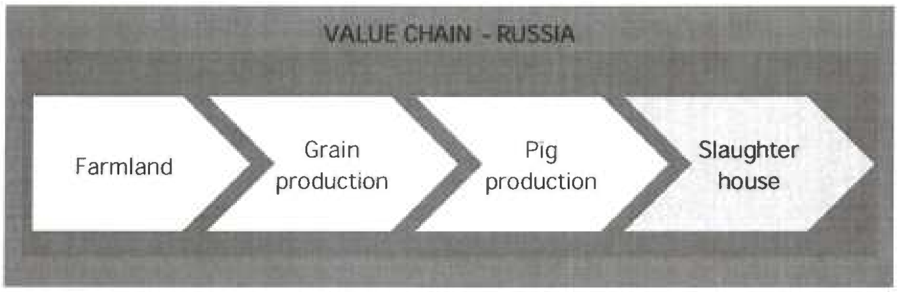


Management's review

Russia

Our Russian business model focuses both on farmland, grain production and pig production in both green field and brown field projects.

Also here, our core competencies and superior efficiency in pig production take advantage of premier Danish production technology and quality. Grain production is added to the value chain, which secures supply of grain and removes dependency on Russian farmers. The extended control of the value chain also utilises synergies and reduces risk of fluctuations in grain prices. Farmland is added to the value chain due to low cost of land.



Knowledge resources

Idavang produces commodities in an international, competitive environment. One of the only ways we can secure our position as market leader in regard to productivity and quality is to retain our employees, develop their skills and enable them to constantly improve.

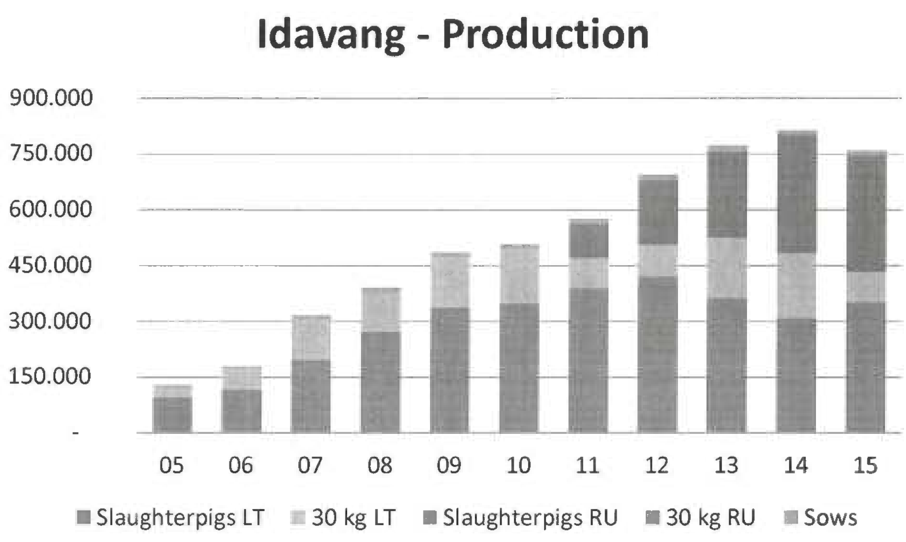
Business review 2015

Revenue

Revenue decreased significantly from EUR 115.3m to EUR 91.2m (-21%). The decrease of EUR 24.1m was driven by decrease in sales of slaughter pigs, which amounted to EUR 21.2m. Out of this EUR 21.2m decrease, EUR 18.6m was due to drop in prices (which is further illustrated below), while volume and mix effect was comprised of only EUR 2.6m.

Sales prices in EUR / Averages	2012	2013	2014	2015
Slaughter pigs Lithuania - Price / Kg live weight	1.27	1.28	1.13	0,99
Weaners Lithuania - Price / Unit	62	63	58	49
Slaughter pigs Russia - Price / Kg live weight	2.06	1.61	1.91	1.49
Weaners LT - Price / Unit			79	66

Management's review



Herd value adjustment

In 2015, the fair value adjustment for commercial herd comprised EUR -1.4m and was caused by a drop of meat prices in Russia in December. The fair value adjustment for breeding herd amounted to -0.2 m.

Production cost

Production costs decreased by EUR 10.0m to EUR 73.8m (12%). The decrease was mainly driven by the following three factors:

- Feed costs lower by EUR 4.4m (compared to last year), which was due to purchase price effect and better harvest result.
- Production salaries costs lowered by EUR 1.3m due to increased efficiencies and lower salaries in EUR
- Decrease in depreciation of EUR 0.9m, mainly due to FX effect on Russian depreciations.

Subsidies

The Government decreased the level of direct subsidies for meat and grain to EUR 0.3m (2014: EUR 0.4m).

Management's review

Investments

Idavang's investments in 2015 totalled EUR 4.6m.

Regarding investments in Russia, EUR 3.9m (EUR 5.4m in 2014) relates mainly to improvement: EUR 0.9m was spent on storage for feed and seeds, EUR 0.3m on biosecurity improvements, EUR 0.7m on preparing the new site, Luga, and the remaining relates to investments in a mix of field equipment, straw boilers and refurbishments.

Investments in Lithuania of EUR 0.7m (EUR 3.6m in 2014) were mainly related to minor miscellaneous investments.

Follow-up on expressed expectations

Meat prices

- Russia: Our expectation was that prices would stay high in EUR. This did not happen as changes in currencies increased the prices in local currency significantly, which reduced consumption. Hence, prices were below expectations.
- EU/Lithuania average prices were expected to decrease only slightly, however, they decreased by 14%.

Feed price turned out as expected, being slightly lower than 2014 (by 4%).

Outlook

Regarding 2016, the company looks differently on the profitability of pork in our markets:

Meat prices

- EU/Lithuania average prices for 2016 are expected to be similar to or slightly higher than 2015.
- Russia pork prices are expected to be higher than the EU market.

Feed price is expected to be at the same level as in 2015.

The current risks

The Board of Directors regularly assesses the overall and specific risks associated with Idavang's business and operations and seeks to ensure that such risks are managed in a proactive and efficient manner. Internal control systems have been established and are regularly reviewed by the Board of Directors to ensure that they are appropriate and sufficient.

Fluctuations in prices of pork

As pork is a global commodity, global supply and demand influences prices in all markets to a higher or lower degree.

Idavang mitigates this by focusing on markets where there is an undersupply of pork. Thereby, we compete with producers in other markets, which need to transport the pork to North Western Russia or Lithuania.

Fluctuations in Russian customs, subsidies and if Russia allows import of pork and live pigs from the EU

Russia wants to support domestic development of agriculture business and especially pork production where there is an undersupply.

Management's review

Current situation regarding support from the Russian government

- There is a currently a customs duty of 5% on live pigs imported to Russia, but this import has been closed for European due to veterinarian reasons / embargo during 2014-15. Therefore, the main competitive product is imported chilled and frozen meat within or outside quotas from Brazil.
- Interest subsidies of 8-14% on loans, which fulfil a number of criteria, typical a net interest of 5%.

Fluctuations in prices of raw materials

Pigs are fed grain, protein (e.g. soya and sunflower) and premixes (vitamin and minerals), which account for a significant part of production costs.

An increase in these prices, together with an inability to transfer such increased costs to slaughterhouses, may have a material adverse effect on Idavang's profit.

Over time, such an imbalance will lead to inefficient producers and closed productions; hence supply will be reduced, which will increase prices again.

Idavang mitigates this exposure by being a cost-efficient producer with high productivity and operations in markets with natural premiums.

Concentration of production facilities in North Western Russia and Lithuania

The concentration of production facilities in North Western Russia and Lithuania means that Idavang's operations are dependent on the degree to which raw materials can be imported into North Western Russia and Lithuania.

Furthermore, the possibility of exporting from Lithuania to EU and especially Russia (if it opens up borders) ensures the best prices for Lithuanian live pigs.

Two areas can disrupt this export possibility: the political situation and outbreaks of diseases.

Currently, Russian borders are closed for all imports of live commercial pigs, and for chilled and frozen meat from a number of countries due to veterinarian and/or political reasons (embargo).

Russian, EU and global economic conditions

An economic downturn or an uncertain economic outlook in the Russian economy could adversely affect consumers' meat and pork consumption habits.

Similarly, a global economic downturn or an uncertain economic outlook in the world economy could adversely affect global consumers' meat and pork consumption habits. With pork being a global commodity, the individual regions as EU or Russia will also be effect, but the effects might be lower as regional markets have own fluctuations.

Diseases

An outbreak of a serious disease could potentially cause a loss of earnings from the relevant farm for a period during which a replacement herd would be put into operation. Production management places high focus on the risk, and the highest biosecurity measures are taken.

Furthermore, the herd is insured for all diseases to mitigate the risk to the highest possible degree.

Financial risks

During 2015, the RUB has fluctuated significantly against the EUR. The total effect for 2015 was a 17% devaluation EUR/RUB, which among others affected equity negatively by EUR 6m, as all tangible assets are measured in RUB. The fluctuations were above 30% between the months.

For more information about financial risks, see note 22.

Management's review

Audit Committee

The Board of Directors has set up an Audit Committee to assist it in supervising the financial reporting process and the efficiency of Idavang's internal control and risk management systems.

The Executive Board is responsible for maintaining controls and an effective risk management system and it has taken the necessary steps to address the risks identified in relation to financial reporting.

The composition of the Board of Directors, Audit Committee and Executive Board ensures the availability of relevant competencies with respect to internal controls and risk management.

Corporate Social Responsibility

Idavang's CSR policy covers the four areas of the UN Global Compact:

- Human Rights
- Labour Rights
- Environment
- Anti-corruption

The CSR policy also has special focus on climate change, occupational health and safety, animal welfare and community development.

The company focuses on the following five values:

- Respect and trust
- Quality and Ethic
- Transparency
- Responsibility towards the environment
- Constant development

The Idavang Group is constantly working on safeguarding these values throughout our organisation. Historically, the Idavang Group has always placed high focus on CSR, including animal welfare. Consequently Idavang have had group-housed sows and used partly slatted floors since its establishment in 1999.

Intellectual capital resources

Idavang considers the employees and the organizational culture as the most important assets of the company. The Company's long-term success is highly linked to attracting, retaining and developing the employees, which is why both internal and external training and education are priorities of Idavang.

Anti-corruption Policy

The aim of the company's anti-corruption policy is to define Idavang's business practice for countering corruption and bribery and to provide guidance to employees.

Idavang has a zero tolerance policy towards bribery and corruption. This policy extends to all Idavang's business dealings and transactions in all countries in which we operate. The policy is fully implemented in both Lithuania and Russia.

Suppliers and business contacts are periodically being informed about requirements either through contracts or meetings.

Management's review

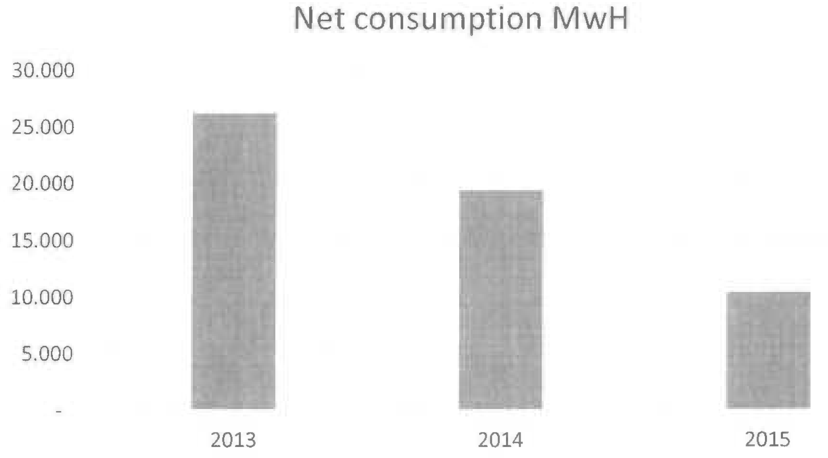
Environmental matters

Environmental matters are an integrated part of Idavang's mission.

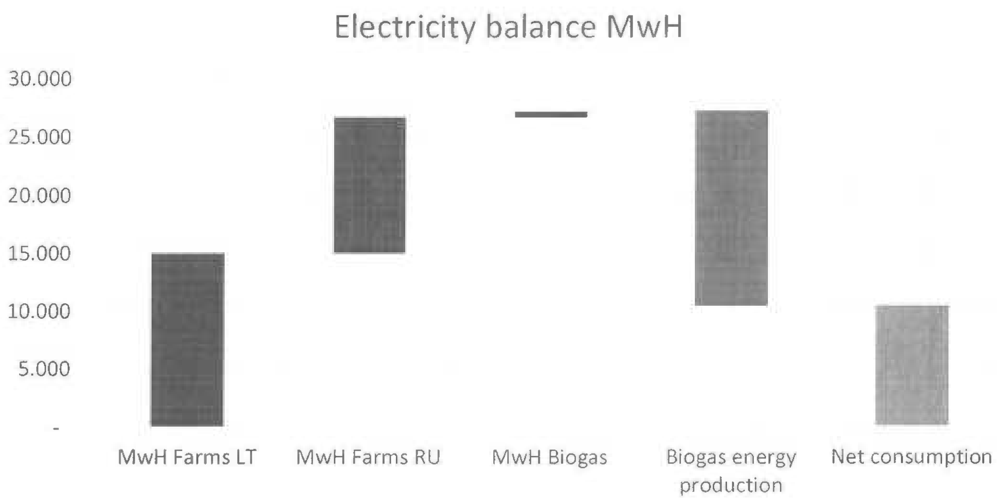
We constantly strive to take care of the environment in all everyday actions, and we acknowledge the need to take care of natural resources to the benefit of future generations.

Our focus is to reduce any negative impact that our production may have on the environment. We do not have full ownership of the entire value chain. However, we urge all our business partners to help us take care of the environment.

In corporation with a business partner (Modus Energy) we have established biogas plants with the aim to improve environmental targets.



One of the environmental targets is energy consumption where Idavang (with Modus Energy) will be self-supplied in 2016, mainly due to implementation of biogas plants. Already in 2015, energy dependency had been reduced by 60% compared to 2013.



But energy efficiency focus also extends to the energy usage of the individual farm. Hence, mainly the installation of LED lamps in 2015 has reduced energy consumption in Russian farms by 1.296 MwH.

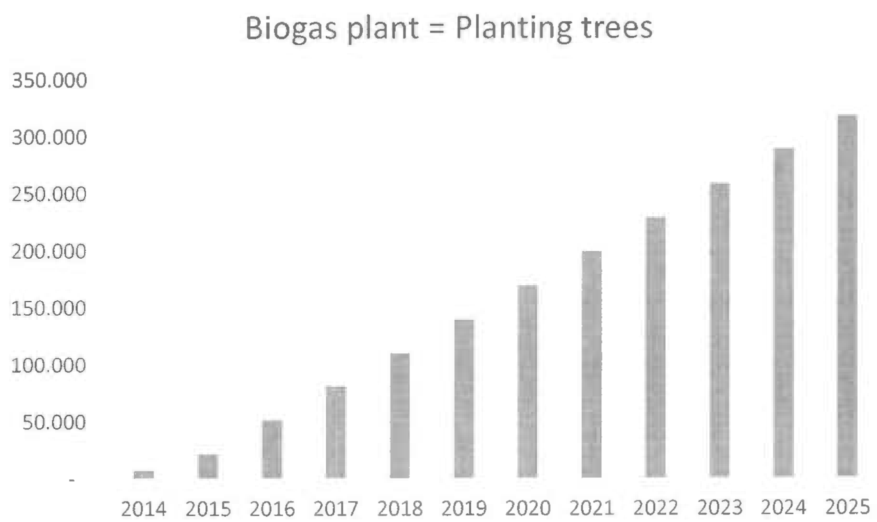
Management's review

Main environmental issue

The main environmental issue in our business is related to our production facility, which stores manure and uses it on agricultural land. The overall environmental strategy is to separate the manure and create a product that can be used as fertiliser.

The implementation of a high-tech environmental system in Russia on the Voschochny farm (2010) was the first step to improve the utilization of slurry, and the implementation of biogas plants (with Modus Energy) is a continuation hereof. In the recycling process, the manure becomes an almost odourless, high-quality organic fertilizer.

An important benefit the biogas plants save CO2. With the current plants the decrease in CO2 emissions is equivalent to planting more than 300.000 trees over the next 10 years.



Closed Lagoons

On every farm we have closed lagoons with top and double liners to prevent the emission of ammonia, nitrogen (greenhouse gas). Closed lagoons also ensure that no odour will be released into the air.

Animal welfare

The Idavang Group lives up to all relevant international standards for animal welfare. We operate with group-housed sows and partly slatted floors.

Health and Safety policy

The main purpose of the Occupational Health and Safety system is to protect employees' life and health and to ensure good working conditions by avoiding injuries and accidents.

The Occupational health and Safety tasks are structured in seven main tasks:

1. Strengthen and develop health and safety systems by forming socially responsible approach to the employees' health and safety
2. Perform an occupational risk assessment of all workplaces
3. Improve the system of training certification and instruction of employees on issues of the employees safety and health
4. Increase preventive efficiency of the employees' health care
5. Increase fire safety
6. Improve safety of employees performing dangerous work
7. Providing safe and healthy work conditions for every employee

Management's review

Human Resource policy

The company's goal is to ensure that both genders are always represented on the Board of Directors, which they currently are.

The company is committed to observing the Group's human resource policy, which first key principle is the equality of employees.

Currently, the Board of Directors has one female board member out of five. In the last year two males have re-signed the board. Therefore the percentage increased from 14% (1 of 7) to 20% (1 of 5).

The company's management today (by end 2015) is represented by 6 individuals. One of whom is female, which leaves the gender representation unchanged compared to 2014.

It is the Idavang Group's objective that both genders should represent minimum 25% of the company's management and board in 2019 compared to 18% females and 82% males today.

The company wishes to honour diversity and equal genders representation in all parts of management. When selecting new board members or new management members, the company strives towards that both genders are represented among the last 3 candidates.

We want the company's employees to experience equal opportunities for employment, improvement, career making and gaining management positions regardless of gender, age or nationality.

The company measures and monitors how this goal is met through satisfaction surveys, which include questions like "Do you trust the company as an employer?" and "Do you feel appreciated at work?" in order to ensure that the company adheres to the above-mentioned goals.

Human rights and labour rights

It is a fundamental value of Idavang to respect basic human rights, and we cannot accept forced or compulsory labour or the use of child labour in activities, which are dangerous to the moral or physical well-being, and the development of children.

To secure both proper work conditions and human rights, discussions are being held at least once a month at farm meetings in both Russia and Lithuania as well as during employee's opinion surveys.

Additional information

The company provides additional information on CSR on our webpage www.idavang.com, which complement the information provided in this annual report.

Recognition and measurement uncertainties

Management makes a number of estimates in connection with the annual report, the main one relating to valuation of the herd. The herd is valued based on fair value, which is based on recent sales prices and official quotes, see note 2.

Post balance sheet events

No post balance sheet events have occurred, which could materially affect the assessment of the Company's financial position.

Financial statements for the period 1 January – 31 December

Income statement

Note	EUR'000	2015	2014
	Revenue	91,193	115,324
16	Value adjustment, biological assets	-1,544	2,926
5+7	Production costs	-73,805	-83,890
5	Administration costs	-4,697	-5,257
8	Other income	1,217	1,326
	Other expense	-39	-943
	Operating profit	12,325	29,486
9	Financial income	345	312
10	Financial expenses	-6,665	-10,663
	Profit before tax	6,005	19,135
12	Tax on profit for the year	-68	-305
	Profit for the year	5,937	18,830
	Attributable to:		
	Owners of the parent	5,937	18,830
		5,937	18,830

Statement of comprehensive income

Note	EUR'000	2015	2014
	Profit for the year	5,937	18,830
	Other comprehensive income		
	Exchange adjustment, foreign subsidiaries	-5,914	-21,242
	Hedge accounting	-246	250
	Net gains/losses taken directly to equity	0	0
	Other comprehensive income to be reclassified to profit or loss in subsequent periods	-6,160	-20,992
	Other comprehensive income not be reclassified to profit or loss in subsequent periods	0	0
	Total comprehensive income	-223	-2,162

Financial statements for the period 1 January – 31 December

Balance sheet

Note	EUR'000	2015	2014
	ASSETS		
	Non-current assets		
13	Intangible assets	1,352	1,408
		1,352	1,408
15	Property, plant and equipment	87,654	98,555
		87,654	98,555
16	Biological assets	13,638	15,288
		13,638	15,288
	Other non-current assets		
18	Deferred tax	799	758
	Total other non-current assets	799	758
	Total non-current assets	103,443	116,009
	Current assets		
19	Inventories	9,440	8,094
		9,440	8,094
16	Biological assets	19,020	20,170
		19,020	20,170
	Receivables		
20	Trade receivables	1,638	1,265
	Other receivables	543	740
	Prepayments	1,424	2,142
	Income taxes receivables	15	243
		3,620	4,390
	Assets held for sale	105	0
		105	0
	Cash at bank and in hand	9,843	6,568
	Total current assets	42,028	39,222
	TOTAL ASSETS	145,471	155,231

Financial statements for the period 1 January - 31 December

Balance sheet

Note	EUR'000	2015	2014
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	1,000	1,000
	Share premium	29,974	29,974
	Exchange adjustments	-31,750	-25,836
	Other reserves	1,464	1,779
	Retained earnings	49,385	50,381
	Total equity	50,073	57,298
	Liabilities		
	Non-current liabilities		
22	Payables to credit institutions	47,541	50,940
	Subordinated loans	6,475	15,732
11	Grants	2,390	2,857
18	Deferred tax	439	611
	Other non-current liabilities	39	39
		56,884	70,179
	Current liabilities		
22	Current portion of non-current liabilities to credit institutions	17,434	15,318
22	Payable to credit institutions	12,778	4,110
	Trade payables	6,777	6,808
	Income taxes payable	48	12
	Other payables	1,477	1,506
		38,514	27,754
	Total liabilities other than provisions	95,398	97,933
	TOTAL EQUITY AND LIABILITIES	145,471	155,231

Financial statements for the period 1 January – 31 December

Statement of changes in equity

Note	EUR'000	Share capital	Share premium	Exchange adjustment	Other reserves	Retained earnings	Total
	Equity at 1 January 2014	1,000	29,974	-4,594	1,598	39,482	67,460
	Profit/loss for the year					18,830	18,830
	Other comprehensive income			-21,242	250		-20,992
	Total comprehensive income			-21,242	250	18,830	-2,162
	Dividend					-8,000	-8,000
6	Transfer other reserves to retained earnings				-69	69	0
	Equity at 31 December 2014	1,000	29,974	-25,836	1,779	50,381	57,298
	Profit/loss for the year					5,935	5,935
	Other comprehensive income			-5,914	-246		-6,160
	Total comprehensive income			-5,914	-246	5,935	-225
	Dividend					-7,000	-7,000
6	Transfer other reserves to retained earnings				-69	69	0
	Equity at 31 December 2015	1,000	29,974	-31,750	1,464	49,385	50,073

Financial statements for the period 1 January – 31 December

Cash flow statement

Note	EUR'000	2015	2014
	Operating profit/loss	12,325	29,486
7	Depreciation and amortisation	8,015	8,792
	Profit from sale of tangible assets	0	0
	Accrual of hedging accounting	-246	250
	Changes in inventories	-2,706	-2,110
	Changes in receivables	765	331
	Accrual for trade receivable	-423	423
	Changes in trade payables	554	-87
	Changes in other current liabilities	-254	739
6	Share-based payments	0	0
	Addition of biological assets	-1,819	1,934
16	Value adjustment, biological assets	1,544	-2,926
		17,755	36,832
	Interest received	219	299
	Interest paid	-7,044	-6,794
	Corporation tax paid	-18	-691
	Cash flows from operating activities	10,912	29,646
13	Acquisition of intangible assets	-32	-17
15	Acquisition of property, plant and equipment	-4,613	-9,010
	Disposal of property, plant and equipment	363	412
16	Acquisition/disposal of biological assets	387	454
	Acquisition of investments	0	0
	Disposal of investments	0	5
	Cash flows from investing activities	-3,895	-8,156
	Proceeds from borrowings	20,326	0
	Repayment of borrowings	-16,049	-12,067
	Dividends paid	-7,000	-8,000
	Cash flows from financing activities	-2,723	-20,067
	Net cash flows from operating, investing and financing activities		
	Cash and cash equivalents at 1 January	6,568	7,393
	Net cash flow for the year	4,294	1,423
	Exchange adjustments	-1,019	-2,248
	Cash and cash equivalents at 31 December	9,843	6,568

The group furthermore has EUR 1,177 thousand in overdraft facilities which are not utilised at year end

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Significant accounting policies

Basis of preparation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU, additional Danish disclosure requirements for financial statements prepared by large reporting class C enterprises and the Danish executive order on IFRS issued in pursuance of the Danish Financial Statements Act.

The consolidated financial statements are presented in EUR. The parent's functional currency is DKK.

The financial statements have been prepared on the historical cost basis except for biological assets and hedging contracts, which are measured at fair value, and amortised cost for loans were relevant.

New and amended statements and bases for conclusions not yet effective

IASB has issued a number of new standards, amendments to existing standards and bases for conclusions, which have not yet come into force, but which will become effective in the financial year 2016 or later. These are not expected to have a significant effect on¬ recognition and measurement in future annual reports.

IFRS 15 "Revenue from Contracts with Customers" was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or rendering of services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for financial years beginning on or after 1 January 2018.

IFRS 16 "Leases" was issued in January 2016. The standard, which becomes effective for financial years beginning on or after 1 January 2019, alters the accounting treatment for lease contracts that today are treated as operating leases. The standard requires that all leasing contracts regardless of type and with few exceptions should be recognized in the lessee's balance sheet as an asset with a corresponding lease obligation. At the same time the lessee's income statement will be influenced by two elements in the future - depreciation and interest expense. Today the expense relating to operating leases is recognized as an element in the income statement under production costs or administration costs.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Significant accounting policies (continued)

Consolidated financial statements

The consolidated financial statements comprise the parent, Idavang A/S, and entities in which the parent, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest (see group chart on page 5).

The consolidated financial statements are prepared by aggregating the parent's and the subsidiaries' financial statements, prepared in accordance with the accounting policies applied by the group. Intra-group income and expenses, shareholdings, etc., intra-group balances and dividends and realised and unrealised gains on transactions between the consolidated entities are eliminated on consolidation.

Currency translation

Transactions denominated in foreign currencies are translated into EUR at the exchange rates at the date of the transaction.

Monetary items denominated in foreign currencies are translated into EUR at the exchange rates at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in profit or loss as financial income/expenses.

Non-monetary assets and liabilities measured at historic cost in foreign currencies are translated into EUR at the exchange rates at the date of recognition. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated into EUR at the exchange rates at the date of determination of the fair value.

Foreign subsidiaries

The financial statements of foreign subsidiaries are translated using the following principles:
Balance sheet items are translated at closing rates. Profit or loss items are translated at the rates at the date of the transaction. Any exchange differences resulting from the translation of the opening equity at the closing rate and the exchange adjustment of the profit or loss items from the rate at the date of the transaction to the closing rate are recognised in other comprehensive income.

Derivative financial instruments

The Group enters into commodity contracts with respect to grain in order to secure future supply. Derivate financial instruments are initially measured at fair value at the time of conclusion of the contract and subsequently at fair value at the balance sheet date. Derivative financial instruments are recognised in other receivables when the fair value is positive and in other payables when the fair value is negative.

Changes in the fair values of derivate financial instruments that are designated and qualify as hedges of future commodity purchases are regcognised in other comprehensive income. Income and expenses relating to such hedging transactions are transferred from other comprehensive income on realisation of the hedged item and are recognised in the same entry as the hedged item.

Any gains or losses arising from changes in the fair value of derivative financial instruments that not qualify as hedges are recognised under net financials in the income statement.

Share-based payments

Employees in the Group receive compensation in the form of share-based payments with the employees providing services as consideration for equity instruments ('equity-settled share-based payments').

Expenses incurred in connection with equity-settled share-based payments to employees are measured on the basis of the fair value at the grant date. The fair value is determined using an appropriate pricing model, see note 6.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Significant accounting policies (continued)

Expenses related to equity-settled share-based payments, and the corresponding increase in equity, are recognised over the vesting period. The total expenses recognised in respect of equity-settled share-based payments at the balance sheet date reflect the share of the vesting period that has passed and the group's best estimate of the number of equity instruments that will eventually vest. The amount recognised in profit or loss represents the change in the total expenses recognised at the beginning and at the end of the year.

Income statement

Revenue

Revenue from the sale of slaughter pigs and piglets is recognised in profit or loss when delivery and transfer of the risk to the buyer has taken place. Revenue is reduced for VAT and is measured at the fair value of the consideration received or receivable.

Production costs

Production costs comprise expenses incurred in generating the revenue for the year. Such costs include direct and indirect production costs relating to raw materials and consumables, wages and salaries, rent and leases, and depreciation, amortisation and impairment losses in respect of production plant.

Also operating expenses relating to investment property are recognised.

Dividend

Dividend revenue is recognised when the Group's right to receive the dividend has been established.

Net financials

Financial income and expenses are recognised in profit or loss at the amounts that relate to the reporting period. Net financials include interest income and expenses, realised and unrealised capital and exchange gains and losses on securities and foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Government grants

The Group's government grants are subject to IAS 20 and comprise:

Government grants related to expenses

In Russia, the Group receives government grants in the form of reimbursement of interest expenses on loans, cost recovery for cost related to the production of crops and compensation for high grain prices.

Government grants related to expenses are recognised as income as the right to the grant is earned and received, i.e. as the eligible expenses are incurred and the grant is deposited in a bank account.

Government grants related to property, plant and equipment

In Lithuania, the Group receives government grants for the investment of property, plant and equipment in return for the Group's commitment to carry on pig production for a certain number of years.

Government grants for assets are recognised as deferred income, which is reduced in step with the depreciation of the related asset and recognised in profit or loss under depreciation.

Income taxes

Income taxes include current tax on the year's expected taxable income and the year's deferred tax adjustments less the share of the tax for the year that concerns changes in equity.

Current and deferred taxes related to items recognised directly in equity are taken directly to equity.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Significant accounting policies (continued)

Balance sheet

Intangible assets

Intangible assets with indefinite lives

Intangible assets with indefinite lives comprise goodwill. Goodwill is not amortised but is tested for impairment on an annual basis. The impairment test is performed for the cash-generating unit to which the goodwill belongs. The carrying amount of goodwill is reduced to the higher of the value in use and the fair value less costs to sell of the activity or the business area to which the assets relate (recoverable amount) if it is lower than the carrying amount.

Intangible assets with definite lives

Intangible assets with definite lives comprise electricity rights and the right to buy leased land in Russia. The rights are measured at cost less accumulated amortisation and impairment.

Rights are depreciated using the straight-line method on the basis of the cost over the following useful lives:

	Useful life, years	Residual value
Rights	20-25	0%

The rights are tested for impairment whenever there is an indication that they might be impaired. The impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of the assets is reduced to the higher of the value in use and the fair value less costs to sell of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Property, plant and equipment

Property, plant and equipment include land and buildings, plant and machinery and other fixtures and fittings, tools and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and impairment.

The cost includes the cost of acquisition, expenses directly attributable to the acquisition of the asset and expenses incurred to prepare the asset until such time as it is ready to be put into operation.

Depreciation is calculated on the basis of the residual value less any impairment losses. The residual value is determined at the date of acquisition and is reviewed on an annual basis. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued. Where the depreciation period or the residual value changes, the effect on depreciation is recognised prospectively as a change in accounting estimates.

Property, plant and equipment are depreciated using the straight-line method on the basis of the cost over the following useful lives:

	Useful life, years	Residual value
Buildings	25-40	0%
Plant and machinery	8-15	0%
Other fixtures and fittings, tools and equipment	3-10	0%

Land is not depreciated.

Gains and losses from the sale of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the time of sale. Gains or losses are recognised in profit or loss.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Significant accounting policies (continued)

Property, plant and equipment are tested for impairment whenever there is an indication that an asset might be impaired. The impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of the assets is reduced to the higher of the value in use and the fair value less costs to sell of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset which requires a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of the asset concerned until such time as it is essentially ready for its intended use or sale. Borrowing costs comprise interest and other expenses incurred in connection with borrowing.

Leases

For financial reporting purposes, lease commitments are broken down under finance leases and operating leases. A lease is classified as a finance lease when it in all essential respects transfers risks related to and benefits derived from owning the leased asset. Other leases are classified as operating leases.

Payments made under operating leases are recognised in profit or loss over the term of the lease.

Biological assets

Biological assets are recognised when the Group controls the asset and it is probable that future economic benefits associated with the asset will flow to the Group and the cost or fair value of the asset can be measured reliably.

Biological assets are measured at fair value less selling costs.

Value adjustments of biological assets are recognised in profit or loss for the period to which they relate.

The value of crops is calculated at cost plus production overheads. At the time of harvest, crops are reclassified from biological assets to inventories, measured at fair value less the cost of transportation, which subsequently makes up the cost.

Inventories

Inventories are measured at cost by reference to the FIFO method. Where the net realisable value is less than the cost, the carrying amount is reduced to such lower value.

Trade receivables

Receivables are measured at amortised cost. Provisions are made for bad debts if there is objective evidence of impairment of a receivable. Provisions are based on an individual assessment of each receivable.

Prepayments

Prepayments comprise prepaid expenses.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Significant accounting policies (continued)

Equity

Share premium

The share premium comprises amounts in excess of the nominal value of the share capital which have been paid by shareholders in connection with the capital increase. The reserve is included in distributable reserves.

Foreign currency translation adjustments

Foreign currency translation adjustments comprise exchange adjustments in connection with the translation of foreign subsidiaries' balance sheets from their functional currency into the Group's presentation currency.

Other reserves

Other reserves comprise write-up of buildings (deducted deferred tax) in Lithuania.

Income taxes

Current taxes are recognised in the balance sheet as the estimated tax in respect of the expected taxable income for the year, adjusted for tax on prior years' taxable income and tax paid in advance.

Provisions for deferred tax are calculated at local rates of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, and temporary differences on goodwill.

Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or a set-off against deferred tax liabilities.

Financial liabilities

Financial liabilities comprise mortgage debt, payables to other credit institutions and subordinated loans. Financial liabilities are recognised at the inception of the loan at the proceeds received, net of transaction costs incurred. Financial liabilities are subsequently measured at amortised cost, determined by reference to the effective interest rate at the time of borrowing.

Cash flow statement

The cash flow statement shows the Group's and the parent company's net cash flow during the year, the year's changes in cash and cash equivalents and the cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are presented using the indirect method and are calculated as the profit or loss for the year, adjusted for non-cash operating items, changes in working capital, paid financial expenses and paid income taxes.

Cash flows from investing activities comprise payments related to additions and disposals of fixed assets, securities related to investing activities and dividends received from subsidiaries.

Cash flows from financing activities comprise dividends paid to shareholders, borrowings and repayments of interest-bearing debt.

Cash and cash equivalents comprise cash and near money securities in respect of which the risk of changes in value is insignificant less short-term bank debt.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Significant accounting policies (continued)

Financial highlights

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

Ratios

EBITDA margin	EBITDA x 100 / Revenue
Current ratio	Current assets x 100/ Current liabilities
Equity ratio	Total equity x 100 / Total assets
Return on equity	Profit for the year x 100 / Equity
Sold volume liveweight	Weight of slaughter pigs, piglets, weaners and sows sold
kMT	1,000,000 kg
Capital invested	Assets less cash, less bonds less non-interest-bearing debt including provisions
Return on average invested capital	EBIT x 100 / Average invested capital
Net interest-bearing debt	Non-current interest-bearing liabilities plus debt to credit institutions less cash less bonds

Financial statements for the period 1 January - 31 December

Notes to the financial statements

2 Critical accounting estimates and judgements

In connection with the preparation of the consolidated financial statements, management makes a number of judgements and estimates, which form the basis of the recognition and measurement of income, expenses, assets, liabilities and disclosures of contingent assets and liabilities at the balance sheet date.

Accounting judgements

In the process of applying the Group's accounting policies, management has not exercised judgements which may have a significant effect on the amounts recognised in the consolidated financial statements.

Accounting estimates

Recognition and measurement of certain assets and liabilities at the balance sheet date require that management makes assumptions and estimates of future events. If these assumptions and estimates are not realised as expected, it may result in significant corrections of the carrying amounts of the affected assets and liabilities in the subsequent financial year. In 2015, Management made assumptions and estimates in connection with the recognition and measurement of the following items:

A) Measurement of biological assets

Idavang group value the herd based on fair value

	2015	2014	2013
Slaughterpig sales price liveweight - Russia end year	EUR 1.15	EUR 1.51	EUR 1.52
Slaughterpig sales price liveweight - Lithuania end year	EUR 0.87	EUR 0.89	EUR 1.26
Weaners (30 kg) sales price - Lithuania end year	EUR 43	EUR 43	EUR 66
Piglets (7 kg)	EUR 21	EUR 22	EUR 33
Premium for Russian meat (relation between slaughter pig prices)	33%	69%	21%
Sows unit price - Russia	595	649	653
Sows unit price - Lithuania	422	464	482

Slaughter pigs above 60 kg are valued based on recent sales price per kg.

The sales price for weaners in Lithuania is based on official quotes plus volume fee agreed with customers.

The valuation of piglets is based on official quotes. Sows (and the remaining breeding herd) are valued based on, official quotes, a number of elements genetics, cost and expected piglets.

The carrying amount at 31 December 2015 is EUR 31,665 thousand (2014: EUR 34,435 thousand).

Financial statements for the period 1 January - 31 December

Notes to the financial statements

2 Critical accounting estimates and judgements (continued)

B) Impairment testing

Intangible assets with indefinite lives, comprising goodwill, and other intangible assets and property, plant and equipment with definite lives are tested for impairment when there is indication of impairment. In performing the impairment test, it is considered whether the cash-generating units to which the asset is related will be able to generate sufficient future positive net cash flows to support the carrying amount of the asset and other net assets in the cash-generating unit. At 31 December 2015, management only identifies recent sales price development as an indication of impairment of intangible assets and property, plant and equipment with definite lives.

Impairment test have been performed based on future cash flows. The discount rate applied for Lithuania is 8.9% (2014: 9.3%). The impairment test did not show any need to recognised impairment losses. No impairment indicators were identified for Russia.

The assumptions for the calculation of future net cash flows concerning goodwill are disclosed in note 14 to the consolidated financial statements.

The carrying amount at 31 December 2015 is 60,638 kEUR (2014: kEUR 64,238).

3 Unusual circumstances

None

4 Fees paid to auditors appointed at the annual general meeting

EUR'000	2015	2014
Fee regarding statutory audit	118	126
Assurance engagements	0	24
Tax assistance	2	20
Other assistance	6	3
	126	173

Audit fees are recognised under administration expenses

Financial statements for the period 1 January - 31 December

Notes to the financial statements

	EUR'000	2015	2014
5	Staff costs		
	Wages and salaries	9,082	10,996
	Other social security costs s	2,007	3,056
	Share-based payments (note 6)	0	0
	Other staff costs	392	379
		11,481	14,431
	Staff costs are recognised as follows in the financial statements:		
	Production	8,124	10,555
	Fixed assets	282	822
	Administration	3,075	3,054
		11,481	14,431
	Of which		
	Remuneration for executive board	725	803
	Salaries to other executive officers	800	586
	Remuneration for board of directors	164	191
	Share-based payments (note 6), executive board and officers	0	0
		1,689	1,580
	Average number of full-time employees	767	871

6 Share-based payments

Idavang A/S has set up an equity-based compensation plan under which options are granted to one group executive. The options vests on 31 December 2022 or on an earlier change in the company's ownership structure (exit). Management has estimated the expected vesting period.

If all the options vest, the employee becomes entitled to subscribe for shares in the company worth a total nominal amount of up to EUR 24,000. Each option granted provides the owner with a right, but not an obligation, to purchase one share with a nominal value of EUR 84.00 in the company in 2015 indexed to EUR 269.56 in 2022.

The market value of the options is calculated using the Black-Scholes model. The calculation of present market values is based on the following assumptions:

Volatility 31.1 %, risk-free interest rate 1.5 %, exercise price EUR 269.56, dividend EUR 0.

The volatility is calculated on the basis of a peer group of comparable enterprises. These peers were analysed over a period, following which the volatility for purposes of the valuation was calculated as the median.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

	EUR'000	2015	2014
7	Amortisation, depreciation and impairment		
	Buildings	3,940	4,167
	Plant and machinery	3,623	4,090
	Other fixtures and fittings, tools and equipment	415	508
	Goodwill	0	0
	Intangible assets	37	27
		8,015	8,792

Amortisation, depreciation and impairment losses are recognised under production cost

8	Other income		
	Grants in Russia on meat and grain	270	392
	Misc.	947	934
		1,217	1,326

9	Financial income		
	Financial income from financial assets and liabilities at fair value through profit or loss:		
	Interest, derivative financial instruments	60	1
		60	1
	Financial income originating from loans and receivables measured at amortised cost:		
	Exchange gains	119	0
	Interest income, banks	159	205
	Other	7	106
		285	311
	Total financial income	345	312

Financial statements for the period 1 January - 31 December

Notes to the financial statements

EUR'000	2015	2014
10 Financial expenses		
Financial expenses from financial assets and liabilities at fair value through profit or loss:		
Interest, derivative financial instruments	110	14
	110	14
Financial expenses originating from loans and receivables measured at amortised cost:		
Exchange losses	889	2,639
Interest payables to credit institutions	3,574	4,938
Interest, subordinated loans	1,652	2,604
Other	440	468
	6,555	10,649
Total financial expenses	6,665	10,663

11 Government grants

The Group receives government grants in the form of reimbursement of interest on loans, grants for crop production and compensation for high grain prices. The Group also receives grants for the maintenance of property, plant and equipment in return for a commitment to carry on pig production for a certain number of years.

EUR'000	2015	2014
Carrying amount 1/1	2,857	3,254
Received in the year	2,179	3,576
Recognised in profit or loss in the year	-2,404	-3,069
Exchange adjustment	-242	-904
Carrying amount 31/12	2,390	2,857

The carrying amount of the grants partly relates to the EU SAPARD. The carrying amount is subject to non-fulfilment terms if the underlying assets are not used for the expected purpose for 5 years.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

EUR'000	2015	2014
12 Income taxes		
Income tax expense recognised in profit or loss:		
Estimated tax on the taxable income for the year	-31	-93
Adjustment regarding prior year	-36	0
Dividend tax	-213	-338
Change in deferred tax	212	125
	-68	-305

	2015	2014
Reconciliation of tax rate		
Danish tax rate	23,5%	25%
Adjustment regarding prior year	0,6%	0%
Difference, tax rate in foreign subsidiaries	-23,0%	-26%
Permanent differences	0,0%	0%
Dividend tax	3,5%	2%
Tax loss carry forward	-3,5%	1%
Change in tax rate (effect in deferred tax)	0,0%	0%
Effective tax rate	1,1%	2%

Financial statements for the period 1 January – 31 December

Notes to the financial statements

13 Intangible assets

EUR'000	Goodwill	Rights	Total
Cost at 1 January 2014	2,446	853	3,299
Additions	0	10	10
Disposals	0	-45	-45
Exchange adjustments	1	-233	-232
Cost at 31 December 2014	2,447	585	3,032
Amortisation at 1 January 2014	1,425	258	1,683
Amortisation	0	27	27
Disposals	0	-45	-45
Impairment	0	0	0
Exchange adjustments	1	-42	-41
Impairment losses and amortisation at 31 December 2014	1,426	198	1,624
Carrying amount at 31 December 2014	1,021	387	1,408
Cost at 1 January 2015	2,447	585	3,032
Additions	0	33	33
Disposals	-479	-4	-483
Exchange adjustments	-1	-65	-66
Cost at 31 December 2015	1,967	549	2,516
Amortisation at 1 January 2015	1,426	198	1,624
Amortisation	0	37	37
Disposals	0	-4	-4
Impairment	-479	0	-479
Exchange adjustments	0	-15	-15
Impairment losses and amortisation at 31 December 2015	948	216	1,164
Carrying amount at 31 December 2015	1,019	333	1,352

Financial statements for the period 1 January – 31 December

Notes to the financial statements

14 Impairment test, intangible assets

Intangible assets with indefinite lives (goodwill) are tested for impairment on an annual basis.

Goodwill

Goodwill relates to Lithuania: Salnaiciu (1999) and Skabeikiu (2006).

Goodwill is tested for the smallest group of cash-generating units in respect of which goodwill is monitored by management and which is not larger than the group's operating segments. As sales and production are managed centrally in each individual country, goodwill is monitored at country level. Goodwill has been allocated to Lithuania, the carrying amount of goodwill at 31 December totalled:

EUR'000	2015	2014
Lithuania	1,019	1,021

The recoverable amount is determined on the basis of a calculation of the value in use using cash flow calculations based on budgets and forecasts for 2016-2026 (2014: 2015-2016), as approved by management. The calculation of the value in use is based on the following estimates:

Percentage	Lithuania
2015	
Discount factor before tax	8.9%
Growth rate in terminal period	2.0%
2014	
Discount factor before tax	9.3%
Growth rate in terminal period	2.0%

The key assumptions used in cash flow projections are as follows:

Selling price per kilo pork compared with cost price per kilo grain

For Lithuania, a conservative expectation as to average sales prices and grain prices has been used.

Investments

Lithuania's investments are expected to be EUR 0.8m. It is therefore Management's judgement that investments will be lower than depreciation charges going forward.

Working capital

In Management's opinion, working capital reached a normal level in 2015 in the cash generating units. Management does not expect significant changes to the level of working capital in future.

As the estimated value in use is considerably higher than the carrying amount, the impairment test shows no indication of impairment of goodwill.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

15 Property, plant and equipment

EUR'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Plants under constructio n	Total
Cost at 1 January 2014	113,842	36,827	5,035	823	156,527
Additions	4,035	3,683	316	976	9,010
Disposals	-177	-1,338	-417	-85	-2,017
Reclassifications	0	0	0	0	0
Transfer	347	0	0	-347	0
Exchange adjustments	-21,902	-7,935	-376	-391	-30,604
Cost at 31 December 2014	96,145	31,237	4,558	976	132,916
Impairment losses and deprecia- tion at 1 January 2014	16,015	13,114	2,514	0	31,643
Depreciation	4,167	4,090	508		8,765
Reclassifications	0	0	0		0
Reversed depreciation on disposal	0	-1,292	-339		-1,631
Exchange adjustments	-2,176	-2,049	-191		-4,416
Impairment losses and deprecia- tion at 31 December 2014	18,006	13,863	2,492	0	34,361
Carrying amount at 31 December 2014	78,140	17,374	2,066	976	98,555
Land which is not depreciated	2,813				
Of which financial leased assets					1,348

Cost amount of assets written off but still in use is EUR 2,318 thousand. The amount of borrowing costs capitalized during the year ended 31 December 2014 was EUR 0 (2013 EUR 1,912)

Financial statements for the period 1 January – 31 December

Notes to the financial statements

15 Property, plant and equipment, continued

EUR'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Plants under constructio n	Total
Cost at 1 January 2015	96,145	31,237	4,558	976	132,916
Additions	224	876	38	3,475	4,613
Disposals	-260	-448	-909	0	-1,617
Reclassifications	0	0	0	0	0
Transfer	2,478	410	6	-2,894	0
Exchange adjustments	-6,412	-2,429	-74	-217	-9,132
Cost at 31 December 2015	92,175	29,646	3,619	1,340	126,780
Impairment losses and deprecia-tion at 1 January 2015	18,006	13,863	2,492	0	34,361
Depreciation	3,940	3,623	415		7,978
Reclassifications	0	0	0		0
Reversed depreciation on disposal	0	-406	-743		-1,149
Exchange adjustments	-993	-998	-73		-2,064
Impairment losses and deprecia-tion at 31 December 2015	20,953	16,082	2,091	0	39,126
Carrying amount at 31 December 2015	71,222	13,564	1,528	1,340	87,654
Land which is not depreciated	2,254				
Of which financial leased					1,348

Cost amount of assets written off but still in use is EUR 3,708 thousand. The amount of borrowing costs capitalized during the year ended 31 December 2015 was EUR 0 (2014 EUR 0)

Financial statements for the period 1 January – 31 December

Notes to the financial statements

16 Biological assets

Value adjustment of biological assets

EUR'000	Crops	Commercial herd	Total current assets	Breeding herd
Carrying amount at 1 January 2014	1,465	26,182	27,647	16,362
Gains/losses from fair value changes	0	187	187	2,739
Additions	5,009	77,132	82,141	5,612
Disposals	-4,928	-78,303	-83,231	-6,911
Transfers	0	-845	-845	845
Exchange adjustments	-523	-5,206	-5,729	3,359
Carrying amount at 31 December 2014	1,023	19,147	20,170	15,288
Biological assets provided as security	0	15,970	15,970	12,438
Carrying amount at 1 January 2015	1,023	19,147	20,170	15,288
Gains/losses from fair value changes	0	-1,394	-1,394	-150
Additions	3,700	81,738	85,438	2,996
Disposals	-3,543	-76,442	-79,985	-7,009
Transfers	0	-3,627	-3,627	3,627
Exchange adjustments	-177	-1,405	-1,582	-1,114
Carrying amount at 31 December 2015	1,003	18,017	19,020	13,638
Biological assets provided as security	0	15,084	15,084	11,290

Idavang uses the following hierarchy for determining and disclosing the fair value:

Level 1: Quoted (uadjusted) prices in active markets for identical assets

Level 2: Significant observable inputs

Level 3: Significant unobservable inputs

Commercial and breeding herd are measured at fair value level 2 due to significant links to observable quotes on pigs and recent sales prices.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

16 Biological assets (continued)

Crops

2014: An area of 8,505 ha was harvested mainly wheat, and by the end of 2014 5,893 ha were seeded

2015: An area of 7,155 ha, was harvested mainly wheat, and by the end of 2015 5,693 ha, were seeded

Crops are based on cost of seed, fertilizer, chemical, variable cost and salary to field production

Commercial herd

2014: Stock was reduced due to Rupinskai, stables are temporary empty and the ending stock of 327,745 pigs, During the year 621,926 slaughter pigs, 177,162 weaners and 15,347 sows were sold

2015: Stock was increased due to establishment of contracting in Polen and the ending stock of 353,611 pigs, During the year 641,980 slaughter pigs, 102,453 weaners and 15,775 sows were sold

Revaluation of consumable biological assets was done based on the prices of the most recent sales prices and official quotes,

Breeding herd

2014: Stock decreased and the year ended with a total of 30,562 sows, gilts and boars

2015: Stock decreased and the year ended with a total of 29,702 sows, gilts and boars

Financial statements for the period 1 January – 31 December

Notes to the financial statements

	EUR'000	2015 Carrying amount	2015 Fair value	2014 Carrying amount	2014 Fair value
17	Financial assets and liabilities				
	Financial assets at fair value through profit or loss				
	Derivative financial instruments	0	0	0	0
	Financial assets at fair value through profit or loss	0	0	0	0
	Loans and receivables at amortised cost				
	Trade receivables	1,638	1,638	1,265	1,265
	Other receivables	543	543	740	740
	Prepayments	1,424	1,424	2,142	2,142
	Cash	9,843	9,843	6,568	6,568
	Total loans and receivables measured at amortised cost	13,448	13,448	10,715	10,715
	Total financial assets	13,448	13,448	10,715	10,715
	Financial liabilities at fair value through profit or loss				
	Derivative financial instruments	0	0	0	0
	Financial assets at fair value through profit or loss	0	0	0	0
	Financial liabilities measured at amortised cost				
	Payables to credit institutions	77,753	77,947	70,368	70,603
	Subordinated loans	6,475	6,475	15,732	15,732
	Trade payables	6,777	6,777	6,808	6,808
	Other payables	1,477	1,477	1,506	1,506
	Total financial liabilities measured at amortised cost	92,482	92,676	94,414	94,649
	Total financial liabilities	92,482	92,676	94,414	94,649

Idavang uses the following hierarchy for determining and disclosing the fair value:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: Other techniques for which all input that have a significant effect on the recorded fair value are observable, either directly or indirectly

All financial assets and liabilities are classified as level 2 except bonds, which are level 1.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

	EUR'000	Consolidated balance sheet 2015	2014	1/1 2014	Income statement 2015	2014
18	Deferred tax					
	Property, plant and equipment	-289	-299	-314	10	15
	Biological assets	-280	-320	-578	40	226
	Other non-current assets	2	9	125	-7	-116
	Current assets and liabilities	0	0	0	0	0
	Tax loss carry forward	927	757	756	169	0
	Deferred tax income/(expense)				212	125
	Deferred tax asset/(liability)	360	147	-11		
	Deferred tax asset/liability is recognised in the balance sheet as follows:					
	Deferred tax asset	799	758	1,360		
	Deferred tax liability	439	611	1,371		
	Deferred tax, net	360	147	-11		
	Reconciliation of deferred tax, net					
	At 1/1	147	-11			
	Exchange adjustments	1	33			
	The year's tax income/expense recognised in profit or loss	212	125			
	The year's tax income/expense recognised in other comprehensive income	0	0			
	Deferred tax acquired on acquisition	0	0			
	At 31/12	360	147			

Deferred tax assets (tax loss carry forward) are recognised when it is assumed highly probably that the assets will be utilised.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

EUR'000	2015	2014	1/1 2014
19 Inventories			
Inventories may be specified as follows:			
Raw materials and consumables	9,440	8,094	8,985
Cost of sales recognised in profit or loss (feed)	50,103	51,751	60,804

Impairment losses on inventories are recognised in cost of sales at EUR 0 thousand (2014: EUR 0 thousand).

20 Trade receivables

Trade receivables at 31 December 2015 include receivables at a nominal value of EUR 1,638 thousand (2014: EUR 1,265 thousand), the carrying amount of which has been reduced by EUR 0 thousand (2014: EUR 423 thousand).

Trade receivables overdue by more than 30 days are EUR 72 thousand (2014: EUR 389 thousand).

The reason why trade receivables are low compared to revenue is that all sales in Russia are prepaid by the customer and sales in the EU (mainly Lithuania) have been covered though factoring agreements since 2006.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

21 Capital structure

Capital management

The Group aims to create the room required to secure its strategic development activities and be able to provide a competitive return for its shareholders.

The Board of Directors generally intends to distribute excess cash to the shareholders by way of dividends. However, dividends will always take into account the Group's growth plans and funding requirements.

Share and authorisations

Idavang A/S has only one share class with equal rights. Shares have a denomination of EUR 1 per share. The shares are non-negotiable instruments.

Idavang's Ownership	Shares	Ownership	Voting rights
JAST Holding ApS	800,000	80%	80%
International Finance Corporation	200,000	20%	20%
	1,000,000	100%	100%

The share capital has been paid in full.

All resolutions at the general meetings of shareholders must be adopted by a simple majority of the votes of the shares present at the meeting, unless one of the listed voting right restrictions or the Danish Companies Act provides otherwise. In the event of a tie, the proposal will lapse.

The Company must not make the following decisions or actions without the prior written consent of IFC:

1. Amend the articles of association
2. Change the designations, powers, rights, preferences or privileges, or qualifications, limitations or restrictions of the shares owned by IFC
3. Create, authorise or issue any shares in the capital, equivalent to shares or other equity security
4. Perform any disposal, including, but not limited to, any sale, or arranging for the disposal of
   A) More than five per cent (5%) of the total assets of the company on a consolidated basis during any financial year
   B) Shares in the company or any subsidiary
5. Carry through any amalgamation, merger, consolidation, reconstruction, restructuring or similar transaction of the company except for mergers of any subsidiaries with the company or mergers between subsidiaries
6. Authorise or undertake any liquidation event, unless such decision is mandatory under Danish law or ordered by the Danish Business Authority
7. Authorise or undertake any listing, any offering or any delisting of the shares of the company
8. Authorise or undertake any reduction of capital or share repurchase
9. Change the primary business of the company
10. Remove or replace the external auditor or change the financial year
11. Declare or pay any dividend, distribution or redemption of shares

The Company is managed by a Board of Directors counting 5-9 members who are elected for one year at a time. Directors are eligible for re-election. The Company must have at least one independent director for as long as IFC is a shareholder. IFC is entitled to appoint one director for as long as IFC is a shareholder in the Company.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

22 Financial risks

Sales price risk

The Group is highly exposed to global and EU developments in the price of pork.

Lithuanian sales are fully linked to EU and German prices. A 1% change would affect EUR 0.5m, all other things being equal.

Russian sales due to closed borders towards the EU more linked to the global market. A 1% change would affect EUR 0.5m, all other things being equal.

Raw material price risk

The Group is highly exposed to global and EU developments in the price of grain and protein (soya and sunflower).

A change of 10% on grain prices is estimated to affect profit by +/- EUR 2.6m in 2015, all other things being equal. Furthermore, a similar 10% change in protein prices is estimated to affect profit by +/- EUR 1.7m in 2015, all other things being equal.

Credit risk

The Group positively wants to minimise its credit risks, which mainly relate to sales transactions and bonds/cash holdings.

Sales transactions should therefore for all Russian customers be carried through up-front in cash, and for EU clients, credit insurance need to be taken out in advance.

Foreign exchange risk

The Group indebtedness is roughly split evenly between Lithuanian and Russia currencies to make natural hedge against fluctuations in revenue streams. Consolidated profit and loss and financial debt divided by foreign exchange risk (without change in herd and depreciation).

EUR'000	RUB	EUR	USD
Revenue	49,000	43,410	
Production cost	-8,596	-38,842	-18,556
Administration expenses	-1,471	-3,226	
Net exposure	38,933	1,342	-18,556
Payables to credit institutions	28,513	49,240	
Subordinated loans		6,475	
Net exposure	28,513	55,716	0

The following assumptions are made in the overview above:

Revenue in Russia is RUB-denominated.

Grain and soya in Russia are linked to USD also when formally invoiced in RUB.

EUR* includes DKK as it is tied up to the EUR.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

22 Financial risks (continued)

Interest rate risk

The Group's funding from credit institutions and subordinated loans is partly predominantly carried in fixed interest rates. It is the Group's policy not to enter into interest rate swaps.

A 1% change in Euribor 6 months would, all other things being equal, affect P/L by EUR 0.3m.

Liquidity risk

The Idavang Group monitors its risk to a shortage of funds using a mix of recurring, high-level liquidity planning tool and detailed budgets. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, cash and bonds.

The Group's policy is to minimise current payables to credit institutions. The Group has assessed the concentration of risk with respect to refinancing of its debt, finding it to be low and spread among a number of banks. Access to sources of funding is sufficiently available and debt maturing within 12 months is expected to a high degree to be rolled over with existing lenders.

Payables to credit institutions are recognised in the balance sheet as follows:

EUR'000	2015	Within 1 year	1-5 years	More than 5 years
Payables to credit institutions, non-current	47,541	0	47,541	0
Subordinated loans	6,475	0	6,475	0
Payables to credit institutions, current	30,212	30,212		0
	84,228	30,212	54,016	0

The subordinated loan can be called by lender from 1 July 2014, but management considers that unlikely.

EUR'000	2014	Within 1 year	1-5 years	More than 5 years
Payables to credit institutions, non-current	50,940	0	50,230	710
Subordinated loans	15,732	0	15,732	0
Payables to credit institutions, current	19,428	19,428	0	0
	86,100	19,428	65,962	710

Financial statements for the period 1 January – 31 December

Notes to the financial statements

22 Financial risks (continued)

Liquidity risk (continued)

Payables to credit institutions including interest have the following maturity terms:

EUR'000	2015	2014
Within 1 year	34,661	23,315
1-5 years	65,862	79,396
More than 5 years	0	721
	100,523	103,432

23 Contingent liabilities, securities and other financial obligations

Contingent liabilities

Grants received

Grant received in Lithuania relating to EU SAPARD (specified in note 11), where the carrying amount has non-fulfillment conditions if the underlaying assets are not used for the expected purpose for 5 years.

Securities

The following assets have been provided as security for the group's bankers:

EUR'000	2015	2014	1/1 2014
Land, buildings and machinery	76,424	79,249	85,297
Herd	26,374	28,408	42,544
Inventories	1,370	1,246	1,775
Cash and cash equivalents	171	349	263
	104,339	109,252	129,879

The group has no other assets charged or provided as security at 31 December 2015 and 2014.

Other obligations

IFC has a put option on its 200,000 nom. Shares in Idavang A/S to Idavang A/S and Jast ApS. The put option can be exercised from 2016 to 2020. The put option is disclosed in the financial statements for the parent company, Jast ApS.

IFC put option is based on market values, hence it fluctuates, end 2016 the full obligation of Idavang A/S and Jast ApS constitute a payment of EUR 15.1 million

Purchase contracts of grain, soya and sunflower in Lithuania of EUR 12,5 m (EUR 7,5 m in 2014).

Financial statements for the period 1 January – 31 December

Notes to the financial statements

24 Related party transactions

Shareholders holding 5% or more of the share capital or the voting rights:

Jast Holding ApS, Tofthøjvej 41, 7321 Gadbjerg, 80%

International Finance Corporation, 2121 Pennsylvania Avenue, NW, Washington, DC 20433 USA, 20%

The Group's related parties with control comprise the principal shareholder, Jast Holding ApS (80% interest).

The Group's related parties with significant influence include International Finance Corporation (20% interest), the companies' board of directors and executive board, executives and their related family members. Related parties also include companies in which the aforementioned persons have a material interest.

Remuneration, salaries and incentive programmes for the board of directors and executive board are disclosed in note 6. Except for paying compensation, the group has not engaged in any significant transactions with the board of directors and executive board members, which do not have ownership in Jast Holding ApS.

The below table provides the total amount of transactions with related parties in the financial year:

2015:

EUR'000	Management fee
Owners:	
Shareholders in Jast Holding ApS	44
IFC	0
	44

2014:

EUR'000	Management fee
Owners:	
Shareholders in Jast Holding ApS	61
IFC	0
	61

All transactions with related parties are carried out on an arm's length basis.

25 Post balance sheet events

No post balance sheet events have occurred, which could materially affect the assessment of the Company's financial position.

Content – Parent Company

Parent Company - Financial statements for the period 1 January - 31 December

Parent Company - Financial statements for the period 1 January - 31 December

Income statement

Note	EUR'000	2015	2014
	Revenue	150	301
4,5,6	Administration costs	-1,651	-1,106
	Operating profit	-1,501	-805
7	Financial income	1,019	2,220
8	Financial expenses	-921	-606
	Loss on disposal of financial assets	-578	0
	Dividend received/profit on the sale of company	0	1,306
	Profit/loss before tax	-1,981	2,115
9	Tax on profit for the year	0	0
	Profit/loss for the year	-1,981	2,115

Statement of comprehensive income

Note	EUR'000	2015	2014
	Profit for the year	-1,981	2,115
	Other comprehensive income		
	Exchange adjustment, foreign subsidiaries	-17	81
	Other comprehensive income to be reclassified to profit or loss in subsequent periods	-17	81
	Other comprehensive income not be reclassified to profit or loss in subsequent periods	0	0
	Total comprehensive income	-1,998	2,196

Parent Company - Financial statements for the period 1 January – 31 December

Balance sheet

Note	EUR'000	2015	2014
	ASSETS		
	Non-current assets		
13	Intangible assets	0	0
		0	0
11	Property, plant and equipment	13	22
		13	22
10	Financial assets	30,859	19,853
		30,859	19,853
	Total non-current assets	30,872	19,875
	Current assets		
	Receivables		
12	Receivables from group entities	2,690	18,597
12	Other receivables	22	19
		2,712	18,616
	Cash at bank and in hand	3,304	188
	Total current assets	6,016	18,804
	TOTAL ASSETS	36,888	38,679

Parent Company - Financial statements for the period 1 January – 31 December

Balance sheet

Note	EUR'000	2015	2014
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	1,000	1,000
	Share premium	20,045	29,026
	Exchange adjustments	-46	-29
	Retained earnings	0	0
	Total equity	20,999	29,997
	Liabilities		
	Non-current liabilities		
12	Payables to credit institutions	15,460	8,127
14	Deferred tax	0	0
		15,460	8,127
	Current liabilities		
12	Payable to credit institutions	0	336
	Payable to group entities	181	0
12	Other payables	248	219
		429	555
	Total liabilities	15,889	8,682
	TOTAL EQUITY AND LIABILITIES	36,888	38,679

Parent Company - Financial statements for the period 1 January – 31 December

Statement of changes in equity

EUR'000	Share capital	Share premium	Exchange adjustment	Retained earnings	Total
Equity at 1 January 2014	1,000	29,974	-110	4,937	35,801
Profit/loss for the year				2,115	2,115
Other comprehensive income			81		81
Total comprehensive income			81	2,115	2,196
Dividend		-948		7,052	-8,000
Equity at 31 December 2014	1,000	29,026	-29	0	29,997
Profit/loss for the year		-1,981			-1,981
Other comprehensive income			-17		-17
Total comprehensive income		-1,981	-17		-1,998
Dividend		-7,000			-7,000
Equity at 31 December 2015	1,000	20,045	-46	0	20,999

Parent Company - Financial statements for the period 1 January - 31 December

Cash flow statement

EUR'000	2015	2014
Operating profit/loss	-1,501	-805
Share-based payments	0	0
Depreciation and amortisation	9	10
Changes in receivables	13,504	7,490
Changes in other current liabilities	26	-52
	12,038	6,643
Interest received	985	2,220
Dividend received	0	1,306
Interest paid	-921	-606
Corporation tax paid	0	-444
Cash flows from operating activities	12,102	9,119
Acquisition of investments	-8,983	0
Disposal of investments	0	0
Cash flows from investing activities	-8,983	0
Proceeds from borrowings	8,983	0
Repayment of borrowings	-1,986	-951
Dividends paid	-7,000	-8,000
Cash flows from financing activities	-3	-8,951
Net cash flows from operating, investing and financing activities		
Cash and cash equivalents at 1 January	188	20
Net cash flow for the year	3,116	168
Cash and cash equivalents at 31 December	3,304	188

Parent Company - Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Significant accounting policies

The financial statements of Idavang A/S are prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU and additional Danish disclosure requirements for financial statements.

The financial statements are presented in EUR. The company's functional currency is DKK.

The accounting policies applied by Idavang A/S are consistent with those applied by the group, cf. note 1 to the consolidated financial statements and the below:

Revenue

Revenue consists of management fee allocated to subsidiaries in the group and is recognized on a straight-line bases as the services are provided.

Revenue is measured at the fair value of the agreed consideration excl. VAT and taxes charged on behalf of third parties.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. If the cost exceeds the recoverable amount, the carrying amount is reduced to such lower value.

Dividends

Dividends from investments in subsidiaries are recognised in the parent company's income statement in the reporting year in which the dividends are declared.

2 Critical accounting estimates and judgements

In connection with the preparation of the financial statements, management makes a number of judgements and estimates, which form the basis of the recognition and measurement of income, expenses, assets, liabilities and disclosures of contingent assets and liabilities at the balance sheet date.

Accounting judgements

In the process of applying the company's accounting policies, management exercises judgements which may have a significant effect on the amounts recognised in the financial statements. The judgements made with respect to the parent company's accounting policies are consistent with those stated in note 2 to the consolidated financial statements.

Accounting estimates

Recognition and measurement of certain assets and liabilities at the balance sheet date require that management makes assumptions and estimates of future events. If these assumptions and estimates are not realised as expected, it may result in significant corrections of the carrying amounts of the affected assets and liabilities in the subsequent financial year. In 2011, management made assumptions and estimates in connection with the recognition and measurement of share-based payments and deferred tax assets. Reference is made to the description in note 2 to the consolidated financial statements.

Changes in accounting estimates

It may become necessary to change estimates due to changes in the circumstances underlying the estimates or to new information or subsequent events. Changes in accounting estimates are recognised in the financial year in which the change takes place and in subsequent financial years where appropriate.

Parent Company - Financial statements for the period 1 January - 31 December

Notes to the financial statements

3 Unusual matters

No unusual matters occurred in the financial year.

EUR'000	2015	2014
4 Fees paid to auditors appointed at the annual general meeting		
Fee regarding statutory audit	18	18
Tax assistance	2	15
Other assistance	1	0
	21	33

Audit fees are recognised under administration expenses

	2015	2014
5 Staff costs		
Wages and salaries	1.299	743
Other social security costs	1	1
Share-based payments	0	0
	1,300	744
Of which		
Remuneration for executive board	358	235
Salaries to other executive officers	264	192
Remuneration for board of directors	165	191
Share-based payments	0	0
	787	618
Average number of full-time employees	1	1

Staff costs are recognised under administration expenses.

	2015	2014
6 Amortisation, depreciation and impairment		
Depreciation, amortisation and impairment losses		
Other fixtures and fittings, tools and equipment	10	10
	10	10

Amortisation, depreciation and impairment losses are recognised under administration expenses.

Parent Company - Financial statements for the period 1 January - 31 December

Notes to the financial statements

	EUR'000	2015	2014
7	Financial income		
	Financial income originating from loans and receivables measured at amortised cost:		
	Exchange gains	34	0
	Interest income, related parties	985	2,220
	Interest income, receivables	0	0
	Total financial income	1,019	2,220
8	Financial expenses		
	Financial expenses originating from financial liabilities measured at amortised cost:		
	Exchange losses	0	32
	Interest payables to credit institutions	921	574
	Interest, payables to related parties	0	0
	Other	0	0
	Total financial expenses	921	606
9	Income taxes		
	Income tax expense recognised in profit or loss:	0	0
	Estimated tax on the taxable income for the year	0	0
	Group taxation contribution	0	0
	Adjustment regarding prior year	0	0
	Change in deferred tax	0	0
		0	0
	Reconciliation of tax rate		
	Danish tax rate	23,5%	25,0%
	Adjustment regarding prior year	0,0%	0,0%
	Permanent differences	-23,5%	-25,0%
	Change in deferred tax	0,0%	0,0%
	Effective tax rate	0,0%	0,0%

Parent Company - Financial statements for the period 1 January - 31 December

Notes to the financial statements

10 Investments in subsidiaries

EUR'000	2015	2014	1/1 2014
Cost 1/1	19,853	19,808	19,808
Additions	11,489	0	0
Disposals	-483	0	0
Exchange adjustments	0	45	0
Cost 31/12	30,859	19,853	19,808

Subsidiaries:	Interest	Country
UAB Idavang	100%	Lithuania
UAB Idavang Pasodele	100%	Lithuania
UAB Idavang Kepaliai	100%	Lithuania
Pskov Invest Aps	100%	Denmark
Rus Invest Aps	100%	Denmark

11 Property, plant and equipment

EUR'000	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2015	39	39
Additions	0	0
Disposals	0	0
Reclassifications	0	0
Transfer	0	0
Exchange adjustments	0	0
Cost at 31 December 2015	39	39
Impairment losses and depreciation at 1 January 2015	-17	-17
Depreciation	-9	-9
Reclassifications	0	0
Reversed depreciation on disposal	0	0
Exchange adjustments	0	0
Impairment losses and depreciation at 31 December 2015	-26	-26
Carrying amount at 31 December 2015	13	13
Of which financial leased assets	0	0

Carrying amount of assets written off but still in use is EUR 0. The amount of borrowing costs capitalised during the year ended 31 December 2015 was EUR 0 (2014 EUR 0).

Parent Company - Financial statements for the period 1 January – 31 December

Notes to the financial statements

EUR'000	2015 Carrying amount	2015 Fair value	2014 Carrying amount	2014 Fair value
12 Financial assets and liabilities				
Loans and receivables at amortised cost				
Receivables from group entities	2,690	2,690	18,597	18,597
Other receivables	22	22	19	19
Cash	3,304	3,304	188	188
Total loans and receivables measured at amortised cost	6,016	6,016	18,804	18,804
Total financial assets	6,016	6,016	18,804	18,804
Financial liabilities measured at amortised cost				
Payables to credit institutions	15,460	15,654	8,463	8,698
Other payables	248	248	19	19
Total financial liabilities measured at amortised cost	15,708	15,902	8,482	8,717
Total financial liabilities	15,708	15,902	8,482	8,717

Receivables from group entities are based on agreements with 3rd party, hence assumed equal to fair value

Payables to credit institutions are based on fixed interest and have a negative fair value of EUR 194 thousand higher than the carrying value.

Parent Company - Financial statements for the period 1 January - 31 December

Notes to the financial statements

13 Intangible assets

EUR'000	Rights
Cost at 1 January 2014	116
Additions	0
Disposals	0
Exchange adjustments	0
Cost at 31 December 2014	116
Amortisation at 1 January 2014	116
Amortisation	0
Disposals	0
Impairment	0
Exchange adjustments	0
Impairment losses and amortisation at 31 December 2014	116
Carrying amount at 31 December 2014	0
Cost at 1 January 2015	116
Additions	0
Disposals	0
Exchange adjustments	0
Cost at 31 December 2015	116
Amortisation at 1 January2015	116
Amortisation	0
Disposals	0
Impairment	0
Exchange adjustments	0
Impairment losses and amortisation at 31 December 2015	116
Carrying amount at 31 December 2015	0

Parent Company - Financial statements for the period 1 January - 31 December

Notes to the financial statements

14 Deferred tax

EUR'000	Balance sheet 2015	Balance sheet 2014	Income statement 2015	Income statement 2014
Loss bought forward/group taxation	0	0	0	0
Deferred tax income/(expense)			0	0
Deferred tax asset/(liability)	0	0		
Deferred tax asset/liability is recognised in the balance sheet as follows:				
Deferred tax asset	0	0		
Deferred tax liability	0	0		
Deferred tax, net	0	0		
Reconciliation of deferred tax, net				
At 1/1	0	-444		
Transferred in connection with the group taxation	0	444		
The year's tax income/expense recognised in profit or loss	0	0		
The year's tax income/expense recognised in other comprehensive income	0	0		
At 31/12	0	0		

15 Contingent liabilities, securities and other financial obligations

Contingent liabilities

IFC has a put option on its 200,000 nom. Shares in Idavang A/S to Idavang A/S and Jast ApS. The put option can be exercised from 2016 to 2020. The put option is disclosed in the financial statements for the parent company, Jast ApS.

IFC put option is based on market values, hence it fluctuates, end 2015 the full obligation of Idavang A/S and Jast ApS constitute a payment of EUR 15.1 million.

The Company is taxed on a joint basis with its parent, Jast Holding ApS. The Company is thus jointly and severally liable for all tax liabilities under the joint taxation arrangement until and including the financial year ended 31 December 2015.

Other obligations

The Company has issued a guarantee to Siauliai Bank of EUR 2.3m for loan to working capital in UAB Idavang Kepalių.

Parent Company - Financial statements for the period 1 January – 31 December

Notes to the financial statements

16 Related party transactions

In addition to the related parties mentioned in the consolidated financial statements, Idavang A/S's related parties include the subsidiaries set out in note 10.

The below tables shows transactions with related parties in the financial year:

2015:

EUR'000	Management fee
Owners:	
Shareholders in Jast Holding ApS	44
IFC	0
	44

EUR'000	Interest net	Loan to/from
Subsidiaries:		
UAB Idavang	136	2,479
UAB Idavang Pasodele	27	27
UAB Verslo Pradzia	32	177
Pskov Invest Aps	797	-71
Rus Invest Aps	26	-110
Total	1,018	2,502

All transactions with related parties are carried out on an arm's length basis.

2014:

EUR'000	Management fee
Owners:	
Shareholders in Jast Holding ApS	61
IFC	0
	61

EUR'000	Interest net	Loan to
Subsidiaries:		
UAB Idavang	97	3,772
UAB Idavang Pasodele	25	853
UAB Verslo Pradzia	7	171
Idavang Agro LLC	0	37
Idavang LLC	0	37
Pskov Invest Aps	1,301	10,592
Rus Invest Aps	790	3,135
Total	2,220	18,597

All transactions with related parties are carried out on an arm's length basis.

Parent Company - Financial statements for the period 1 January - 31 December

Notes to the financial statements

17 Post balance sheet events

No post balance sheet events have occurred, which could materially affect the assessment of the Company's financial position.