

Leighton Foods A/S

Blomstervej 16, 8381 Tilst

CVR no. 27 39 21 48

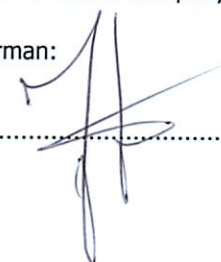


Annual report 2015

Approved at the Company's annual general meeting on

27/4-16

Chairman:



.....

EY

Building a better
working world

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditors' reports	3
Management's review	4
Company details	4
Business review	5
Financial statements 1 January - 31 December	6
Income statement	6
Balance sheet	7
Notes to the financial statements	9
Accounting policies	13

Statement by the Board of Directors and the Executive Board

We have discussed and approved the annual report of Leighton Foods A/S for 1 January 31 December 2015.

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

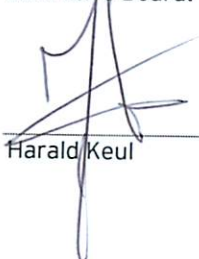
In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial status, profit for the year and of the Company's financial position.

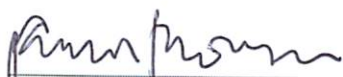
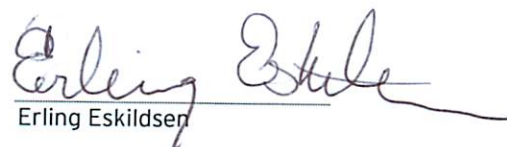
We recommend that the annual report be approved at the annual general meeting.

Tilst, 27 April 2016

Executive Board:


Harald Keul
Jørgen Kargaard Jensen

Board of Directors:


Jørn Ankær Thomsen
Chairman
Kenneth Skov Eskildsen
Erling Eskildsen
Harald Keul

Independent auditors' reports

To the shareholders of Leighton Foods A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Leighton Foods A/S for the financial year 1 January-31 December 2015, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

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

Aarhus, 27 April 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Claus Monfeldt
State Authorised Public Accountant



Michael Dahl Christiansen
State Authorised Public Accountant

Management's review

Company details

Name	Leighton Foods A/S
Address, P.O. Box, city	Blomstervej 16, 8381 Tilst
CVR no.	27 39 21 48
Established	3 September 2003
Registered office	Aarhus
Financial year	1 January - 31 December
Board of Directors	Jørn Ankær Thomsen, Chairman Kenneth Skov Eskildsen Erling Eskildsen Harald Keul
Executive Board	Harald Keul Jørgen Kargaard Jensen
Audit	Ernst & Young Godkendt Revisionspartnerselskab Vaerkmestergade 25, P.O. Box 330, 8100 Aarhus C

Management's review

Business review

Principal activities

The objective of the Company is to trade in and manufacture tortilla snack, wraps and related products.

Development in activities and financial position

The profit for the year before tax totalled DKK 8,689 thousand which is considered very satisfactory. The Company expects to show a positive development in coming years.

Profit for the year after tax of DKK 6,716 thousand is transferred to equity, which then totals DKK 20,768 thousand.

Events after the balance sheet date

No significant events have occurred after the balance sheet date affecting the evaluation of the Company's financial position and the annual report for 2015.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2015	2014
1	Gross profit	21,721	24,829
1	Selling and distribution costs	-1,962	-1,879
1	Administrative expenses	-10,771	-10,073
	Profit before net financials, etc.	8,988	12,877
2	Financial income	41	67
3	Financial expenses	-340	-493
	Profit before tax	8,689	12,451
4	Tax on profit for the year	-1,973	-2,925
	Profit for the year	6,716	9,526

which is proposed transferred to next year.



Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2015	2014
	ASSETS		
	Non-current assets		
5	Intangible assets		
	Trademarks	0	0
		0	0
6	Property, plant and equipment		
	Plant and machinery	35,318	8,668
	Fixtures and fittings and other plant	34	57
	Property, plant and equipment under construction	7,723	13,210
		43,075	21,935
	Total non-current assets	43,075	21,935
	Current assets		
	Inventories		
	Raw materials and consumables	2,758	2,589
	Finished goods and goods for resale	1,570	1,684
		4,328	4,273
	Receivables		
	Trade receivables	13,057	10,572
	Receivables from group enterprises	2,325	2,096
	Other receivables	865	1,319
		16,247	13,987
	Cash at bank and in hand	5	1,276
	Total current assets	20,580	19,536
	TOTAL ASSETS	63,655	41,471

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2015	2014
	EQUITY AND LIABILITIES		
7	Equity		
	Share capital	500	500
	Retained earnings	20,268	13,837
	Total equity	<u>20,768</u>	<u>14,337</u>
	Provisions		
7	Deferred tax	1,722	452
	Total provisions	<u>1,722</u>	<u>452</u>
	Liabilities		
8	Non-current liabilities		
	Finance lease obligations	16,850	0
	Current liabilities		
8	Finance lease obligations	2,358	0
	Bank loans and overdrafts	9,208	1,123
	Trade payables	9,426	9,220
	Payables to group enterprises	275	6,764
	Other payables	3,048	9,575
		<u>24,315</u>	<u>26,682</u>
	Total liabilities	<u>41,165</u>	<u>26,682</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>63,655</u></u>	<u><u>41,471</u></u>

- 9 Staff matters
- 10 Contingent liabilities and contractual obligations
- 11 Information on ownership

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000		2015	2014
1	Depreciation, amortisation and impairment losses		
	Depreciation and amortisation are included in the below items:		
	Gross profit	4,808	2,495
	Selling and distribution costs	0	15
	Administrative expenses	0	2
		<u>4,808</u>	<u>2,512</u>
2	Financial income		
	Other financial income	<u>41</u>	<u>67</u>
3	Financial expenses		
	Interest, etc. to group enterprises	104	456
	Other financial expenses	236	37
		<u>340</u>	<u>493</u>
4	Tax on profit for the year		
	Expected corporation tax for the year (joint taxation contribution)	703	2,570
	Adjustments, etc. in respect of previous years (joint taxation contribution)	-93	-4
	Adjustment of deferred tax regarding previous years	83	0
	Adjustment of deferred tax for the year	1,187	452
	Tax on profit for the year	<u>1,880</u>	<u>3,018</u>
	Tax on profit for the year, income statement	1,973	2,925
	Tax on changes in equity	-93	93
	Tax on profit for the year	<u>1,880</u>	<u>3,018</u>

Financial statements 1 January - 31 December

Notes to the financial statements

5 Intangible assets

DKK'000	Right of use and licences	Trade-marks	Total
Cost at 1 January 2015	359	579	938
Additions for the year	0	0	0
Disposals for the year	0	0	0
Cost at 31 December 2015	359	579	938
Amortisation at 1 January 2015	-359	-579	-938
Amortisation for the year	0	0	0
Amortisation, disposals for the year	0	0	0
Amortisation at 31 December 2015	-359	-579	-938
Carrying amount at 31 December 2015	0	0	0

6 Property, plant and equipment

DKK'000	Plant and machinery	Fixtures and fittings and other plant	Property, plant and equipment under construction	Total
Cost at 1 January 2015	27,202	643	13,210	41,055
Transferred	11,293	0	-11,293	0
Additions for the year	20,143	0	5,806	25,949
Disposals for the year	0	0	0	0
Cost at 31 December 2015	58,638	643	7,723	67,004
Amortisation at 1 January 2015	-18,534	-586	0	-19,120
Amortisation for the year	-4,786	-23	0	-4,809
Amortisation, disposals for the year	0	0	0	0
Amortisation at 31 December 2015	-23,320	-609	0	-23,929
Carrying amount at 31 December 2015	35,318	34	7,723	43,075
Thereof re. finance lease	22,494	0	0	22,494

Financial statements 1 January - 31 December

Notes to the financial statements

7 Equity

DKK'000	Share capital	Retained earnings	Total
Balance at 1 January 2015	500	13,837	14,337
Value adjustments of hedging instruments	0	-378	-378
Tax on value adjustment	0	93	93
Profit for the year	0	6,716	6,716
Balance at 31 December 2015	500	20,268	20,768

The share capital consists of shares of DKK 1,000 each or multiples hereof.

8 Non-current liabilities

Non-current liabilities fall due as follows

	DKK'000
Within 1 year	2,358
Between 1 and 5 years	9,767
After 5 years	7,083
	19,208

9 Staff matters

DKK'000	2015	2014
Wages and salaries	10,214	9,775
Pension contributions	641	590
Other social security costs	201	165
	11,056	10,530
Average number of employees	20	18

10 Contingent liabilities and contractual obligations

The Company is jointly taxed with other Danish companies in the Givesco Group. As jointly taxed company, which is not wholly owned, the Company has limited and secondary liability for Danish corporation taxes within the joint taxation unit. The jointly taxed enterprises' total known net liabilities to SKAT are stated in the financial statements of the administrative company, (Givesco A/S, CVR no. 89 38 17 11). Any subsequent corrections of joint taxation income, etc., may entail that the Company's liability will increase.

The Company has entered into operating leases with a residual lease obligation of DKK 474 thousand.

Financial statements 1 January - 31 December

Notes to the financial statements

11 Information on ownership

Ownership

The below shareholders have ownership interests of 5% or more:

Danish Industrial Equipment A/S, Svinget 24, 7323 Give
Harald Peter Keul, Germany.

Danish Industrial Equipment A/S exercises control.

Group structure

The Company is included in the consolidated financial statements of Givesco A/S of which Jens og Mary Antonie Eskildsens Mindefond is the parent company.

Financial statements 1 January - 31 December

Accounting policies

The annual report of Leighton Foods A/S for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The thresholds for classification of reporting classes in section 7 of the new Danish Financial Statements Act are implemented as of 2015. This implies that the Company, as in previous years, is classified as a reporting class B enterprise. In terms of money, this had no impact on the financial statements for 2015.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Gross profit

The Company applies the sales method as basis for revenue recognition, according to which sale of goods are recognised in the income statement provided that delivery has taken place before the end of the year.

For competitive reasons, the Company has chosen to aggregate revenue, production costs and operating income into one item called "Gross profit" in accordance with the Danish Financial Statements Act.

Tax on profit for the year

Tax for the year comprises current tax and changes in deferred tax.

The Company is subject to consolidated joint taxation with the parent company, Givesco A/S. Net tax of total jointly taxed income is allocated according to the full allocation method.

Deferred tax is measured on all differences between the carrying amount and the tax value.

Balance sheet

Intangible assets

Right of use

Right of use of know-how and supply agreements are measured at cost less accumulated amortisation. Amortisation is provided on a straight-line basis over the expected useful lives of the assets, which is fixed at five years.

Licences

Licences are measured at cost less accumulated amortisation. Amortisation is provided on a straight-line basis over the expected useful lives of the assets, which is fixed at three years.

Trademarks

Costs for development and design of new trademarks are measured at cost less accumulated amortisation. Amortisation is provided on a straight-line basis over the expected useful lives of the assets, however not exceeding five years.

Costs for regular updating and maintenance of existing trademarks are recognised as incurred.

Financial statements 1 January - 31 December

Accounting policies

Property, plant and equipment

Assets are measured at cost less accumulated depreciation. Amortisation is provided on a straight-line basis over the expected useful lives of the assets, which is fixed at 3-10 years.

The cost of finance leases is recognised at the lower of fair value of the assets and the present value of the future minimum lease payments. In calculating the present value, the discount factor is the interest rate implicit in the lease or an approximation thereof.

Depreciation and profit/loss on regular exchange are recognised in the income statement as gross profit and administrative expenses.

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.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and direct production overheads. Indirect production overheads and borrowing costs are not included in the cost.

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 recognised at amortised cost, which in all material respects corresponds to nominal value. Write-down is made for bad debt losses to the extent necessary.

Payables

Financial liabilities are measured at amortised cost.

Other payables are recognised at amortised cost, which in all material respects corresponds to nominal value.

Foreign exchange

Receivables and payables denominated in foreign currencies are translated into Danish kroner at the exchange rates at the balance sheet date. Both realised and unrealised capital gains and losses are recognised in the income statement.