



De Danske Gærfabrikker

LALLEMAND

De Danske Gærfabrikker A/S

Bredstrupvej 33
DK-8500 Grenaa

CVR no. 30 92 18 60

Annual report 2016/17

The annual report was presented and approved at the
Company's annual general meeting

on 10 May 2017


chairman of the annual general meeting

De Danske Gærfabrikker A/S
Annual report 2016/17
CVR no. 30 92 18 60

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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 De Danske Gærfabrikker A/S for the financial year 1 February 2016 – 31 January 2017.

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 assets, liabilities and financial position at 31 January 2017 and of the results of the Company's operations for the financial year 1 February 2016 – 31 January 2017.

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

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

Grenaa, 10 May 2017
Executive Board:



Nicolai Francis
Jensen

Board of Directors:



Lars Asferg
Chairman



Francois Leblanc



André Lambert



Antoine Chagnon



William John
Nankervis



Independent auditor's report

To the shareholders of De Danske Gærfabrikker A/S

Opinion

We have audited the financial statements of De Danske Gærfabrikker A/S for the financial year 1 February 2016 – 31 January 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 January 2017 and of the results of the Company's operations for the financial year 1 February 2016 – 31 January 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 rules and 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.



Independent auditor's report

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 financial statement 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.



Independent auditor's report

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.

Aarhus, 10 May 2017

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98


Michael Stenskrøge
State Authorised
Public Accountant


Jakob Westerdahl
State Authorised
Public Accountant

Management's review

Financial highlights

DKK'000	2016/17	2015/16	2014/15	2013/14	2012/13
Gross profit	77,141	72,041	65,211	59,462	62,936
Operating profit	21,696	19,000	11,333	2,456	7,384
Financial income and expenses	-708	-1,755	-1,887	-2,161	-1,925
Profit for the year	16,423	11,105	7,965	610	3,513
Total assets	214,998	197,630	212,575	195,441	241,269
Investments in property, plant and equipment	22,938	22,511	9,165	10,445	9,103
Equity	142,267	125,844	114,739	106,774	106,164
Return on invested capital	10.7%	9.4%	5.6%	1.1%	3.2%
Current ratio	110.6%	101.2%	99.5%	84.8%	87.9%
Solvency ratio	66.2%	63.7%	54.0%	54.6%	44.0%
Return on equity	12.3%	9.2%	7.2%	0.6%	2.9%
Average number of full-time employees	89	84	85	92	86

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". The financial ratios have been calculated as follows:

Return on invested capital	$\frac{\text{Operating profit} \times 100}{\text{Average invested capital}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$

Management's review

Operating review

Ownership

Lallemand Denmark A/S owns the entire capital of De Danske Gærfabrikker A/S. Lallemand Denmark A/S is part of the Lallemand Group (Lallemand Inc., Canada), which is one of the world's leading yeast and bacteria producers.

Principal activities

De Danske Gærfabrikker A/S is Denmark's only manufacturer of yeast for bakeries, specialities, wine yeast and yeast extract.

At year end, the Company has 89 employees.

Development in the Company's activities and financial position

The price of molasses will continue to influence the market opportunities for bakers' yeast in the coming year. The consumption of yeast in artisanal bakeries is declining, but a positive development in the sale of organic yeast, imported yeast from group companies as well as new delivery formats for conventional yeast, are expected to compensate for some of this decline. Markets for wine yeast, yeast extracts and whole-cell inactivated yeast remain promising.

The Company's income statement shows a profit of DKK 16,423 thousand, and equity amounts to DKK 142,267 thousand at 31 January 2017.

Financial results were satisfactory and in line with expectations communicated in last years financial statements. Market conditions for bakers' yeast were characterised by continued strong competition.

Investments

Capital expenditure focus on products and application areas expected to generate growth in the coming years. Investments in production equipment are expected to remain at a constant level compared to 2016/17.

Outlook

The Company is expected to continue improving its profitability and will continue to focus on its teams, customers and services.

Financial result for 2017/18 are expected to be at the same level as 2016/17.

Management's review

Operating review

Particular risks

No particular risks have been identified.

General risks

Leading up to the liberalization of the European Sugar market in late 2017, uncertainties over the price point and availability of local beet molasses for fermentation purposes are expected.

The introduction of new Danish environmental taxes and regulations are likely to further influence the competitiveness of De Danske Gærfabrikker A/S.

Financial risks

Strict customer opening procedures and a stringent collection policy are applied for controlling credit risk.

The Company has no external debt so there is only a minimum interest rate risks exposure.

Currency risks are considered minimal since the Company is doing business in EUR or DKK only.

Intellectual capital

The Company maneuvers on markets dominated by knowledge-driven companies. Management will increasingly focus on securing, maintaining and developing the human, structural and relational capital of the company.

Environmental issues

The Company focuses on maintaining high environmental standards, adhering to or exceeding national regulations. This includes updating environmental approvals whilst keeping in close contact with local authorities on the local effects of our presence and production.

Research and development activities

The company's research and development activities are primarily conducted in the subsidiary Aktieselskabet Dansk Gærings-Industri. These activities focus on new processed and specialised products.

Financial statements 1 February 2016 – 31 January 2017

Income statement

DKK'000	Note	2016/17	2015/16
Gross profit		77,141	72,041
Staff costs	2	-42,121	-40,527
Depreciation		-13,324	-12,514
Operating profit		21,696	19,000
Income from equity investments in group entities	3	-15	-279
Other financial income	4	82	0
Financial expenses	5	-790	-1,755
Profit before tax		20,973	16,966
Tax on profit for the year	6	-4,550	-5,861
Profit for the year	7	16,423	11,105

Financial statements 1 February 2016 – 31 January 2017

Balance sheet

DKK'000	Note	2016/17	2015/16
ASSETS			
Fixed assets			
Property, plant and equipment	8		
Land and buildings		7,928	9,161
Plant and machinery		103,793	101,109
Fixtures and fittings, tools and equipment		628	696
Property, plant and equipment under construction		21,013	12,782
		<u>133,362</u>	<u>123,748</u>
Investments	3		
Equity investments in group entities		1,205	1,220
		<u>1,205</u>	<u>1,220</u>
Total fixed assets		<u>134,567</u>	<u>124,968</u>
Current assets			
Inventories			
Raw materials and consumables		20,620	26,753
Work in progress		3,076	2,625
Finished goods and goods for resale		23,690	21,666
		<u>47,386</u>	<u>51,044</u>
Receivables			
Trade receivables		13,200	10,449
Receivables from group entities		13,702	9,585
Other receivables		138	5
Prepayments		1,055	1,118
		<u>28,095</u>	<u>21,157</u>
Cash at bank and in hand		<u>4,950</u>	<u>461</u>
Total current assets		<u>80,431</u>	<u>72,662</u>
TOTAL ASSETS		<u>214,998</u>	<u>197,630</u>

Financial statements 1 February 2016 – 31 January 2017

Balance sheet

DKK'000	Note	2016/17	2015/16
EQUITY AND LIABILITIES			
Equity			
Share capital	9	1,000	1,000
Retained earnings		141,267	124,844
Total equity		<u>142,267</u>	<u>125,844</u>
Provisions			
Deferred tax	10	13,222	12,888
Total provisions		<u>13,222</u>	<u>12,888</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		7,391	8,652
Payables to group entities		31,421	27,715
Joint taxation contribution to Lallemand Denmark A/S		4,236	6,046
Other payables		16,461	16,485
		<u>59,509</u>	<u>58,898</u>
Total liabilities other than provisions		<u>59,509</u>	<u>58,898</u>
TOTAL EQUITY AND LIABILITIES		<u>214,998</u>	<u>197,630</u>
Contingent liabilities, charges, etc.	11		
Related parties	12		

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Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total equity
Equity at 1 February 2016	1,000	124,844	125,844
Transferred over the profit appropriation	0	16,423	16,423
Equity at 31 January 2017 2016/17	1,000	141,267	142,267

Financial statements 1 February 2016 – 31 January 2017

Notes

1 Accounting policies

The annual report of De Danske Gærfabrikker A/S for 2016/17 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

As from 1 February 2016, the Company has implemented Act no. 738 of 1 June 2015.

This has entailed the following changes to recognition and measurement:

- Going forward, the residual value of property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016/17 or for the comparative figures.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of De Danske Gærfabrikker A/S and its subsidiaries are included in the consolidated financial statements of Lallemand Denmark A/S that are submitted with this annual report.

Omission of cash flow statement

In accordance with section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. The Company's cash flows are included in the consolidated cash flow statement of Lallemand Denmark A/S.

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 rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. 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.

Financial statements 1 February 2016 – 31 January 2017

Notes

1 Accounting policies (continued)

Income statement

Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Income from the sale of goods for resale and finished goods, comprising the sale of yeast, is recognised 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.

Revenue is measured at the fair value of the agreed remuneration excluding VAT and taxes charged on behalf of third parties. All discounts granted are included in revenue.

Raw materials

Cost of raw materials and consumables comprise raw materials and consumables used to generate revenue for the year.

Other income

Other operating income comprises items secondary to the activities to the company.

Other external costs

Other external costs comprise expenses incurred during the year for distribution, sales campaigns, administration, office premises, losses on debtors, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Income from equity investments in group entities

The proportionate share of the individual group entities' profit/loss after tax is recognised in the income statement after full elimination of intercompany gains/losses.

Financial statements 1 February 2016 – 31 January 2017

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. 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

The Company is covered by the Danish rules on compulsory joint taxation and is therefore jointly taxed with all Danish entities in the Lallemand Group.

Current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

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

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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

The depreciable amount, which is calculated as cost less any projected residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	10-30 years
Plant and machinery	10-20 years
Fixtures and fittings, tools and equipment	3-7 years

Land is not depreciated.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Financial statements 1 February 2016 – 31 January 2017

Notes

1 Accounting policies (continued)

Non-current assets under construction are recognized and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs 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 costs, respectively.

Leases

All leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations, etc.

Investments

Equity investments in group entities are measured at the proportionate share of the entities' net asset value, calculated in accordance with the parent company's accounting policies, plus or minus unrealised intra-group gains or losses, plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in group entities with negative net asset values are measured at DKK 0, and any receivables from these entities are written down by the parent company's share of the negative net asset value. To the extent that the negative balance exceeds the receivable, the residual amount is recognised as provisions.

Net revaluation of equity investments in group entities is tied as a net revaluation reserve under equity according to the equity method to the extent that the carrying amount exceeds cost. Dividends from group entities expected to be adopted in the group entity prior to the approval of the annual report, are not tied up in the revaluation reserve.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment 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.

Financial statements 1 February 2016 – 31 January 2017

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1 Accounting policies (continued)

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 group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the average 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 indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries, as well as the maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in 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 measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of expected cash flows, including the realisable value of any collateral received.

Prepayments

Prepayments comprise prepayments of costs relating to subsequent financial years.

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 easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Financial statements 1 February 2016 – 31 January 2017

Notes

1 Accounting policies (continued)

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

The Company is jointly taxed with all Danish entities in the Lallemand Group.

Joint taxation contributions payable and receivable are recognised in the balance sheet under joint taxation contribution.

Current joint 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.

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. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively. Any deferred tax assets are measured at net realisable value.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a setoff against deferred tax liabilities in the same legal tax entity. Any deferred tax assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Financial statements 1 February 2016 – 31 January 2017

Notes

DKK'000	2016/17	2015/16
2 Staff costs		
Wages and salaries	37,785	36,277
Pensions	3,359	3,426
Other social security costs	320	277
Other staff costs	657	547
	<u>42,121</u>	<u>40,527</u>
Average number of full-time employees	<u>89</u>	<u>84</u>

Remuneration of the Executive Board of De Danske Gærfabrikker A/S is not disclosed separately referring to section 98b (3) of the Danish Financial Statements Act. No remuneration was paid to the Board of Directors.

3 Equity investments in group entities

DKK'000	Investments in group entities
Cost at 1 February 2016	<u>2,501</u>
Cost at 31 January 2017	<u>2,501</u>
Value adjustments at 1 February 2016	-1,281
Loss for the year	<u>-15</u>
Value adjustments at 31 January 2017	<u>-1,296</u>
Carrying amount at 31 January 2017	<u>1,205</u>

Investment in subsidiary is specified as follows:

Name	Owner-ship	Share capital DKK'000	Equity DKK'000	Loss for the year DKK'000
Aktieselskabet Dansk Gærings-Industri, Grenaa, Denmark	100%	<u>1,000</u>	<u>1,205</u>	<u>-15</u>

Financial statements 1 February 2016 – 31 January 2017

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	2016/17	2015/16
DKK'000		
4 Financial income		
Interest income from group entities	4	0
Foreign exchange gains	78	0
	<u>82</u>	<u>0</u>
5 Financial expenses		
Interest expense to group entities	562	1,123
Other interest expense	228	632
	<u>790</u>	<u>1,755</u>
6 Tax on profit for the year		
Current tax prior year	-20	1,857
Current tax for the year	4,236	3,546
Deferred tax adjustment for the year	334	458
	<u>4,550</u>	<u>5,861</u>
7 Profit appropriation		
Retained earnings	<u>16,423</u>	<u>11,105</u>

Financial statements 1 February 2016 – 31 January 2017

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8 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1 February 2016	37,805	217,597	5,260	12,782	273,444
Transferred	0	14,707	0	-14,707	0
Additions	0	0	0	22,938	22,938
Cost at 31 January 2017	37,805	232,304	5,260	21,013	296,382
Depreciation and impairment losses at 1 February 2016	28,644	116,488	4,564	0	149,696
Depreciation	1,233	12,023	68	0	13,324
Depreciation and impairment losses at 31 January 2017	29,877	128,511	4,632	0	163,020
Carrying amount at 31 January 2017	7,928	103,793	628	21,013	133,362
Depreciated over	10-30 years	10-20 years	3-7 years		

9 Share capital

The share capital has not undergone any changes during the past five years.

The share capital consists of 1,000 shares of nom. DKK 1,000 each.

All shares rank equally.

DKK'000	2016/17	2015/16
10 Deferred tax		
Deferred tax at 1 February 2016	12,888	12,429
Deferred tax adjustment for prior year	0	-31
Deferred tax adjustment for the year	334	490
	<u>13,222</u>	<u>12,888</u>
Provision for deferred tax related to property, plant and equipment	<u>13,222</u>	<u>12,888</u>

Financial statements 1 February 2016 – 31 January 2017

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11 Contingent liabilities, charges, etc.

Joint taxation

The Company is jointly taxed with all Danish entities in the Lallemand Group. The Company has unlimited joint and several liability for Danish corporation taxes and withholding taxes on dividends and interest under the joint taxation scheme. The jointly taxed companies' total net liability to the Danish tax authorities is recognized in the consolidated Financial Statements of Lallemand Denmark A/S. Any subsequent corrections of the taxable jointly taxed income or withholding taxes, etc., may entail an increase in the Company's liability.

Operating lease obligations

Within 1 year	631
Between 1 and 5 years	1,023
	<hr/>
	1,654
	<hr/>

12 Related party disclosures

De Danske Gærfabrikker A/S' related parties comprise the following:

Control

The Company's parent company and ultimate parent company exercise control.

Lallemand Denmark A/S holds the majority of the share capital in the Company.

The Company's related parties with significant influence comprise the Company's Board of Directors, Executive Board and executive staff.

De Danske Gærfabrikker A/S is part of the consolidated financial statements of Lallemand Denmark A/S, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Lallemand Denmark A/S can be obtained by contacting the Company on the website of the Danish business authorities.

De Danske Gærfabrikker A/S is part of the consolidated financial statements of Lallemand inc, Canada, which is the largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Lallemand Inc. can be obtained by contacting the Company.

Related party transactions

The company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statement Act.