Akola ApS

Thistedvej 68, st., 9400 Nørresundby

CVR no. 25 17 48 79

Annual Report 2017/18

Approved at the Company's annual general meeting on 13 December 2018

Chairman:

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Anders Bredgaard

Contents

Statement by Management on the annual report

Today, the Executive Board have discussed and approved the annual report of Akola ApS for the financial year 1 July 2017 - 30 June 2018.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2018 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the financial year 1 July 2017 – 30 June 2018.

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.

Aalborg, 13 December 2018
Executive Board:

Tomas Tumenas Director	Gert Østergaard Director

Independent auditor's report

To the shareholders of Akola ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Akola ApS for the financial year 1 July 2017 – 30 June 2018, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for both the Group and the Parent Company, as well as a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2018 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 July 2017 – 30 June 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the 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 Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aabenraa, 13 December 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

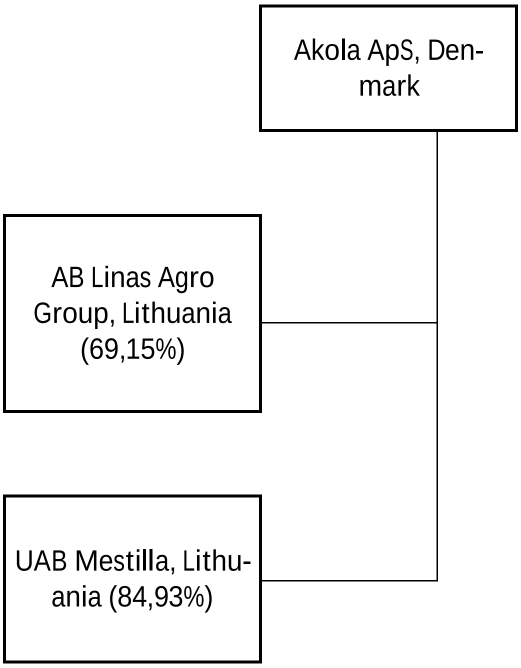
Jon Midtgaard
State Authorised
Public Accountant
mne28657

Management's review

Company details

Name	Akola ApS
Address, zip code, city	Thistedvej 68, st., 9400 Nørresundby
CVR no.	25 17 48 79
Financial Year	1 July 2017 – 30 June 2018
Executive board	Tomas Tumenas, Director
	Gert Østergaard, Director
Auditors	Ernst & Young Godkendt Revisionspartnerselskab
	Skibbroen 16, 6200 Aabenraa

Group chart



Management's review

Financial highlights for the Group

In DKK millions	2017/18	2016/17	2015/16	2014/15	2013/14
Key figures					
Revenue	5,416	5,375	5,062	4,918	5,014
Gross profit	584	558	476	508	565
Operating profit	122	110	77	174	277
Profit/loss from net financials	-20	-17	-15	-13	-19
Profit/loss for the year	113	77	50	147	250
Non-current assets	1,074	1,063	1,037	960	956
Current assets	2,153	1,835	1,679	1,741	1,633
Total assets	3,227	2,898	2,716	2,701	2,589
Total equity	1,330	1,460	1,418	1,463	1,352
Non-current liabilities	457	233	240	246	290
Current liabilities	1,897	1,206	1,058	992	947
Cash flows from operating activities	-130	73	82	140	265
Cash flow from investing activities	-96	-130	-134	-61	-370
Cash flows from financing activities	236	64	-49	-4	103
Total cash flows	10	7	-102	74	2
Financial ratios					
Gross margin	10.8%	10.4%	9.4%	10.3%	11.2%
Current ratio	113.5%	152.2%	158.7%	175.5%	169.1%
Return on equity	8.1%	5.4%	3.5%	10.5%	20.5%
Average number of full-time employees	2,254	2,272	2,320	2,395	2,325

Financial highlights for the Group

The financial years 2013/14 - 2014/15 have not been adjusted for changes in accounting policies. This implies changes in recognition and measurement in the following areas:

1) Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the Group's profit/loss and equity, but are disclosed separately. Earlier, non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned were presented separately.

2) Negative differences (negative goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised in the income statement at the date of acquisition. Earlier, negative goodwill, representing an anticipated adverse development in the acquired enterprises, was recognised in the balance sheet as deferred income and recognised in the income statement as the adverse development is realised. Negative goodwill not related to any anticipated adverse development was recognised in the balance sheet at an amount corresponding to the fair value of non-monetary assets. The amount was subsequently recognised in the income statement over the average useful lives of the non-monetary assets.

The financial ratios stated under "Financial highlights" have been calculated as follows:

Gross margin $$\frac{\text{Gross profit x 100}}{\text{Revenue}}$$

Current ratio $$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$$

Return on equity $$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$$

Management's review

Management commentary

Business review

Akola ApS is the parent company of the Group and its activity mainly consists of holding shares in AB Linas Agro Group and UAB Mestilla.

AB Linas Agro Group is exporter of grains and has own network of grain storage facilities, supplies of agricultural inputs (such as certified seeds, fertilizers and agricultural machinery) in Lithuania and has seed preparation plant. Also, the AB Linas Agro Group is a major raw milk producer in Lithuania and poultry producer in Latvia.

UAB Mestilla's main activity is production of biodiesel.

Financial review

The Akola ApS group realised a profit for the year of DKK 113 Million, which was about DKK 36 Million higher than last year and satisfactory. Equity at 30 June 2018 amounts to DKK 1,330 Million, corresponding to a solvency rate of 41,2%.

The subsidiary AB Linas Agro Group realised a revenue of DKK 4,723 million during 2017/18 financial year, which was a slight decrease compared to previous year (DKK 4,796 million). Sales volume in tons reached 2.21 million tons of various grains, agricultural inputs and other products (2016/17: DKK 2.36 million tons). The results were satisfactory. The main reasons for the slight revenue decrease were mainly sales in grain and feedstuff businesses.

The subsidiary UAB Mestilla saw a 24% increase in revenue in 2017/18 compared to 2016/17, accordingly company's gross profit increased as well. The biodiesel market has been quite favourable for producers due to increased demand for the product as well as due to import duties for foreign biodiesel into EU.

Financing

The objective of the Group is to have sufficient financial resources, maintain high liquidity level, good quality balance sheet, have sufficient flexibility and space in borrowing, and be able to meet the Group's working capital and investment needs.

The Group's cash flow from operating activities before the changes in working capital were positive and amounted to DKK 210 million as compared to 203 million in the corresponding period of the previous year. Cash flow from operating activities after changes in working capital was negative and amounted to -130 DKK million mainly due to increase in inventories.

The Group's cash flow from investment activities was negative and amounted to DKK -96 million (compared to DKK -130 million in the financial year 2016/17). During the reporting period all companies managed by the Group were actively involved in development including expansion of the grain storage network, upgrading and renewal of non-current assets used by agricultural companies, and investments into poultry business.

The Group's cash flow from financial activities was positive and were reported at DKK 236 million which was primarily due to increase in the financial loans (change in the debt amounted to DKK 479 million).

The Group's cash equivalents at the end of the reporting period accounted for DKK 82 million compared to DKK 72 million as per 30 June 2018.

The Group is fully able to finance its main and investment activities. The Group finances its working capital in four Banks – AB SEB Bank, ABN AMRO Bank N.V., Swedbank AB and AB DNB bank. The overall credit line held in these banks exceeding DKK 1.4 billion.

Management's review

Management commentary

Investments

During the reporting period the Group's subsidiaries have invested over DKK 145 million. Major investments of the Group by character:

Investment object	Amount, DKK million
Grain storage equipment, warehouses, buildings, various appliances and other machinery	63
Purchase and upgrade of agricultural machinery, vehichles, equipment, buildings and purchase of land	51
Modernization and renovation of poultry farms	31

Risks

General risks

Market risk shall be understood as a risk of generating lower profit than budgeted if the market prices are unfavourable. This may happen if market price fell below the intervention prices (minimal purchase prices for grains established by state authorities) as it would prevent the Group from receiving surplus profit. In a market situation when grain purchase prices fall due to certain reasons, intervention prices are used as a leverage to uphold a certain price level and thus to ensure guaranteed income to farmers. When intervention prices are higher than or identical to market prices, the Group sells the purchased grains to the agency and thus earns certain income which under regular market conditions would be lower than market prices. Starting from 2005, intervention prices are set by the EU and are calculated for two years in advance. The mechanism has not been applied so far; however, if intervention prices were applied, the Group would have been deprived of surplus profit.

Political risk

Agriculture is a strictly regulated and supervised sector of economy in the European Union. Although this regulation and control are mostly aimed at ensuring sufficient income for entities engaged in agricultural activities, political changes may affect the situation in the market where the Group operates. For example, reduction of subsidies to agriculture may affect the activities of agricultural companies controlled by the Group. Also, demand for agricultural products is impacted by political decisions – embargoes, import or export bans.

Counterparty and credit risks

The Group enters forward contracts with farmers who commit the delivery of production under terms and conditions of the contract. As the prices of products increase, the risk of breach of forward contracts and non-delivery of production by counterparties emerges. The higher spread between the contract price and the current market price, the higher is the risk.

The Group, according its risk management policy is using risk management mitigating tools for forward purchases. No loss has been recorded, as the market situation was positive for such forward purchases. The Group continuously monitored and analysed the market, has revised and stringent the terms of its purchase agreements, analysed probable scenarios for losses and made certain decisions to control risk (for example, setting limits on forward contracts, evaluation and assessment of client's credit rating, capacity of cultivated land etc.).

Management's review

Management commentary

In order to manage the risk related to certain products, the Group concludes forward contracts on commodity exchange NYSE Euronext Paris SA. The Group trades in futures to control the price risk arising from purchasing and selling rapeseed and wheat. The Group has approved an internal trade risk management system and established the credit risk management committee that analyses trade transactions entered into by the Company as well as their amounts and limits. Some of the buyers (buyers' solvency risk) are insured with international insurance companies.

Knowledge resources

The experience and knowledge of the management determine the ability of the Group to retain its competitive status and implement its growth strategy. However, there are no guarantees that all key members of staff within the Group will stay with the Group in the future. Loss of such employees or the Group's failure to recruit new employees possessing appropriate knowledge may have a significant adverse impact on the business outlook and financial position of the Group. Non-competition agreements are signed with some executives.

Corporate Social Responsibility

Akola ApS does not have any particular policies for CSR, hereunder human rights, environment or climate. Akola ApS is a holding company and subsidiaries are responsible for setting their own policies in regards to CSR.

Environmental aspects

The Group did not receive penalties or warnings for failure to comply with the norms of environmental legislation or other legal acts regulating the field of environmental protection.

The Group has agreements with packaging waste managing companies and it organizes the collection of taxable products, automotive batteries, hydraulic shock absorbers, oil, fuel and air filters, tires over 3 kg and transportation to waste treatment facilities.

The Group supported the "Darom" civic-led mass cleanup movement (a part of Let's Do It! World) and plans to do so in the future.

Research and development activities

The group does not carry out research and development activities.

Goals and policies for the underrepresented gender

Akola ApS' only has two members in the Executive Board and no Board of Directors. Therefore, no goals have been set as regards top management. At present, these members are men.

The parent company does not have any other employees, and consequently, has not defined any goals and policies for the underrepresented gender among other management positions.

Employees

The parent company Akola ApS does not have any full time employees.

As at 30 June 2018 the number of employees of subsidiary AB Linas Agro Group was 2,199 or 18 employees less than as at 30 June 2017 (2,217).

As at 30 June 2018 there was 55 employees in the subsidiary UAB Mestilla, which is the same as last year.

Own shares

Akola ApS has acquired own shares during financial year 2017/18 in connection with a shareholders exit from the group. As at 30 June 2018 Akola ApS holds shares of nominal DKK 35,759,724corre-sponding to 25% of the share capital. After the balance sheet date these shares have been cancelled by reducing the share capital corresponding. Hereafter share capital amounts to 107,279 thousand DKK. Own shares was acquired for an amount of DKK 175 million.

Subsequent events

Subsequent events are disclosed in note 3 to the financial statements.

Consolidated financial statements and parent company financial statements 1 July - 30 June

Income statement

		Group		Parent	
Note	DKK'000	2017/18	2016/17	2017/18	2016/17
4	Revenue	5,416,192	5,374,990	0	0
	Other operating income	26,768	12,270	0	0
	Raw materials, consumables and goods for resale	-4,759,873	-4,743,622	0	0
	Other external costs	-99,785	-85,488	-1,418	-378
	Gross profit	583,302	558,149	-1,418	-378
5	Staff costs	-362,682	-343,213	-100	0
	Depreciation, amortization and impairment	-87,099	-93,274	0	0
6	Other operating costs	-11,117	-11,957	0	0
	Operating profit/loss	122,404	109,705	-1,518	-378
	Investments in subsidiaries	0	0	17,768	29,447
7	Financial income	3,777	6,752	48	208
8	Financial expenses	-24,249	-23,574	-1,410	-132
	Profit/loss before tax	101,932	92,883	14,888	29,145
9	Tax on profit for the year	10,825	-15,506	-107	-1,853
	Profit/loss for the year	112,757	77,377	14,781	27,292
	Breakdown of the consolidated results of operations:				
	Shareholders, Akola ApS	84,076	52,493		
	Non-controlling interests	28,681	24,884		
		112,757	77,377		

Consolidated financial statements and parent company financial statements 1 July - 30 June

Balance sheet

Note	DKK'000	Group 30 June 2018	Group 30 June 2017	Parent 30 June 2018	Parent 30 June 2017
	ASSETS				
	Non-current assets				
10	Intangible assets				
	Goodwill	4,867	6,321	0	0
	Software and other intangible fixes assets	4,820	3,676	0	0
		9,687	9,997	0	0
11	Property, plant and equipment				
	Property, plant, machinery, tools and equipment	1,026,765	1,004,438	0	0
	Investment property	9,804	10,468	0	0
		1,036,569	1,014,906	0	0
	Other non-current assets				
12	Investments in subsidiaries	0	0	606,088	569,515
13	Non-current receivables	26,823	25,096	0	0
	Other investments	466	12,737	346	12,611
		27,289	37,833	606,434	582,126
	Total non-current assets	1,073,545	1,062,736	606,434	582,126
	Current assets				
	Inventories				
	Animal and livestock	65,029	75,659	0	0
	Crops	113,041	110,331	0	0
	Stock	821,956	637,297	0	0
		1,000,026	823,287	0	0
	Receivables				
	Trade receivables	876,038	760,883	0	0
16	Deferred tax assets	21,048	15,419	0	0
	Other receivables	83,176	115,586	0	1,039
	Corporate tax	0	6,839	295	2,126
14	Prepayments	91,168	41,324	47	0
		1,071,430	940,051	342	3,165
	Cash	81,766	71,852	2,656	1,987
	Total current assets	2,153,222	1,835,190	2,998	5,152
	TOTAL ASSETS	3,226,767	2,897,927	609,432	587,278

Consolidated financial statements and parent company financial statements 1 July - 30 June

Balance sheet

		Group		Parent	
Note	DKK'000	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	EQUITY AND LIABILITIES				
	Equity				
15	Share capital	143,039	143,039	143,039	143,039
	Retained earnings	740,323	830,123	260,349	429,329
	Dividend proposed for the year	8,767	13,150	8,767	13,150
	Equity holders' share of equity, Akola ApS	892,129	986,312	412,155	585,518
	Non-controlling interests	437,382	473,211	0	0
	Total equity	1,329,511	1,459,523	412,155	585,518
	Non-current liabilities				
16	Deferred tax	817	14,174	0	0
17	Debt to credit institutions	396,255	159,141	193,765	0
17	Leasing liabilities	8,965	8,310	0	0
	Grants and subsidies	47,460	47,184	0	0
	Other debts	3,898	3,893	0	0
	Total non-current liabilities	457.395	232,702	193,765	0
	Current liabilities				
17	Current portion of non-current liabilities	55,210	86,563	0	0
17	Bank loans and overdrafts	883,426	610,869	0	0
	Trade payables	304,935	353,458	150	96
	Payables to subsidiaries	0	0	3,311	1,664
	Corporate tax	1,728	6,967	0	0
	Other payables	169,487	139,922	51	0
	Prepayments	25,075	7,923	0	0
	Total current liabilities	1,439,861	1,205,702	3,512	1,760
	Total liabilities	1,897.256	1,438,404	197,277	1,760
	TOTAL LIABILITIES	3,226,767	2,897,927	609,432	587,278

1 Accounting policies
2 Material recognition and measurement uncertainties
3 Events after the balance sheet date
18 Contractual obligations and contingencies
19 Mortgages and collateral
20 Government Grants
21 Currency and interest rate risks and use of derivative financial instruments
22 Related parties
23 Share-based payments
24 Appropriation of profit/loss

Consolidated financial statements and parent company financial statements 1 July - 30 June

Statement of changes in equity

Note	DKK'000	Group					
		Share capital	Retained earnings	Dividend proposed for the year	Total	Non-controlling interests	Total equity
	Equity at 1 July 2016	143,039	784,558	6,424	934,021	483,714	1,417,735
	Dividend distribution	0	0	-6,424	-6,424	-9,141	-15,565
	Profit for the year	0	39,343	13,150	52,493	24,884	77,377
	Foreign exchange adjustments, foreign subsidiary	0	-4,878	0	-4,878	40	-4,838
	Value adjustment of hedging instruments, year-end	0	2,430	0	2,430	616	3,046
	Acquisition of minority interests	0	8,670	0	8,670	-26,902	-18,232
	Equity at 1 July 2017	143,039	830,123	13,150	986,312	473,211	1,459,523
	Dividend distribution	0	0	-13,150	-13,150	-5,042	-18,192
	Profit for the year	0	75,309	8,767	84,076	28,681	112,757
	Foreign exchange adjustments, foreign subsidiary	0	-1,201	0	-1,201	247	-954
	Value adjustment of hedging instruments, year-end	0	-10,374	0	-10,374	-1,841	-12,215
	Acquisition of own shares	0	-174,994	0	-174,994	0	-174,994
	Acquisitions of minority interests	0	21,460	0	21,640	-57,874	-36,414
	Equity at 30 June 2018	143,039	740,323	8,767	892,129	437,382	1,329,511

Consolidated financial statements and parent company financial statements 1 July - 30 June

Statement of changes in equity

		Parent			
Note	DKK'000	Share capital	Retained earnings	Dividend proposed for the year	Total
	Equity at 1 July 2016	143,039	415,187	6,424	564,650
	Dividend distribution	0	0	-6,424	-6,424
24	Transfer, see "Appropriation of profit/loss"	0	14,142	13,150	27,292
	Equity at 1 July 2017	143,039	429,329	13,150	585,518
	Dividend distribution	0	0	-13,150	-13,150
	Acquisition of own shares		-174,994		-174,994
24	Transfer, see "Appropriation of profit/loss"	0	6,014	8,767	14,781
	Equity at 30 June 2018	143,039	260,349	8,767	412,155

Consolidated financial statements and parent company financial statements 1 July - 30 June

Cash flow statement

Note	DKK'000	Group 2017/18	Group 2016/17
	Profit/loss before net financials	123,082	109,706
	Amortisation/depreciation charges	87,099	93,274
	Cash generated from operations before changes in working capital	210,181	202,980
25	Changes in working capital	-312,849	-106,868
	Cash generated from operations	-102,668	96,112
	Interest received	3,777	6,752
	Interest paid	-24,928	-23,574
	Income taxes paid	-6,561	-6,731
	Cash flows from operating activities	-130,380	72,559
10	Acquisition of intangible assets	-2,191	-736
11	Acquisition of property, plant and equipment	-145,696	-142,217
	Disposal of property, plant and equipment	39,567	25,027
	Other investments	12,271	-12,265
	Cash flows from investing activities	-96,049	-130,191
	Loan financing:		
	Increase in bank loans and overdrafts – net	479,249	99,942
	Shareholders:		
	Dividend distribution	-18,192	-15,565
	Acquisition of own shares	-174,994	0
	Acquisition of minority interest	-39,725	-18,232
26	Other changes	-9,995	-1,792
	Cash flows from financing activities	236,343	64,353
	Net cash flows	9,914	6,721
	Cash and cash equivalents, beginning of year	71,852	65,131
	Cash and cash equivalents, year-end	81,766	71,852

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

1 Accounting policies

The annual report of Akola ApS for 2017/18 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies are consistent with those of the previous financial year.

Control

The consolidated financial statements comprise the Parent Company Akola ApS and subsidiaries controlled by Akola ApS.

Control means the power to exercise decisive influence over a subsidiary's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing if the Parent Company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Significant influence

Entities over whose financial and operating decisions the group exercises significant influence are classified as associates. Significant influence is assumed to exist if the Parent Company directly or indirectly holds or controls 20% or more of the voting power of the investee, but does not control the investee.

The existence of potential voting rights which may currently be exercised or converted into voting rights is considered when assessing if significant influence exists.

The Management's review includes a group chart.

Preparation of consolidated financial statements

The consolidated financial statements have been prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains unless they do not reflect impairment.

In the consolidated financial statements, the items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the Group's profit/loss and equity, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

1 Accounting policies (continued)

Business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the date when the Group actually obtains control of the acquiree.

The purchase method is applied to acquisitions of new businesses over which the Group obtains control. The acquired businesses' identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the consolidated financial statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The consideration paid for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Where, at the date of acquisition, the identification or measurement of acquired assets, liabilities, contingent liabilities or the determination of the consideration is associated with uncertainty, initial recognition will take place on the basis of provisional values. If it turns out subsequently that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Hereafter, any adjustments are recognised as misstatements.

Gains or losses from divestment or winding-up of subsidiaries which imply that control is no longer maintained are calculated as the difference between, on the one hand, the selling price less selling expenses and, on the other hand, the proportionate share of the carrying amount of net assets. If the entity still holds investments in the divested entity, the remaining proportionate share of the carrying amount forms the basis for the measurement of investments in associates or securities and investments.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' ownership share or at the non-controlling interests' proportionate share of the fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities.

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

1 Accounting policies (continued)

In the former scenario, goodwill relating to the non-controlling interests' share in the acquired entity is thus recognised, while, in the latter scenario, goodwill relating to the non-controlling interests' share is not recognised. Measurement of non-controlling interests is chosen on a transaction-by-transaction basis.

Acquisitions and disposals of non-controlling interest by the Group are accounted as equity transaction: the difference between the carrying value of the net assets acquired from/disposed to the non-controlling interests in the Group’s financial statements and the acquisition price/proceeds from disposal is accounted directly in equity.

Foreign currency translation

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

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

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at average exchange rates for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign entities to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Foreign exchange adjustments of balances with separate foreign subsidiaries which are considered part of the total investment in the subsidiary are taken directly to equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

Derivative financial instruments

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

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

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

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on a current basis.

Fair value adjustments of derivative financial instruments held to hedge net investments in separate foreign subsidiaries or associates are recognised directly in equity.

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

1 Accounting policies (continued)

Income statement

Revenue

On the conclusion of sales contracts which consist of several, separate sales transactions, the contract price is split up into the individual sales transactions based on the relative fair value approach. The separate sales transactions are recognised as revenue when the criteria for sale of goods, services or construction contracts are met.

A contract is split up into individual transactions when the fair value of each individual sales transaction can be calculated reliably and when each individual sales transaction has a separate value for the purchaser. Sales transactions are deemed to have a separate value for the purchaser when the transaction is individually identifiable and is usually sold separately.

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

Revenue from the sale of goods

The Group sells seeds, fertilizers and other related inputs to agricultural produce growers on the deferred payment terms until the harvest is taken and then receivable is paid or offset with harvested grain by agricultural produce growers. The Group recognised the sale of inputs at the moment of transfer to agricultural produce growers as the risk and rewards are transferred at that moment while revenue is measured at the fair value of the consideration received or receivable.

Revenue from customer contracts

The Group recognises revenue from projects (i.e. customer specific contracts) based on the method of percentage of completion: completion percentage is estimated by the proportion of actual costs incurred to the total estimated costs of the project. Changes in profit rates are reflected in current earnings as identified. Contracts are reviewed regularly and in case of probable losses, provisions are recorded.

Revenue from the sale of services

Income from services is recognised when the services are rendered.

Revenue recognition gross or net

If the Group is acting as the principal in the relationship between the supplier and the customer, the revenue is recognised on a gross basis, with the amount remitted to the supplier being accounted for as a cost of sale, However, if the Group is acting as an agent for the supplier in its relationship with the customer, only the net amount of commission retained is recognised as revenue.

Expense recognition

Expenses are recognized on the basis of accrual and revenue and expenses matching principles in the reporting period when the income related to these expenses was earned, irrespective of the time the money was spent. In those cases when costs incurred cannot be directly attributed to the specific income and they will not bring income during the future periods, they are expensed as incurred.

Raw materials, consumables and good for resale comprise costs incurred in generating the revenue for the year.

Other external cost comprised expenses for administration, office premises and office expenses etc.

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

1 Accounting policies (continued)

Other operating income

Other operating income comprises items secondary to the entities' activities, including gains on disposal of intangible assets and items of property, plant and equipment.

Other operating expenses

Other operating expenses comprise items secondary to the entities' activities, including losses on disposal of intangible assets and items of property, plant and equipment.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Group's employees.

Non-current employee benefits

Share-based payments

Employees of the sub-group AB Linas Agro Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). As further described in Note 23 employees of the sub-group are granted share options.

Equity-settled transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 23.

That cost is to be recognised in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Cash-settled transactions:

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using a binominal model or The Black-Scholes-Merton model depending on which is considered better in a given circumstances. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividend income is recognised when dividends attributable to the Group are declared.

Tax for the year

The Parent Company is subject to the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The Parent Company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

The tax expense for the year, which comprises the year's current tax charge, joint taxation contributions and changes in the deferred tax charge – including changes arising from changes in tax rates – is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Grants and subsidies

Government grants and subsidies (hereinafter “grants”) are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Grants received in the form of cash intended for the purchase, construction or other acquisition of non-current assets are considered as asset-related grants. The amount of the assets related grants is recognized as deferred income in the financial statements as used in parts according the depreciation of the asserts associated with this grant.

Grants received as a compensation for the expenses or unearned income of the current or previous reporting period, also, all the grants, which are not grants related assets, are considered as grants related to income. The income-related grants are recognized as used in parts to the extent of the expenses incurred during the reporting period or unearned income to be compensated by the grants.

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 10 years. The amortisation period is fixed on the basis of the expected repayment horizon, longest for strategically acquired business enterprises with strong market positions and long-term earnings profiles.

Software

The cost of acquisition of new software are capitalised and treated as an intangible assets if these costs are not an integral part of the related hardware. Software is amortised over a period of 3-4 years.

Costs incurred in order to restore or maintain the future economic benefits that the group expects from the originally assessed standard of performance of existing software systems are recognised as an expense when the restoration or maintenance work is carried out.

Patents and licences

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining term of the patent, and licences are amortised over the term of the licence, being 3-4 years.

Gains and losses on the disposal of patents and licences are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

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

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings	15-40 years
Plant and machinery	4-15 years
Fixtures and fittings, plant and equipment	3-20 years
Investments property	20-40 years

The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

1 Accounting policies (continued)

In case of changes in the depreciation period or the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

Depreciation is recognised in the income statement as separate item.

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Leases

The Group as a lessee

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the net present value of future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as discount factor. Assets held under finance leases are subsequently accounted for as the Company's other assets.

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

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

The Group as a lessor

Assets lease out under operating leases are included in property, plant and equipment and investment property. They are depreciated over their expected useful lives on a basis consistent with similar property, plant and equipment of the Group. Rental income is recognised on a straight-line basis over the lease term.

Investments in associates

Investments in associates are measured according to the equity method.

Investments in associates are measured at the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the purchase method of accounting.

Investments in subsidiaries (parent company)

Investments in subsidiaries are measured at cost. Cost includes the consideration measured at fair value plus direct purchase costs.

Dividend from investments in subsidiaries is recognised in the income statement in the year of declaration. Distributions of dividend where the dividend exceeds the profit for the year or where the carrying amount of the Company's investments in the subsidiary exceeds the carrying amount of the subsidiary's net asset value will be evidence of impairment, meaning that an impairment test must be conducted.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is tested annually for impairment.

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

1 Accounting policies (continued)

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. Assets are written down to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the net present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Biological assets

The group's biological assets include animals and livestock, poultry and crops.

Animals and livestock are accounted for at fair value less costs to sell. The fair value of milking cows is measured using discounted cash flows method. Other livestock is measured at comparable market price.

Poultry is accounted for at fair value less cost to sell. The fair value of poultry is measured based on future value of chickens/meat broilers/eggs less costs to maintain.

Crops are accounted for at fair value less costs to sell. The fair value of crops is measured at comparable market prices based on expected yield (level 3).

Agricultural produce harvested from an entity's biological assets is measured at its fair value less estimated costs to sell at the point of harvest. Such measurement is further the cost of inventories.

As at 30 June 2018 and 30 June 2017 the management of the Group treats all animals and livestock (excluding eggs and broilers) as non-current assets and all crops, eggs and broilers as current.

All changes in fair value of biological assets were accounted for under cost of sales in the income statement.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and production overheads. Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

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

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

1 Accounting policies (continued)

Receivables in respect of which there is no objective evidence of individual impairment are assessed for objective evidence of impairment on a portfolio basis. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the net present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Construction contracts

Construction contracts (i.e. customer specific contracts) are measured at the selling price of the work performed. The market price is measured by reference to the stage of completion at the balance sheet date and the total expected income from the relevant contract.

When the selling price of a construction contract cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Individual construction contracts are recognised in the balance sheet under either receivables or payables. Net assets are determined as the sum of construction contracts where the selling price of the work performed exceeds progress billings. Net liabilities are determined as the sum of construction contracts where progress billings exceed the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement when incurred.

Prepayments

Prepayments recognised under "Current assets" comprise expenses incurred concerning subsequent financial years.

Assets relating to discontinued operations

Assets relating to discontinued operations comprise non-current assets expected to be sold in connection with the discontinued operations and disposal groups, which are defined as a group of assets which are to be disposed of together as a group in a single transaction. Liabilities associated with assets relating to discontinued operations are liabilities directly associated with these assets and which are to be transferred in the transaction. Assets are classified as assets relating to discontinued operations where their carrying amount will be recovered principally through a sale within 12 months in accordance with a formal plan rather than through continuing use.

Assets or disposal groups relating to discontinued operations are measured at the lower of the carrying amount at the date of the reclassification as "discontinued operations" and the fair value less costs to sell. Assets are not depreciated or amortised once classified as "discontinued operations".

Equity

Dividend

Dividend proposed for the year is recognised as a liability at the date when it is adopted at the general meeting (declaration date). Dividend expected to be distributed for the year is disclosed as a separate item under equity.

Own shares

Acquisition and sale of own shares is recognised under equity at cost.

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

1 Accounting policies (continued)

Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Income tax receivable" or "Income tax payable".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes or on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting neither the profit/loss for the year nor the taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are measured at net realisable value or fair value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Onerous contract provision is recognised when the Group has a present obligation (legal or constructive) to purchase the goods from a third party in the future for a price higher than the market selling price at the reporting date or to sell the goods to a third party in the future for a price lower than the market purchase price at the reporting date. The difference between the value of the contract and its market price at the reporting date is charged to cost of sales in the income statement. Such accounting treatment of the Group's contract is applied as long as these contracts have not been accounted for as derivative financial instruments.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income, recognised under "Liabilities", comprises payments received concerning income in subsequent years.

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

1 Accounting policies (continued)

Fair value

Fair value measurements are based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1 Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from corporate acquisitions are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of entities are recognised up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and income taxes paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and financial assets.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are subject to only minor risks of changes in value.

Segment information

Information is disclosed by activity and geographical market. Segment information follows the Group's accounting policies, risks and internal financial management.

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

1 Accounting policies (continued)

Assets in the segment comprises the assets that are used directly in the revenue-generating activity of the segment.

Segment liabilities comprise liabilities resulting from the activities of the segment, including trade and other payables.

Financial ratios

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

2 Material recognition and measurement uncertainties

The preparation of financial statements in conformity the Danish Financial Statements Act requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingencies.

Significant accounting judgments

The significant areas of judgement used in the preparation of these financial statements are described as follows:

- Determining control of Karccemos kooperatine bendroce
- Accounting for trading contracts
- Receivables from agricultural produce growers and payments on agricultural produce growers' behalf

Significant accounting estimates

The significant areas of estimation used in the preparation of these financial statements related to:

- Valuation of biological assets
- Impairment of property, plant and equipment (excluding land)
- Impairment of land (accounted for as property, plant, and equipment and investment property)
- Impairment of Parent company's investments in subsidiaries and loans granted
- Impairment of goodwill
- Assessment of inventories net realizable value
- Assessment of trade receivables allowance
- Assessment of fair value of share based payments

Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimated will be recorded in the financial statements, when determinable. The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

3 Events after the balance sheet date

On 19 September 2018 AB Linas Agro Group increased share capital of its subsidiary UAB Lineliai by DKK 0.4 million.

On 21 September 2018 Akola ApS decided to convert own shares by reducing the share capital corresponding. Hereafter share capital amounts to DKK 107,279 thousand.

On 26 September 2018 AB Linas Agro Group concluded Securities donation agreements and will transfer 9,000 own shares to the group employees under Linas Agro Group Rules for Shares Issues approved in AB Linas Agro Group extraordinary meeting of shareholders on 1 June 2018.

4 Segment information

Activities – primary segment

	Consolidated	
DKK'000	2017/18	2016/17
Grains and feedstuff handling and merchandising	2,876,641	3,028,509
Products and services for farming	1,163,750	1,202,739
Agricultural production	224,464	195,529
Other products and services	193,383	168,075
Food products	500,000	445,031
Sales of fatty acid and related products	631,555	504,612
Adjustments and eliminations	-173,601	-169,505
Revenue	5,416,192	5,374,990

Geographical – secondary segment

	Consolidated	
DKK'000	2017/18	2016/17
CIS	93,504	127,463
Lithuania	1,284,061	1,288,655
Europe (except for Scandinavia, CIS and Lithuania)	1,579,413	1,756,203
Scandinavian countries	1,202,351	996,254
Asia	1,042,627	980,909
Africa	211,659	225,506
Other	2,577	0
Revenue	5,416,192	5,374,990

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

DKK'000	Group 2017/18	Group 2016/17	Parent 2017/18	Parent 2015/16
5 Staff costs				
Wages and salaries	270,919	285,739	100	0
Pension costs	700	671	0	0
Social security costs	76,521	50,330	0	0
Other staff costs	14,542	6,473	0	0
	362,682	343,213	100	0
Average number of full-time employees	2,254	2,272	0	0

Executive board consists of one person in parent company, thus remuneration to Executive Board is not disclosed.

6 Fees paid to auditors appointed at the annual general meeting

DKK'000	Group 2017/18	Group 2016/17
Total fee to EY	1,573	1,567
Fee for statutory audit	1,389	1,524
Fees for tax advisory services	61	10
Other assistance	123	33
	1,573	1,567

7 Financial income

DKK'000	Group 2017/18	Group 2016/17	Parent 2017/18	Parent 2016/17
Interest income from subsidiaries	0	0	0	73
Other interest income	3,777	6,752	48	135
	3,777	6,752	48	208
8 Financial expenses				
Interest expenses, subsidiaries	0	0	34	75
Other interest expenses	24,249	23,574	1,376	57
	24,249	23,574	1,410	132
9 Tax for the year				
Current tax charge for the year	8,336	15,276	-44	-67
Adjustment of the deferred tax charge for the year	-19,004	-2,841	0	0
Adjustment of tax for previous years	-158	3,071	151	1,920
	-10,825	15,506	107	1,853

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

10 Intangible assets

DKK'000	Group Goodwill	 Software and other intangible fixed assets	 Total
Cost at 1 July 2017	14,658	9,616	24,274
Foreign currency translation adjustments, foreign entities	30	16	46
Additions	0	2,191	2,191
Disposals	0	-969	-969
Cost at 30 June 2018	14,688	10,854	25,542
Amortisation and impairment losses at 1 July 2017	8,337	5,940	14,277
Foreign currency translation adjustments, foreign entities	18	12	30
Amortisation	1,466	976	2,442
Impairment losses	0	0	0
Disposals	0	-894	-894
Amortisation and impairment losses at 30 June 2018	9,821	6,034	15,855
Carrying amount at 30 June 2018	4,867	4,820	9,687
Amortised over	10 years	3-4 years	

11 Property, plant and equipment

DKK'000	Group Investment properties	 Property, plant, machinery etc.	 Total
Cost at 1 July 2017	11,204	1,629,664	1,640,868
Exchange rate adjustment relating to foreign entities	24	3,495	3,519
Additions	0	145,696	145,696
Transferred	-619	619	0
Disposals	0	-61,185	-61,185
Cost at 30 June 2018	10,609	1,718,289	1,728,898
Depreciation and impairment losses at 1 July 2017	736	625,226	625,962
Exchange rate adjustment relating to foreign entities	2	1,343	1,345
Depreciation	60	106,914	106,974
Transferred	7	-7	0
Disposals	0	-41,952	-41,952
Depreciation and impairment losses at 30 June 2018	805	691,524	692,329
Carrying amount at 30 June 2018	9,804	1,026,765	1,036,569
Items of property, plant and equipment include assets held under finance leases with a carrying amount totalling	0	9,249	9,249
Depreciated over	20-40 years	3-40 years	

DKK'000	Parent 2017/18	 2016/17
12 Investments in subsidiaries		
Cost at 1 July	569,515	551,313
Additions	36,573	18,202
Cost price at 30 June	606,088	569,515

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

12 Investments in subsidiaries (continued)

Name and registered office	Voting rights and owner-ship
UAB MESTILLA, Lithuania	84,93%
AB Linas Agro Group, Lithuania	69,15%
AB Linas Agro Group investments into directly or indirectly controlled subsidiaries:	
AB Linas Agro, Lithuania	100%
UAB Linas Agro Konsultacijos, Lithuania	100%
UAB Dotnuva Baltic, Lithuania	100%
SIA Dotnuva Baltic, Latvia	100%
AS Dotnuva Baltic, Estonia	100%
UAB Jungtine ekspedicija, Lithuania	100%
ZUB Landvesta 1, Lithuania	100%
ZUB Landvesta 2, Lithuania	100%
ZUB Landvesta 3, Lithuania	100%
ZUB Landvesta 4, Lithuania	100%
ZUB Landvesta 5, Lithuania	100%
ZUB Landvesta 6, Lithuania	100%
Noreikiskiu ZUB, Lithuania	100%
UAB Lineliai, Lithuania	100%
SIA Lielzeltini, Latvia	100%
SIA Cerova, Latvia	100%
SIA Broileks, Latvia	100%
SIA Linas Agro, Latvia	100%
UAB Linas Agro Grudu centras, Lithuania	100%
UAB Linas Agro Grudu Centras KUB, Lithuania	100%
SIA Linas Agro Graudu centras, Latvia	100%
SIA Paleo, Lativa	100%
Linas Agro A/S, Denmark (under liquidation)	100%
Uzupes ZUB, Lithuania	100%
UAB Paberžėlė	100%
UAB Kekava Foods LT.Lithuania	97,09%
AS Putnu fabrika Kekava, Latvia	97,09%
SIA PFK Trader , Latvia	97,09%
Birzai district Medeikiu ZUB, Lithuania	98,34%
Sakiai district Luksiu ZUB, Lithuania	98,80%
Panevézys district Aukstadvario ZÜB, Lithuania	97,65%
Sidabravo ZUB, Lithuania	95,21%
Kédainai district Labunavos ZÜB, Lithuania	98,60%
Panevézys district Zibartoniu ZÜB, Lithuania	99,89%
ZUK KUPISKIO GRUDAI, Lithuania	98,96%
Karcemos kooperatiné bendrove, Lithuania (the Group controls this company and consolidates in the financial statements)	24%
UAB Dotnuvos Technika, Lithuania (dormant company)	100%
SIA Erfolg Group, Latvia (under liquidation)	97,09%
UAB Gerera, Lithuania (dormant company)	100%

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

DKK'000	Group 2017/18	Group 2016/17	Parent 2017/18	Parent 2016/17
13 Receivables				
Portion falling due for payment after one year after the financial year-end	26,823	25,096	0	0

As at 30 June 2018 the subsidiary AB Linas Agro Group holds lignin as a collateral for the part of trade receivables total amounting to DKK 11.4 million, part of which is accounted for as non-current receivable, which could be sold or re-pledged if the debtor defaulted. The fair value of the collateral amounts to 13.6 million DKK (level 3).

DKK'000	Group 2017/18	Group 2016/17
14 Prepayments		
Prepayments to agricultural produce growers	10,255	4,821
Prepayment to other suppliers	80,913	36,503
	91,168	41,324

Accruals and prepayments include phasing of costs, which relate to the following year, mainly including payments for commodities, and a smaller part regarding accruals of operating expenses.

15 Share capital

The share capital comprises:

143,038,898 class A shares of DKK 1 each

Every class A share carries 1 voting right. The share capital has remained unchanged for the past five years.

The Company purchased DKK 35,759,724 own shares in the financial year. After the balance sheet date the company converted its own shares and reduced the share capital corresponding.

DKK'000	Group 2017/18	Group 2016/17
16 Deferred tax		
Deferred tax at 1 July	1,242	4,457
Adjustment of the deferred tax charge for the year	19,026	-3,108
Foreign currency translation adjustments	8	-3
Tax on equity transactions	-45	-104
Deferred tax at 30 June	20,231	1,242
Deferred income tax asset consists of:		
Tax losses carry forward	5,131	17,045
Others	21,081	13,096
Total deferred income tax asset	26,212	30,141
Deferred income tax liability consists of:		
Property, plant, equipment and investment property	-5,750	-27,277
Others	-231	-1,622
	-5,981	-28,899

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

16 Deferred tax (continued)

The Group's deferred income tax asset and liability were set-off to the extent they relate to the same tax administration institution and the same taxable entity.

	Group	
DKK'000	2017/18	2016/17
Deferred tax is recognized in the balance sheet as follows:		
Deferred tax asset	21,048	15,416
Deferred tax liability	-817	-14,174
	20,231	1,242

17 Debt to credit institutions and other credit institutions

Analysis of liabilities:

The liabilities are recognised in the balance sheet as follows:

Non-current liabilities	405,220	167.451
Current liabilities	938,636	697.432
	1,343,856	864.883
Non-current liabilities falling due more than five years after the financial year-end (carrying amount)	24,086	11.497

During the year ended 30 June 2018 four of the Group companies did not comply with the covenants, however these companies did not have non-current portion of such borrowings (total sum of such borrowings – DKK 861 million), thus no reclassification made on financial statements of the Group. Companies received bank waivers in terms of covenants breach however they were received after end of financial year.

As at 30 June 2018 the Group's not utilized credit lines comprise DKK 233 million (DKK 396 million as at 30 June 2017).

18 Contractual obligations and contingencies, etc.

Contingent liabilities

As at 30 June 2018 the Group is committed to purchase property, plant and equipment for the total amount of DKK 31,1 million (DKK 28,5 milion as at 30 June 2017).

A few Group companies (Panevezys district Aukstadvario ZUB, Kedainiu district Labunavos ZUB, Sikiai district Luksiu ZUB, Sidabravo ZUB and Panevezys district Zibartoniu ZUB) received grants from the European Union and National Paying Agency for acquisition of agricultural equipment.

Panevezys district Aukstadvario ZUB, Kedainiu district Labunavos ZUB, Sidabravo ZUB and Panevezys district Zibartoniu ZUB are committed not to discontinue operations related to agricultural up to the end of 2019 and 2021, Sakiai district Luksiu ZUB – up to 2020 and 2021. UAB Linas Agro Grudu Centras KUB is committed not to discontinue operations related to preparation and warehousing of grains for trade agriculture up to 2020 and 2021.

SIA Lielzeltini, SIA Cerova and AS Putno Kaveka received grants from the European Union and Rural Support Service (Latvia) for poultry farm, feedstuffs production and storages upgrade. SIA Lielzeltini is committed not to discontinue broiler breeding, slaughtering and sale of products, feedstuffs up to 2020, SIA Cerova – up to 2018, AS Putno fabrika Kaveka – up to 2020, 2022 and 2023.

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

18 Contractual obligations and contingencies, etc. (continued)

In case of non-compliance with the requirements the Group companies will have to return funds received to the state of Lithuania and Latvia amounting to DKK 23.0 million as at 30 June 2018 (DKK 12,5 million as at 30 June 2017).

As of 30 June 2018 the Group has commitments in amounts of DKK 14.7 million to purchase agriculture equipment from leasing providers in case the customers will not use the option to repurchase equipment at the end of lease period (30 June 2017 – DKK 10,6 million).

In August 2018 the Group company AB Linas Agro received a ruling from the Costums of the Republic of Lithuania (hereafter the Costums) stating that the Costums made additional calculation for the calendar years 2016-2017. The decision increased the taxes in 4,799 thousand DKK for fertilizer import in the mentioned period. The AB Linas Agro management estimates the possibility to pay the taxes is 50% and recognized as accruals in 2,400 thousand DKK and deferred tax asset in 358 thousand DKK for the year ended 30 June 2018. The Linas Agro AB management does not concur with Costums assessment and the decision is appealed.

Linas Agro A/S is under voluntary liquidation. The company has received a claim of DKK 16 million and the liquidation process has been postponed. Currently, the claim is under investigation by the liquidator. As per management and internal lawyer's, the Group does not agree with any claims raised in this matter and thus, no liability has been recognized in the financial statements.

Parent company

The Parent Company is jointly taxed with its Danish subsidiary. As management company, the Company has joint and several unlimited liability, together with the subsidiary, for all Danish income taxes and withholding taxes on dividend, interest and royalties within the group of jointly taxed entities.

Operating lease liabilities

The group concluded several contracts of operating lease. For the year ended 30 June 2018 the lease expenses of the Group amounted to DKK 7.6 million (DKK 11.0 million as at 30 June 2017).

Minimal future payments according to signed lease contracts amounts to DKK 33.6 million (DKK 30,2 as at 30 June 2017). Hereof, DKK 0.3 million falls due after more than 5 years (DKK 0.6 as at 30 June 2017).

The parent company has no operating lease liabilities.

19 Mortgages and collateral

As at 30 June 2018 and 30 June 2017 part of property, plant and machinery, investment property, biological assets, inventories, trade receivables and bank accounts were pledged to banks as a collateral for the bank loans – see below.

In the sub-group AB Linas Agro Group, as at 30 June 2018 the following assets have been pledged by the banks as collateral for the bank loans:

- As at 30 June 2018 property, plant and machinery of the Group with the net book value of 723 million (DKK 723 million as at 30 June 2017) was pledged to banks as a collateral for the loans
- As at 30 June 2018 investment property of the Group with a net book value of DKK 5 million (DKK 6 million as at 30 June 2017) was pledged to banks as a collateral for the loans
- As at 30 June 2018 animal and livestock of the Group with a net book value of DKK 17 million (DKK 8 million as at 30 June 2017) was pledged to banks as a collateral for the loans
- As at 30 June 2018 inventories of the Group with the carrying value of DKK 581 million (DKK 429 million as at 30 June 2017) were pledged to banks as collateral for the bank loans
- As at 30 June 2018 the Group transferred rights to part of its trade receivables with the value of DKK 872 million (DKK 694 million as at 30 June 2017) to banks as collateral for the bank loans.

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

- Factorised trade receivables in the amount of DKK 21 million (DKK 16 million as at 30 June 2017) are included in aggregate amount of collateral for the loans.
- As at 30 June 2018 the Group pledged cash of DKK 12 million (DKK 9 million as at 30 June 2017) to banks as collateral for the loans

In the subsidiary UAB Mestilla, as at 30 June 2018 the following assets have been pledged by the banks as collateral for the bank loans:

- Property, plant and equipment and other assets by the carrying amount of DKK 74 million (DKK 78 million as at 30 June 2017).
- Current and future inflows in the bank account at Swedbank AS.
- All inventory by the carrying amount of up to DKK 109 million (DKK 103 million as at 30 June 2017).
- Trade receivables
- The rights to sublease the land plot.

In the parent company, as at 30 June 2018 the following assets have been pledged by the banks as collateral for the bank loans:

- As at 30 June 2018 the parent company pledged account turnover in all financial institutions of DKK 2.7 million (DKK 2.0 million as at 30 June 2017) to banks as collateral for the loans
- As at 30 June 2018 ordinary registered uncertified shares of DKK 895 million (DKK 2.0 million as at 30 June 2017) to banks as collateral for the loans

20 Government Grants

As at 30 June 2018 the amount is disclosed in the statement of financial position as non-current liabilities (DKK 47,458 thousand) and other current liabilities (DKK 6,454 thousand) (as at 30 June 2017 DKK 47,286 thousand as non-current liabilities and DKK 6,633 thousand as current liabilities).

The major part of the Group's grants consists of the funds received from the European Union and National Paying Agency for the purpose of an acquisition of machinery and equipment (property, plant and equipment).

The amortisation of grants of the Group for the years ended 30 June 2018 and 30 June 2017 was included into the following captions:

DKK'000	2017/18	2016/17
Depreciation (reduces the depreciation expenses of related assets)	6,542	7,095
Other external costs	60	67
Inventories	783	45
	7,385	7,207

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

21 Currency and interest rate risks and use of derivative financial instruments

The Group uses derivative financial instruments (hedging instruments) such as forward exchange contracts and interest and currency swaps to hedge recognised and non-recognised transactions.

Currency risks

Currencies other than DKK and EUR:

	30 June 2018		30 June 2017	
Currency (DKK'000)	Assets	Liabilities	Assets	Liabilities
USD	88,387	76,358	15,310	1,967
PLN	12,774	306	14,825	1,185
Total exposure	101,161	76,664	30,135	3,152

Interest rate risks

The majority part of the Group's borrowings are with variable interests, related to EURIBOR that creates an interest risk. The Group uses interest rate swaps to hedge interest rate fluctuations risk for loans with variable interest rate.

Derivative financial instruments

The group uses the hierarchy described in accounting policies for determining and disclosing the fair value of derivative financial instruments:

Derivative financial instruments	Fair value	30 June 2018	30 June 2017
Derivative financial instruments used to hedge the price risk (current portion) – assets (-liabilities)	Level 1	-7,303	2,026
Derivative financial instruments used to hedge the interest risk (current portion) – assets (-liabilities)	Level 2	-261	-447
Derivative financial instruments used to hedge the interest risk (long term portion) – assets (-liabilities)	Level 2	358	-186
Foreign exchange forward and swap contracts – assets	Level 2	462	209
Foreign exchange forward and swap contracts – liabilities	Level 2	-6,782	-1,319
Fair value, net		-13,526	283
Included under other assets		611	10,749
Included under other liabilities		-14,137	-10,466

22 Related parties

Akola ApS related parties comprise the following:

Parties exercising control

Darius Zubas, Paliuniskis, Panevezys district, Lithuania holds the majority of the share capital in the entity.

Related party transactions

Transactions with related parties are carried out on carried out on arm's length basis.

Parent:

Besides distribution of dividend, no other transactions were carried through with shareholders in the financial year.

Remuneration/fees to members of the Executive Board are carried out on arm's length basis.

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

23 Share-based payments

The sub-group AB Linas Agro Group, following the Rules for Granting Equity Incentives approved on 1st of June 2018 acting in accordance with the decision of the General Shareholders meeting of 1st of June 2018, signed options contracts with employees of AB Linas Agro Group and of the subsidiaries, in which AB Linas Agro Group 50 percent or more of shares, for 4,610,180 ordinary registered shares of AB Linas Agro Group. During the years 2021-2023, according to the procedures and terms established in options contracts employees will be able to exercise the right to acquire the above mentioned number of ordinary registered EUR 0.29 (DKK 2.16) nominal value shares of AB Linas Agro Group with the price of each issue being EUR 0.705 (DKK 5.254) and provided to the employee free of charge under the terms and conditions established by the rules.

50% of all shares options will vest in three years-time from signing of the option agreements, 25% - in four years-time and the rest 25% - in five years-time. There are no other vesting conditions, except for the requirement for a person to be employed at AB Linas Agro Group for the above specified period of time, i.e. 50% of shares options will vest if a particular person is still employed for three years from signing of the share options agreement. 25% will vest if a person is employed for four years from signing of the share options agreement and the rest 25% of shares options will vest if a person is employed for five years from signing of the share options agreement date. Share options are exercisable during the two months period after each vesting period ends for particular tranche.

Grant date is considered to be 29th of June 2018 when principle terms of share options agreements were presented to employees participating in share options incentive. Since portion of passed vesting periods from the grant date (29th June 2018) until the financial year end (30th June 2018) is immaterial, no expenses were accounted for in these financial statements.

DKK'000	Parent 2017/18	Parent 2016/17
24 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Dividend proposed for the year	8,767	13,150
Transferred to reserves under equity	6,014	14,142
	14,781	27,292

DKK'000	Group 2017/18	Group 2016/17
25 Changes in working capital		
Change in inventories	-176,739	-42,169
Change in receivables	-134,316	-97,883
Change in debt to related parties	0	0
Change in trade and other payables	-1,794	33,184
	-312,849	-106,868

Consolidated financial statements and parent company financial statements 1 July - 30 June

Notes

		Group	
	DKK'000	2017/18	2016/17
26	**Other changes**		
	Currency adjustment of equity	2,220	-4,839
	Fair value adjustments of hedging instruments recognised in equity	-12,215	3,042
		-9,995	-1,792