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H.C. Petersen & Co.'s Eftf. A/S
Central Business Registration No 24213706
Ansager Landevej 11
7200 Grindsted

Annual report 2015

The Annual General Meeting adopted the annual report on 18.04.2016

Chairman of the General Meeting

Name:

Contents

Entity details

Entity

H.C. Petersen & Co.'s Eftf. A/S
Ansager Landevej 11
7200 Grindsted

Central Business Registration No: 24213706
Registered in: Grindsted
Financial year: 01.01.2015 - 31.12.2015

Phone: 75339211
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Board of Directors

Christopher Kiær Thomsen, formand
Sten Kjelstrup
Johan Prior-Knock
Peter Gæmelke
Jens Harpøth Zilstorff

Executive Board

Johan Prior-Knock

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Frodesgade 125
6701 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of H.C. Petersen & Co.'s Eftf. A/S for the financial year 01.01.2015 - 31.12.2015.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations and cash flows for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Krogager, 21.03.2016

Executive Board

Johan Prior-Knock

Board of Directors

Christopher Kiær Thomsen
formand

Sten Kjelstrup

Johan Prior-Knock

Peter Gæmelke

Jens Harpøth Zilstorff

Independent auditor's reports

To the owners of H.C. Petersen & Co.'s Eftf. A/S

Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of H.C. Petersen & Co.'s Eftf. A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

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

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

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2015, and of the results of their operations and the Group's cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Esbjerg, 21.03.2016

Deloitte
Statsautoriseret Revisionspartnerselskab

Jørn Jepsen
State Authorised Public Accountant

Peder R. Pedersen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Financial highlights

	2015 DKK'000	2014 DKK'000	2013 DKK'000	2012 DKK'000	2011 DKK'000
Key figures					
Revenue	249.552	282.313	329.321	345.732	343.643
Gross profit/loss	30.576	31.981	35.668	40.061	41.263
Operating profit/loss	3.421	4.096	5.957	8.621	11.537
Net financials	(4.120)	(5.943)	(6.410)	(7.058)	(5.251)
Profit/loss for the year	(747)	(1.679)	(609)	494	4.348
Total assets	181.335	256.123	250.471	236.381	252.672
Investments in property, plant and equipment	1.052	1.793	232	2.089	5.762
Equity	76.208	78.415	82.292	48.864	48.139
Invested capital including goodwill	132.139	151.219	138.132	136.198	146.872
Interest bearing debt, net	59.486	76.206	59.599	89.912	100.646
Ratios					
Return on invested capital including goodwill (%)	2,9	3,0	4,3	6,3	7,9
Turnover invested capital	1,9	1,9	2,4	2,5	2,3
Financial gearing (%)	0,8	1,0	0,7	1,8	2,1
Return on equity (%)	(1,0)	(2,1)	(0,9)	1,0	9,4
Equity ratio (%)	42,0	30,6	32,9	20,7	19,1

Management commentary

Primary activities
The Group's and the Entity's activities are to import and distribute tractors, machinery, spare parts and to provide services to the agricultural industry and the gardening/park sector.

Development in activities and finances
Significantly declining markets throughout the Nordic region in the agricultural sector, continuous low SEK and NOK exchange rates and excess inventories in 1. Half affected revenue and financial performance negatively.

Measures have been taken to focus the company, and to reduce fixed cost and inventory.

The financial result is effected negatively by restructuring cost. Profit for the year before tax was affected by restructuring cost of 2,9 million DKK.

The financial performance for the year is considered unsatisfactory.

Outlook
A continued, relatively low market level is expected for 2016.

In spite of continuous difficult market conditions, the financial performance is expected to improve significantly due to the changes implemented in 2015.

Particular risks
Operating risk

The Group's key operating risk relates to the developments in the agricultural industry and the gardening/park sector of Denmark, Norway, Sweden and Finland and to the fact that products from its suppliers remain at the forefront of technology, offering competitive prices.

Financial risk

As a consequence of its operating, investing and financing activities, the Group is exposed to exchange and interest rate fluctuations. EUR is used for most of the Group's foreign currency transactions where the currency risk is considered very low. In addition, the Group carries out considerable transactions denominated in JPY and USD. Much of group sales are denominated in NOK or SEK, involving some currency risk.

Events after the balance sheet date
No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

Changes in accounting policies

The income statement was previously presented by function. Because of changes in the Group's and the company's activities, it is estimated that the activity is better presented by nature. The presentation of the income statement is therefore changed. The change has no impact on net income. Comparative figures have been restated.

The consolidated financial statements and the parents financial statements have besides this been presented applying the accounting policies consistently with last year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and enterprises (subsidiaries) controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising control.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the

Accounting policies

exchange rates at the balance sheet date are recognised directly in equity.

Exchange adjustments of balances with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question are classified directly as equity.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Accounting policies

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income from amounts receivable from group enterprises, net exchange gains relating to payables and foreign currency transactions, amortization of financial income, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation period is usually seven years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources. The amortisation period for goodwill is 10 years as the enterprise acquired holds a strong position in the market. The longer amortisation period is considered to better reflect the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Accounting policies

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	40 years
Other fixtures and fittings, tools and equipment	5 years

Land and buildings are revalued based on a specific assessment.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price minus selling cost and the carrying amount at the time of sale. Profit or loss is recognised in the income statement together with depreciation and impairment losses.

Investments in group enterprises

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

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

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally 10 years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost comprises price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Mortgage debt

At the time of borrowing, mortgage debt is measured at cost, which equals proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the repayable nominal amount is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Finance lease commitments

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Accounting policies

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

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

Cash flows from investing activities comprise payments in connection with improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

Accounting policies

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
Return on invested capital incl goodwill (%)	$\frac{\text{EBITA x 100}}{\text{Average invested capital incl goodwill}}$	The return generated by the Entity on the investors' funds.
Revenue/Invested capital incl goodwill	$\frac{\text{Revenue}}{\text{Average invested capital incl goodwill}}$	Turnover rate of capital employed by the Entity.
Financial gearing	$\frac{\text{Net interest-bearing debt}}{\text{Equity}}$	The Entity's financial gearing..
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Soliditetsgrad (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$	The financial strength of the Entity.

EBITA (Earnings Before Interest, Tax and Amortisation) is defined as operating profit plus the year's amortisation and impairment losses for intangible assets including goodwill.

Invested capital including goodwill is defined as net working capital plus property, plant and equipment and intangible assets as well as accumulated amortisation of goodwill, and less other provisions and other longterm operating liabilities. Accumulated impairment losses on goodwill have been added.

Net working capital is defined as inventories, receivables and other operating assets net of trade payable and other short-term operating liabilities. Cash as well as income tax receivable and payable are not included in net working capital.

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

Consolidated income statement for 2015

	Notes	2015 DKK'000	2014 DKK'000
Revenue		249.552	282.313
Other operating income		0	93
Cost of sales		(204.897)	(233.603)
Other external expenses		(14.079)	(16.822)
Gross profit/loss		**30.576**	**31.981**
Staff costs	1	(25.620)	(26.150)
Depreciation, amortisation and impairment losses	2	(1.535)	(1.735)
Operating profit/loss		**3.421**	**4.096**
Other financial income		181	0
Other financial expenses		(4.301)	(5.943)
Profit/loss from ordinary activities before tax		**(699)**	**(1.847)**
Tax on profit/loss from ordinary activities	3	(48)	168
Profit/loss for the year		**(747)**	**(1.679)**
Proposed distribution of profit/loss			
Retained earnings		(747)	(1.679)
		(747)	(1.679)

Consolidated balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Goodwill		763	1.144
Intangible assets	4	**763**	**1.144**
Land and buildings		16.667	17.105
Other fixtures and fittings, tools and equipment		2.255	2.500
Leasehold improvements		223	0
Property, plant and equipment	5	**19.145**	**19.605**
Fixed assets		**19.908**	**20.749**
Manufactured goods and goods for resale		106.027	168.190
Inventories		**106.027**	**168.190**
Trade receivables		47.753	55.897
Deferred tax assets	7	4.056	3.878
Other short-term receivables		2.304	1.654
Prepayments		247	841
Receivables		**54.360**	**62.270**
Cash		**1.040**	**4.914**
Current assets		**161.427**	**235.374**
Assets		**181.335**	**256.123**

Consolidated balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Contributed capital		10.162	10.162
Revaluation reserve		4.385	4.385
Retained earnings		61.661	63.868
Equity		**76.208**	**78.415**
Mortgage debts		9.666	8.412
Finance lease liabilities		193	311
Other payables		136	36
Non-current liabilities other than provisions	8	**9.995**	**8.759**
Current portion of long-term liabilities other than provisions	8	771	866
Bank loans		49.625	71.414
Trade payables		26.929	80.582
Income tax payable		135	81
Other payables		17.672	16.006
Current liabilities other than provisions		**95.132**	**168.949**
Liabilities other than provisions		**105.127**	**177.708**
Equity and liabilities		**181.335**	**256.123**
Subsidiaries	6		
Mortgages and securities	10		

Consolidated statement of changes in equity for 2015

	Contributed capital DKK'000	Revaluation reserve DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	10.162	4.385	63.868	78.415
Exchange rate adjustments	0	0	(553)	(553)
Other adjustments	0	0	(907)	(907)
Profit/loss for the year	0	0	(747)	(747)
Equity end of year	**10.162**	**4.385**	**61.661**	**76.208**

Consolidated cash flow statement for 2015

	Notes	2015 DKK'000	2014 DKK'000
Operating profit/loss		3.421	4.096
Amortisation, depreciation and impairment losses		1.535	1.735
Working capital changes	9	18.264	(15.088)
Cash flow from ordinary operating activities		**23.220**	**(9.257)**
Financial income received		181	0
Financial income paid		(4.301)	(5.943)
Income taxes refunded/(paid)		(95)	355
Other cash flows		(1.537)	(2.073)
Cash flows from operating activities		**17.468**	**(16.918)**
Acquisition etc of property, plant and equipment		(1.052)	(1.793)
Sale of property, plant and equipment		358	0
Cash flows from investing activities		**(694)**	**(1.793)**
Loans raised		1.967	0
Instalments on loans etc		(826)	(1.230)
Cash flows from financing activities		**1.141**	**(1.230)**
Increase/decrease in cash and cash equivalents		**17.915**	**(19.941)**
Cash and cash equivalents beginning of year		(66.500)	(46.559)
Cash and cash equivalents end of year		**(48.585)**	**(66.500)**
Cash and cash equivalents at year-end are composed of:			
Cash		1.040	4.914
Short-term debt to banks		(49.625)	(71.414)
Cash and cash equivalents end of year		**(48.585)**	**(66.500)**

Notes to consolidated financial statements

1. Staff costs

	2015 DKK'000	2014 DKK'000
Wages and salaries	21.404	21.222
Pension costs	2.733	2.888
Other social security costs	1.024	2.040
Other staff costs	459	0
	25.620	**26.150**
Average number of employees	**43**	**50**

	Remuneration of management 2015 DKK'000	Remuneration of management 2014 DKK'000
Total amount for management categories	3.293	1.780
	3.293	**1.780**

Restructuring cost 1,5 million DKK is included in amount for management categories.

2. Depreciation, amortisation and impairment losses

	2015 DKK'000	2014 DKK'000
Amortisation of intangible assets	381	381
Depreciation of property, plant and equipment	1.286	1.316
Profit/loss from sale of intangible assets and property, plant and equipment	(132)	38
	1.535	**1.735**

3. Tax on profit/loss from ordinary activities

	2015 DKK'000	2014 DKK'000
Tax on current year taxable income	350	154
Change in deferred tax for the year	(302)	(322)
	48	**(168)**

Notes to consolidated financial statements

4. Intangible assets

	Goodwill DKK'000
Cost beginning of year	3.815
Cost end of year	**3.815**
Amortisation and impairment losses beginning of year	(2.671)
Amortisation for the year	(381)
Amortisation and impairment losses end of year	**(3.052)**
Carrying amount end of year	763

5. Property, plant and equipment

	Land and buildings DKK'000	Other fix-tures and fittings, tools and equipment DKK'000	Leasehold improve-ments DKK'000
Cost beginning of year	18.784	9.789	0
Additions	0	803	249
Disposals	0	(297)	0
Cost end of year	**18.784**	**10.295**	**249**
Revaluations beginning of year	7.172	0	0
Revaluations end of year	**7.172**	**0**	**0**
Depreciation and impairment losses beginning of the year	(8.851)	(7.289)	0
Depreciation for the year	(438)	(822)	(26)
Reversal regarding disposals	0	71	0
Depreciation and impairment losses end of the year	**(9.289)**	**(8.040)**	**(26)**
Carrying amount end of year	**16.667**	**2.255**	**223**
Difference between carrying amount and carrying amount if revaluations had not been made	**4.847**	**0**	**0**
Recognised assets not owned by entity	**0**	**8**	**0**

Notes to consolidated financial statements

6. Subsidiaries

	Registered in	Corporate form	Equity interest %
H.C. Petersen Norge AS	Norge	AS	100,0
H.C. Petersen Sverige AB	Sverige	AB	100,0
H.C. Petersen OY, Finland	Finland	OY	100,0

7. Deferred tax

	2015 DKK'000	2014 DKK'000
Property, plant and equipment	(1.564)	(1.055)
Receivables	2	186
Tax losses carried forward	5.618	4.747
	4.056	**3.878**

8. Long-term liabilities other than provisions

	Instalments within 12 months 2015 DKK'000	Instalments within 12 months 2014 DKK'000	Instalments beyond 12 months 2015 DKK'000	Outstanding after 5 years DKK'000
Mortgage debts	652	630	9.666	7.828
Finance lease liabilities	119	236	193	0
Other payables	0	0	136	0
	771	**866**	**9.995**	**7.828**

Notes to consolidated financial statements

9. Change in working capital

	2015 DKK'000	2014 DKK'000
Increase/decrease in inventories	62.163	(20.634)
Increase/decrease in receivables	8.088	17.246
Increase/decrease in trade payables etc	(51.987)	(11.700)
	18.264	**(15.088)**

10. Mortgages and securities

Mortgage debt is secured by way of mortgage on properties. The security also includes operating equipment belonging to those properties.

The carrying amount of mortgaged properties is DKK 16,667k, and the carrying amount of mortgaged operating equipment is DKK 2,470k.

A floating charge and chattel mortgage for DKK 76,579k nominal has been provided on trade receivables, operating equipment and inventories as security for bank loans. Bank loans amount to DKK 48,585k.

The carrying amount of trade receivables charged is DKK 47,753k.

The carrying amount of mortgaged operating equipment is DKK 2,470k.

The carrying amount of inventories charged is DKK 106,027k.

Inventories and quarantees provided by the Entity's banker for EUR 1,200k in total have been subjected to retention of title as security for trade payables.

Parent income statement for 2015

	Notes	2015 DKK'000	2014 DKK'000
Revenue		189.688	263.647
Cost of sales		(163.229)	(229.884)
Other external expenses		(6.772)	(9.253)
Gross profit/loss		**19.687**	**24.510**
Staff costs	1	(17.729)	(19.531)
Depreciation, amortisation and impairment losses	2	(916)	(1.220)
Operating profit/loss		**1.042**	**3.759**
Income from investments in group enterprises		1.290	(415)
Other financial income from group enterprises		495	0
Other financial income		23	0
Other financial expenses		(4.150)	(5.345)
Profit/loss from ordinary activities before tax		**(1.300)**	**(2.001)**
Tax on profit/loss from ordinary activities	3	553	322
Profit/loss for the year		**(747)**	**(1.679)**

Proposed distribution of profit/loss			
Reserve for net revaluation according to the equity method		839	(1.897)
Retained earnings		(1.586)	218
		(747)	(1.679)

Parent balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Land and buildings		16.667	17.105
Other fixtures and fittings, tools and equipment		1.733	1.875
Property, plant and equipment	4	**18.400**	**18.980**
Investments in group enterprises		30.423	30.137
Fixed asset investments	5	**30.423**	**30.137**
Fixed assets		**48.823**	**49.117**
Manufactured goods and goods for resale		67.284	114.617
Inventories		**67.284**	**114.617**
Trade receivables		18.476	26.655
Receivables from group enterprises		25.984	37.923
Deferred tax assets	6	3.045	2.415
Other short-term receivables		425	427
Prepayments	7	247	130
Receivables		**48.177**	**67.550**
Cash		**36**	**3.058**
Current assets		**115.497**	**185.225**
Assets		**164.320**	**234.342**

Parent balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Contributed capital	8	10.162	10.162
Revaluation reserve		4.384	4.384
Reserve for net revaluation according to the equity method		17.373	17.087
Retained earnings		44.289	46.782
Equity		**76.208**	**78.415**
Mortgage debts		9.666	8.412
Finance lease liabilities		193	311
Non-current liabilities other than provisions	9	**9.859**	**8.723**
Current portion of long-term liabilities other than provisions	9	771	866
Bank loans		40.437	64.388
Trade payables		24.256	69.277
Other payables		12.789	12.673
Current liabilities other than provisions		**78.253**	**147.204**
Liabilities other than provisions		**88.112**	**155.927**
Equity and liabilities		**164.320**	**234.342**
Unrecognised rental and lease commitments	10		
Mortgages and securities	11		

Parent statement of changes in equity for 2015

	Contributed capital DKK'000	Revaluation reserve DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000
Equity beginning of year	10.162	4.384	17.087	46.782
Exchange rate adjustments	0	0	(553)	0
Other adjustments	0	0	0	(907)
Profit/loss for the year	0	0	839	(1.586)
Equity end of year	**10.162**	**4.384**	**17.373**	**44.289**

	Total DKK'000
Equity beginning of year	78.415
Exchange rate adjustments	(553)
Other adjustments	(907)
Profit/loss for the year	(747)
Equity end of year	**76.208**

Notes to parent financial statements

1. Staff costs

	2015 DKK'000	2014 DKK'000
Wages and salaries	15.332	16.625
Pension costs	2.088	2.608
Other social security costs	309	298
	17.729	**19.531**

2. Depreciation, amortisation and impairment losses

	2015 DKK'000	2014 DKK'000
Depreciation of property, plant and equipment	1.048	1.182
Profit/loss from sale of intangible assets and property, plant and equipment	(132)	38
	916	**1.220**

3. Tax on profit/loss from ordinary activities

	2015 DKK'000	2014 DKK'000
Change in deferred tax for the year	(553)	(322)
	(553)	**(322)**

Notes to parent financial statements

4. Property, plant and equipment

	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	18.784	7.934
Additions	0	694
Disposals	0	(297)
Cost end of year	**18.784**	**8.331**
Revaluations beginning of year	7.172	0
Revaluations end of year	**7.172**	**0**
Depreciation and impairment losses beginning of the year	(8.851)	(6.059)
Depreciation for the year	(438)	(610)
Reversal regarding disposals	0	71
Depreciation and impairment losses end of the year	**(9.289)**	**(6.598)**
Carrying amount end of year	**16.667**	**1.733**
Difference between carrying amount and carrying amount if revaluations had not been made	**4.847**	**0**
Recognised assets not owned by entity	**0**	**8**

Notes to parent financial statements

5. Fixed asset investments

	Investments in group enterprises DKK'000
Cost beginning of year	13.050
Cost end of year	**13.050**
Revaluations beginning of year	17.087
Exchange rate adjustments	(737)
Amortisation of goodwill	(381)
Share of profit/loss for the year	1.218
Adjustment of intra-group profits	453
Reversal of revaluations	(267)
Revaluations end of year	**17.373**
Carrying amount end of year	**30.423**

6. Deferred tax

	2015 DKK'000	2014 DKK'000
Property, plant and equipment	(1.563)	(1.520)
Receivables	(12)	(18)
Tax losses carried forward	4.620	3.953
	3.045	**2.415**

Notes to parent financial statements

7. Prepayments

The item consists of prepaid expenses.

8. Contributed capital

	Number	Nominal value DKK'000
Ordinary shares	20	20
Ordinary shares	598	5.980
Ordinary shares	4.162	4.162
	4.780	**10.162**

	2015 DKK'000	2014 DKK'000	2013 DKK'000	2012 DKK'000	2011 DKK'000
Changes in contributed capital					
Contributed capital beginning of year	10.162	10.162	6.000	6.000	6.000
Increase of capital	0	0	4.162	0	0
Contributed capital end of year	**10.162**	**10.162**	**10.162**	**6.000**	**6.000**

9. Long-term liabilities other than provisions

	Instalments within 12 months 2015 DKK'000	Instalments within 12 months 2014 DKK'000	Instalments beyond 12 months 2015 DKK'000	Outstanding after 5 years DKK'000
Mortgage debts	652	630	9.666	7.828
Finance lease liabilities	119	236	193	0
	771	**866**	**9.859**	**7.828**

10. Unrecognised rental and lease commitments

	2015 DKK'000	2014 DKK'000
Commitments under rental agreements or leases until expiry	**1.431**	**1.208**

Notes to parent financial statements

11. Mortgages and securities

Mortgage debt is secured by way of mortgage on properties. The security also includes operating equipment belonging to those properties.

The carrying amount of mortgaged properties is DKK 16,667k, and the carrying amount of mortgaged operating equipment is DKK 1,725k.

Shares in group enterprises have been provided as security for bank loans. The carrying amount of shares charged is DKK 30,423k.

A floating charge for DKK 54,000k nominal on trade receivables, operating equipment and inventories has been provided as security for bank loans. Bank loans total DKK 40.401k.

The carrying amount of trade receivables charged is DKK 18,476k.

The carrying amount of mortgaged operating equipment is DKK 1,725k.

The carrying amount of inventories charged is DKK 67,284k

Inventories and guarantees provided by the Entity's banker for EUR 1,200k in total have been subjected to retention of title as security for trade payables.

Collateral provided for subsidiaries and other group enterprises

The Entity has guaranteed the subsidiaries' bank loans. The subsidiaries' bank loans total DKK 9,188k.