



Karen Volf
Siden 1890

Bisca A/S

Ahornvej 1, 4780 Stege, Denmark

Registration no. 27 70 22 79

Annual report 2017

The annual report has been presented and approved at the Company's annual general meeting on 19 June 2018

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Chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Bisca A/S for the financial year 1 January – 31 December 2017.

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

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

In our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Stege, 19 June 2018

Executive Board



Jesper Hvid-Hansen
CEO

Board of Directors



Henrik Broksø Thulesen
Chairman



Lars Ivar Tretteteig



Bjarne Pedersen



Jan Leif Bodd



Stig Terje Sunde



Karina K. Kristiansen

Independent auditor's report

To the shareholders of Bisca A/S

Opinion

We have audited the financial statements of Bisca A/S for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are 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 assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 that 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 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 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 the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the 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 company 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 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 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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

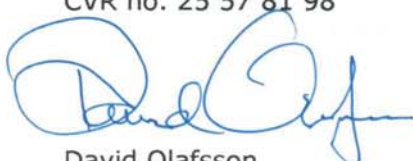
Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 19 June 2018

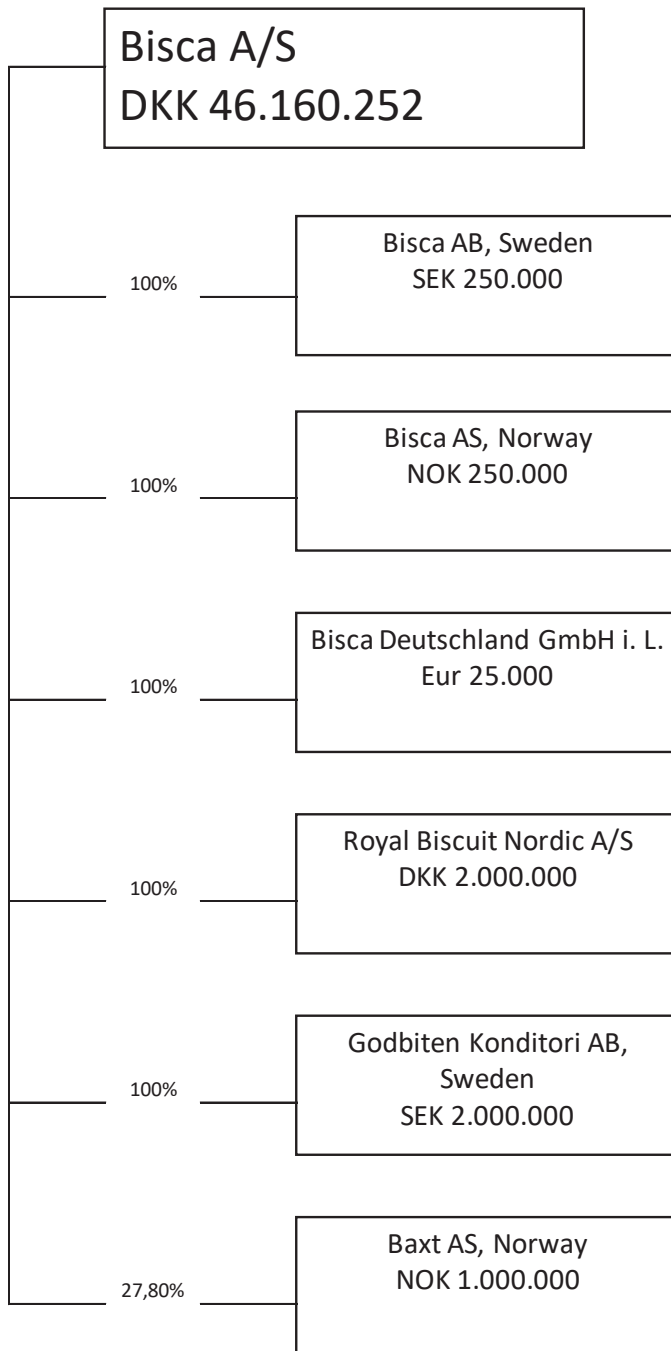
KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



David Olafsson
State Authorised
Public Accountant
MNE-nr. 19737

Group chart for Bisca A/S
Share capital and ownership share
per 31 . 12 . 2017



The Company

Bisca A/S
Ahornvej 1
DK-4780 Stege

Telephone: +45 72 11 00 00
Fax: +45 72 11 00 01

Registration no.: 27 70 22 79
Established: 21 April 2004
Registered office: Stege, Vordingborg
Financial year: 1 January –
31 December

Board of Directors

Henrik Broksø Thulesen, chairman
Jan Leif Bodd
Lars Ivar Tretteteig
Stig Terje Sunde
Karina K. Kristiansen
Bjarne Pedersen

Executive Board

Jesper Hvid-Hansen
CEO

Auditor

KPMG P/S
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Annual general meeting

The annual general meeting is to be held
on 19 June 2018 at the Company's address.

Financial highlights

Key figures for the company

DKK 1.000	2017	2016	2015	2014	2013
Revenue	339.140	350.301	375.403	417.823	457.602
EBITDA	31.209 *	40.283 *	37.942	40.679	44.230
Profit from ordinary activities (EBIT)	18.335	25.543	17.521	20.447	23.302
Profit from subsidiaries and associates after tax	16.454	23.109	9.732	10.942	11.026
Loss from financial income and expenses	-1.639	-1.743	-1.624	-9.454	-8.589
Profit/loss for the year before tax	33.150	46.909	25.629	21.935	25.739
Profit/loss for the year	28.350	39.244	21.755	18.919	19.835
Total assets	381.812	359.574	293.840	309.923	329.702
Investment in property, plant and equipment for the year	16.310	6.013	4.276	46.157	12.438
Equity	244.671	218.412	180.193	158.169	137.895
Net interest-bearing debt (NIBD)	20.885	38.936	37.577	69.501	91.386

Financial ratios for the company

Pct.	2017	2016	2015	2014	2013
Return on capital employed	5,10	8,69	5,65	6,20	7,25
Profit margin	5,41	7,29	4,67	4,89	5,09
EBITDA, %	9,20	11,50	10,11	9,74	9,67
Asset turnover	0,94	1,19	1,21	1,27	1,42
Equity ratio	64,08	60,74	61,32	51,03	41,82
Return on equity	12,98	21,78	13,75	13,72	16,70

Definitions:

Return on capital employed:	Profit/loss before interest and tax compared to total assets at the beginning of the year.
Profit margin:	Profit/loss before interest and tax compared to revenue.
EBITDA, %:	Profit/loss before interest, depreciation, amortisation and tax compared to revenue. *EBITDA for 2017 and 2016 is before "other operating income".
Asset turnover:	Revenue compared to total assets at the beginning of the year.
Equity ratio:	Equity at year end compared to total assets at year end.
Return on equity:	Profit/loss after tax compared to opening equity.
NIBD:	Interest-bearing liabilities offset against interest-bearing assets (excl. Financial contracts).

Management's review

Bisca A/S' activities

Bisca A/S is one of the market leaders in the Nordic countries as a manufacturer and provider of biscuits, cookies and convenience cake mix. Bisca A/S' products are sold to the Nordic market and to a number of export markets.

Bisca A/S' has export through own sales companies in Sweden, Norway and Germany, while export to other markets is carried out through distributors or sales made directly to retail chains.

Bisca A/S' headquarters are in Stege.

Events during the year

Profit for the year before tax amounted to DKK 33.2 million compared to a profit of DKK 46.9 million in the previous year.

At the beginning of the year, Bisca A/S expected an EBITDA between DKK 44-49 million and realized EBITDA of DKK 31.2 million.

Financial review

The annual report of Bisca A/S has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

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

Total revenue amounted to DKK 339.1 million in 2017 against DKK 350.3 million in 2016. Of the revenue, DKK 282.7 million relates to Denmark, and DKK 56.4 million relates to other markets.

Gross profit for 2017 amounts to DKK 72.5 million, which corresponds to a decrease of DKK 3.9 million compared to 2016. The decrease in gross profit is attributable to a significant focus on prices on ingredients and process improvement in production.

Sales and marketing costs were realised at DKK 40.2 million against DKK 35.5 million in the previous year, corresponding to an increase of DKK 4.8 million.

Administrative expenses amounted to DKK 13.8 million in 2017, which corresponds to a decrease of DKK 1.8 million compared to 2016. Staff costs amounted to DKK 102.0 million against DKK 99.5 million in the previous year.

Profit for the year before tax amounted to DKK 33.2 million against a profit of DKK 46.9 million in the previous year.

Profit for the year after tax amounted to DKK 28.4 million against a profit of DKK 39.3 million in the previous year.

Equity amounted to DKK 244.7 million (2016: DKK 218.4 million). The equity ratio amounted to 64.1% (2016: 60.7%).

In 2017, net interest-bearing debt decreased by DKK 18.1 million and amounted to DKK 20.9 million at year end 2017.

Particular risks

Significant risks particularly relate to uncertainty regarding the development in commodity and packaging prices. These risks are sought minimized by entering into price agreements with suppliers for up to 12 months.

Currency risks primarily relate to transactions in NOK, SEK and GBP. No transactions in currencies, interest rates or other financial instruments are made for speculative purposes.

Events after the balance sheet date

No events have occurred after the balance sheet date which materially affects the assessment of the financial position.

Objectives and outlook

The objectives for the coming year include further strengthening our position as one of the market leaders in the Nordic countries.

Our expectations for 2018 include increasing profitability measured by EBITDA/revenue and profitable growth. Based on the execution plan for 2018 and the strategic projects in progress, is EBITDA for 2018 expected to amount to approx. DKK 38-42 million.

Product development

Bisca is the market leader in Denmark and hold strong positions in the Norwegian and Swedish markets within biscuits and cookies, which are positions that the Company spend both time and resources maintaining and developing.

Moreover, the Company constantly work on projects improving and changing recipes so that they always meet the customers' and consumers' demands in respect of taste, design, composition, quality, etc.

Management

The Board of Directors include Bjarne Pedersen and Karina K. Kristiansen, who have been elected by the employees. The other members of the Board of Directors have been appointed by the shareholder.

The Board of Directors' work

The basis for the planning of the Board of Directors' and the Executive Board's work comprises among other things the Danish Companies Act, the Danish Financial Statements Act, the Company's articles of association and rules of procedure. 4 meetings of the Board of Directors are held annually.

Gender composition

The owner-appointed members of the Board of Directors of Bisca A/S do currently only consist of Executives from the parent companies. The framework for election of board members is therefore formed by the gender composition policies applied in these entities. However, it is Bisca's target to change the gender composition of the Board of Directors from currently 0 women to 1 woman before 2020.

Bisca is aware that the proportion of women at management level in the Group is generally lower than the gender composition of the Group's employees in general. It is Bisca's policy to increase the proportion of women at management level before 2020. Accordingly, Bisca will make a special effort to support the career development of women employees through individual initiatives, and Bisca will also make a dedicated effort to ensuring the best possible women representation among candidates being considered for management positions. The policy did not produce measurable results in 2017.

Statutory corporate social responsibility statement

In accordance with the Danish Financial Statements Act, section 99a, the statutory statement on the corporate social responsibility statement has been published on Bisca's website www.bisca.dk, to which we refer:

Statement for 2017: <http://www.karenvolf.dk/Default.aspx?ID=1290>

Environmental issues

The Group's operations do not adversely affect the environment, neither by soil contamination nor by the release of polluting waste.

Additional documentation regarding environmental issues is included in the statutory corporate social responsibility statement, including our environmental responsibility policy.

Employee matters

Maintenance and improvement of the employees' skills and qualifications and the ability to attract and retain employees are important elements of Bisca's strategy. Thus, also in 2017, the Company committed significant resources to implement the strategic objectives.

Besides this Bisca is working together with Vordingborg Municipality on projects with the dual aim to upgrade employee's qualifications and include unemployed people in Bisca's workforce.

Additional documentation is included in the statutory corporate social responsibility statement, including our social responsibility policy.

Remuneration of the Executive Board and the Board of Directors

Remuneration of the Executive Board at group level comprises incentive pay in addition to the fixed salary. Remuneration and incentive pay to the Executive Board and the Board of Directors have been disclosed in the notes to the consolidated financial statements and the parent company financial statements.

Ownership

The Company is wholly-owned by Scandza AS, Oslo, Norway (org. no. 892683042). The Company's share capital is not divided into different classes of shares.

Income statement

Note	DKK'000	2017	2016
2	Revenue	339.140	350.301
3,7	Production costs	-266.620	-273.853
	Gross profit	72.520	76.448
3,4,7	Distribution cost	-40.239	-35.466
3,4,7	Administrative expenses	-13.787	-15.493
	Ordinary operating profit	18.494	25.489
	Other operating income	4.974	5.187
	Operating profit	23.468	30.676
6	Amortisation of goodwill	-5.133	-5.133
	Profit on ordinary activities	18.335	25.543
	Profit from subsidiaries after tax	8.631	16.602
	Profit from associates after tax	7.823	6.507
	Financial income	21	0
5	Financial expenses	-1.660	-1.743
	Profit before tax	33.150	46.909
7	Tax on profit/loss for the year	-4.800	-7.665
	Profit for the year	28.350	39.244

Balance sheet at 31 December

Note	DKK'000	2017	2016
ASSETS			
Fixed assets			
9	Intangible assets		
	Goodwill	14.113	19.246
	Total intangible assets	14.113	19.246
10	Property, plant and equipment		
	Land and buildings	62.728	64.909
	Plant and machinery	69.227	65.455
	Other plant	1.856	1.918
	Plant under construction	5.247	547
	Total property, plant and equipment	139.058	132.829
	Investments		
11	Investments in subsidiaries	80.934	91.390
12	Investments in associates	19.015	16.870
	Total investments	99.949	108.260
	Total fixed assets	253.120	260.335
Current assets			
	Inventories		
	Raw materials and consumables	22.535	17.397
	Finished goods and goods for resale	12.829	21.449
	Total inventories	35.364	38.846
	Receivables		
	Trade receivables	26.982	22.839
	Receivables from subsidiaries	9.711	4.242
	Receivables from associates	1.572	688
	Other receivables	11.123	6.115
15	Corporation tax receivable	774	0
	Total receivables	50.162	33.884
	Cash at bank and in hand	43.166	26.509
	Total current assets	128.692	99.239
	Total ASSETS	381.812	359.574

Balance sheet at 31 December

Note	DKK'000	2017	2016
	Production costs, write-downs related to fire	-	
EQUITY AND LIABILITIES			
Equity			
	Share capital	46.160	46.160
	Revaluation reserve	28.376	14.013
	Retained earnings	170.135	158.239
	Equity	244.671	218.412
Provisions			
11	Provision for subsidiaries	184	124
13	Deferred tax	10.246	5866
	Provisions	10.430	5.990
Liabilities other than provisions			
Non-current liabilities			
14	Mortgage debt	0	0
	Capitalised lease obligations	0	0
	Non-current liabilities	0	0
Current liabilities			
15	Short-term portion of mortgage debt	0	989
15	Short-term portion of lease obligations	0	4.708
	Trade payables	41.893	37.870
	Payables to group enterprises	64.051	63.990
15	Corporation tax	0	96
	Other payables	20.767	27.519
	Current liabilities	126.711	135.172
	Total liabilities other than provisions	126.711	135.172
	Total EQUITY AND LIABILITIES	381.812	359.574

Statement of changes in equity

DKK'000	Share capital	Revaluation reserve	Retained earnings	Total equity
Equity at 1 January 2016	46.160	12.196	121.837	180.193
Distributed dividend	0	-20.267	20.267	0
Transferred over the profit appropriation	0	23.109	16.135	39.244
Exchange rate adjustment, foreign subsidiary	0	-1.025	0	-1.025
Equity at 1 January 2017	46.160	14.013	158.239	218.412
Distributed dividend	0	0	0	0
Transferred over the profit appropriation	0	16.454	11.896	28.350
Exchange rate adjustment, foreign subsidiary	0	-2.091	0	-2.091
Equity at 31 December 2017	46.160	28.376	170.135	244.671

The share capital consists of 46,160,252 shares of DKK 1 each. No shares have special rights.

Movements in the share capital	2017	2016	2015	2014	2013
Share capital at 1 January	46.160	46.160	46.160	46.160	46.160
Capital increase	0	0	0	0	0
Share capital at 31 December	46.160	46.160	46.160	46.160	46.160

Notes to the financial statements

1 Accounting policies

The annual report of Bisca A/S for 2017 has been prepared in accordance with the provisions applying to Reporting class C- large enterprises under the Danish Financial Statements Act.

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

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Bisca A/S and group entities are included in the consolidated financial statements of Provender Holding AS, Oslo, Norway (org. no. 912061337).

Foreign exchange

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Gains and losses arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognized in revenue when delivery and transfer of risk to the buyer have taken place, the income may be reliably measured and is expected to be received. All discounts granted are recognized in revenue.

Production costs

Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases, and depreciation of production plant.

Distributions costs

Selling and marketing costs comprise costs for sales and marketing staff, sales campaigns, advertising and exhibition costs as well as depreciation.

Administrative expenses

Administrative expenses comprise expenses for administrative staff, management, office premises and office expenses as well as depreciation.

Other operating income / cost

Other operating income / cost includes income and cost that is not considered a normal part of running the business, e.g. compensation from insurance.

Profit/loss from subsidiaries and associates

Bisca A/S' share of the results for the year after tax and eliminations of the subsidiaries and associates are recognised in the income statement.

Financial income and expenses

Financial income and expenses comprise interest income and expense, 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.

Tax on profit/loss for the year

Tax for the year comprises corporation tax and changes in deferred tax for the year. The tax income/expense relating to the profit/loss for the year is recognised in the income statement, and the tax income/expense relating to income and expenses recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised on a straight-line basis over the expected economic life, not exceeding 20 years. Amortisation of goodwill is presented as a separate line item in the income statement before profit/loss from ordinary activities.

Development projects and software licences

Costs related to development projects comprise wages and salaries and other costs, which are directly or indirectly attributable to the Company's development activities.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses. Capitalised development costs are amortised from the date of completion on a straight-line basis over the period in which they are expected to generate economic benefits. However, the amortisation period cannot exceed 5 years.

Costs for the ongoing update and further development of the product line and production processes are recognised in the income statement as incurred.

Software licences are amortised over the contract period, not exceeding five years.

Intangible assets are written down to their recoverable amount if this is lower than the carrying amount.

Property, plant and equipment

The assets are measured at cost including revaluation less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, sub-suppliers, and wages and salaries.

Property, plant and equipment that are leased and qualify as finance leases are treated in accordance with the same guidelines as acquired assets.

Depreciation is made on a straight-line basis over the assets' expected useful lives, which are as follows:

- Production buildings are depreciated over 40-50 years. Minor reconstructions are depreciated over 15 years.
- Plant and machinery are depreciated over 15-20 years, and other property, plant and equipment are depreciated over 3-7 years.

Property, plant and equipment are written down to their recoverable amount if this is lower than the carrying amount.

Investments

Investments in subsidiaries and associates are measured at the share of these companies' equity determined in accordance with Bisca A/S accounting policies.

Subsidiaries and associates with negative equity are measured at DKK nil, and any receivables from such companies are written down by the share of the negative equity where Bisca A/S has a legal obligation to cover the negative balance of the subsidiaries and associates.

Net revaluation of investments in subsidiaries and associates is transferred via the profit appropriation/distribution to the net revaluation reserve in accordance with the equity method under equity in the parent company. In connection with distributions of dividend from a subsidiary/an associated company, an amount corresponding to the dividend from the net revaluation reserve is transferred to retained earnings.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists. Write-down of goodwill is not reversed.

Inventories

Inventories are measured at the lower of cost in accordance with the FIFO method and net realisable value.

Finished goods and goods for resale are measured at cost, comprising the value of materials used and wages and salaries plus indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries

as well as maintenance and depreciation of buildings, production machinery and equipment used in the production process as well as factory administration, inventory staff and management.

Receivables

Receivables are measured at amortised cost. If there is objective evidence of impairment the receivable is written down. Write-downs are made individually. The write-downs are recognised in the income statement under administrative expenses.

Equity – dividends

The expected dividend payment for the year is disclosed as a separate item under equity. Dividends are recognised as a liability at the date when they are approved at the annual general meeting.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised in current assets 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.

Deferred tax is measured based on the tax rules and rates applicable under the legislation in force on the balance sheet date in the countries in question when the deferred tax asset is expected to crystallise as current tax. Changes in deferred tax resulting from changes in the tax rates are recognized in the income statement.

Financial liabilities

Interest-bearing loans are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the loans are recognised at amortised cost. 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 also measured at amortised cost.

Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Bisca A/S' cash flows are included in the cash flow statement in the consolidated financial statements of Scandza AS.

Segment information

Segment information is provided on geographical markets. The segment information is in line with the Company's accounting policies, risks and internal financial management.

Notes to the financial statements

DKK'000	2017	2016
2 Revenue		
Goods for the Danish market	282.676	285.094
Goods for other markets	56.464	65.207
	339.140	350.301
3 Staff and directors cost		
Wages and salaries, etc.	92.600	89.763
Pension contributions	6.994	7.217
Other social security costs	2.368	2.499
	101.962	99.479
Remuneration for management is not disclosed in accordance with § 98b in the Danish Financial Statements Act.		
Average number of employees	219	246
4 Financial income		
Interest income from subsidiaries	8	0
Other financial income	13	0
	21	0
5 Financial expenses		
Interest expenses, subsidiaries	305	438
Other financial expenses	1.355	1.305
	1.660	1.743
6 Depreciation and amortisation		
Production costs	17.489	13.761
Production costs, write-downs related to fire	0	3.728
Administrative expenses	1.033	1.033
Goodwill	5.133	5.133
Depreciation and amortisation for the year	23.655	23.655

Notes to the financial statements

DKK'000	2017	2016
7 Tax for the year		
Current tax	420	1.438
Deferred tax	4.380	6.227
	4.800	7.665
Can be specified as follows:		
Tax on profit/loss for the year	4.800	7.665
	4.800	7.665
8 Proposed profit appropriation		
DKK'000	2017	2016
Transferred to net revaluation reserve	16.454	23.109
Transferred to retained earnings	11.896	16.135
	28.350	39.244

Notes to the financial statements

DKK'000

9	Completed development projects	Software licences	Goodwill	Trade marks	Total
Cost at 1 January 2017	643	1.596	107.712	5.903	115.854
Cost at 31 December 2017	643	1.596	107.712	5.903	115.854
Amortisation/impairment losses at 1 Jan. 2017	643	1.596	88.466	5.903	96.608
Amortisation for the year	0	0	5.133	0	5.133
Amortisation/impairment losses at 31 Dec. 2017	643	1.596	93.599	5.903	101.741
Carrying amount at 31 December 2017	0	0	14.113	0	14.113

Notes to the financial statements

DKK'000

10 Property, plant and equipment

	Land and buildings	Plant and machinery	Other plant	Plant under construk- tion	Total
Cost at 1 January 2017	95.197	341.786	18.397	3.181	458.561
Additions for the year	969	9.227		17.757	27.953
Transfer		3.344	704	-15.691	-11.643
Disposals for the year					0
Cost at 31 December 2017	96.166	354.357	19.101	5.247	474.871
Revaluation/impairment losses at 1 Jan. 2017	15.198	0	0	0	15.198
Revaluation/impairment losses at 31 Dec. 2017	15.198	0	0	0	15.198
Depreciation/impairment losses at 1 Jan. 2017	45.486	276.331	16.479	0	338.296
Depreciation on disposals for the year					0
Depreciation for the year	3.150	8.799	766		12.715
Depreciation/impairment losses at 31 Dec. 2017	48.636	285.130	17.245	0	351.011
Carrying amount at 31 Dec. 2017	62.728	69.227	1.856	5.247	139.058
Including assets held under finance leases	0	10.030	0	0	10.030

Notes to the financial statements

DKK'000

11 Investments in subsidiaries

	Equity value in subsidiaries	Goodwill	Total
Cost at 1 January 2017	29.889	66.254	96.143
Additions for the year	0	0	0
Disposals for the year	0	0	0
Transfer from investments in associates	0	0	0
Cost at 31 December 2017	29.889	66.254	96.143
Revaluation/impairment losses at 1 January 2017	7.354	-14.280	-6.926
Foreign exchange adjustments	-824	-109	-933
Depreciation for the year	0	-2.780	-2.780
Distributed dividend	-18.200	0	-18.200
Result for the year after tax	11.411	0	11.411
Revaluation/impairment losses at 31 December 2017	-259	-17.169	-17.428
Carrying amount at 31 December 2017	29.630	49.085	78.715

Recognised in the balance sheet as follows:

Investments in subsidiaries	80.934
Transferred to receivables	-2.035
Provision for subsidiaries	-184
	78.715

In relation to the disclosure requirement pursuant to section 72 of the Danish Financial Statements Act, see the group chart.

Notes to the financial statements

DKK'000

12 Investments in associates	Share of equity value in associates	Goodwill	Total
Cost at 1 January 2017	3.017	660	3.677
Cost at 31 December 2017	3.017	660	3.677
Revaluation/impairment losses at 1 January 2017	13.415	-222	13.193
Foreign exchange adjustments etc.	-1.129	-29	-1.158
Distributed dividend	-4.520	0	-4.520
Profit/loss in associates for the year after tax	7.848	-25	7.823
Revaluation/impairment losses at 31 December 2017	15.614	-276	15.338
Carrying amount at 31 December 2017	18.631	384	19.015

In relation to the disclosure requirement pursuant to section 72 of the Danish Financial Statements Act, see the group chart.

Notes to the financial statements

DKK'000	2017	2016
13 Deferred tax		
Deferred tax at 1 January	5.866	-361
Deferred tax and deferred tax assets for the year	4.380	6.227
Deferred tax at 31 December	10.246	5.866
Recognised in the balance sheet as follows:		
Receivables	0	0
Provisions	10.246	5.866
	10.246	5.866
Deferred tax relates to		
Non-current assets	13.864	13.127
Current assets	487	275
Liabilities	0	-1.036
Losses allowed for carryforward	-4.105	-6.501
	10.246	5.866
14 Non-current liabilities		
Mortgage debt:		
0-1 years	0	989
1-5 years	0	0
Lease obligations:		
0-1 years	0	4.708
1-5 years	0	0
Total non-current liabilities	0	5.697
Hereof falling due after five years	0	0
15 Corporation tax		
Corporation tax payable and receivable at 1 January	96	504
Current tax for the year	420	1.438
Corporation tax paid during the year, net	-1.290	-1.846
Corporation tax at 31 December	(774)	96

Notes to the financial statements

16 Collateral and contingent liabilities

The company's lease obligations from operating leases amounted to DKK 6.476 thousand at 31 December 2017 (2016: DKK 5.299 thousand).

The company's security with bankers have been secured in plant and machinery for DKK 16.000 thousand. The corresponding debt has been paid in full in 2017, and the security is expected to be released during 2018.

The company's total rental obligations regarding non-cancellable leases amounted to DKK 375 thousand at 31 December 2017 (2016: DKK 370 thousand).

Bisca A/S is part of a finance agreement that applies for the entire Scandza Group and Bisca A/S has acceded to the entire financing agreement as an additional guarantor. Bisca A/S' guarantee obligations are limited to an amount equal to Bisca A/S actual loans under the agreement with addition of the higher of Bisca A/S' equity when entering into the agreement or at any later where payments under the guarantee should be requested.

17 Related party transactions

Bisca A/S' related parties comprise the following:

Related parties are defined as the parent company's shareholders, Board of Directors, Executive Board and companies in which these persons exercise significant influence or control.

In 2016, no related party transactions have been made apart from what follows from employment and other agreements, including parent company loans.

Parties exercising control:

Scandza AS, Oslo, Norway (org. Nr. 892683042) wholly-owns the share capital in the Company.

Scandza AS is included in the consolidated Financial Statement for Provender Holding AS (org. no. 912 061 337), from which it can be requested.