
KIRK KAPITAL A/S

Damhaven 5D, DK-7100 Vejle

Annual Report for 2015

CVR No 31 15 98 57

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
21/4 2016

Søren Lindgaard
Chairman

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of KIRK KAPITAL A/S for the financial year 1 January - 31 December 2015.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Vejle, 21 April 2016

Executive Board

Bjarne Ammitzbøll

Board of Directors

Casper Kirk Johansen
Chairman

Anders Kirk Johansen

Leif Hasager

Jens Jørgen Madsen

Birgitte Nielsen

Independent Auditor's Report on the Financial Statements and the Consolidated Financial Statements

To the Shareholders of KIRK KAPITAL A/S

Report on the Financial Statements and the Consolidated Financial Statements

We have audited the Financial Statements and the Consolidated Financial Statements of KIRK KAPITAL A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, cash flow statement, notes and summary of significant accounting policies. The Financial Statements and the Consolidated Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements and the Consolidated Financial Statements

Management is responsible for the preparation of Financial Statements and the Consolidated 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 and Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements and the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements and the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements and Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and the Consolidated Financial Statements.

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

Our audit has not resulted in any qualification.

Opinion

Independent Auditor's Report on the Financial Statements and the Consolidated Financial Statements

In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position of the Company and the Group at 31 December 2015 and of the results of the Company and the Group operations and of consolidated cash flows for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements and the Consolidated Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements and the Consolidated Financial Statements.

Aarhus, 21 April 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Christian Fredensborg Jakobsen
State Authorised Public Accountant

Henrik Kragh
State Authorised Public Accountant

Company Information

The Company

KIRK KAPITAL A/S
Damhaven 5D
DK-7100 Vejle

CVR No: 31 15 98 57

Financial period: 1 January - 31 December

Municipality of reg. office: Vejle

Board of Directors

Casper Kirk Johansen, Chairman
Anders Kirk Johansen
Leif Hasager
Jens Jørgen Madsen
Birgitte Nielsen

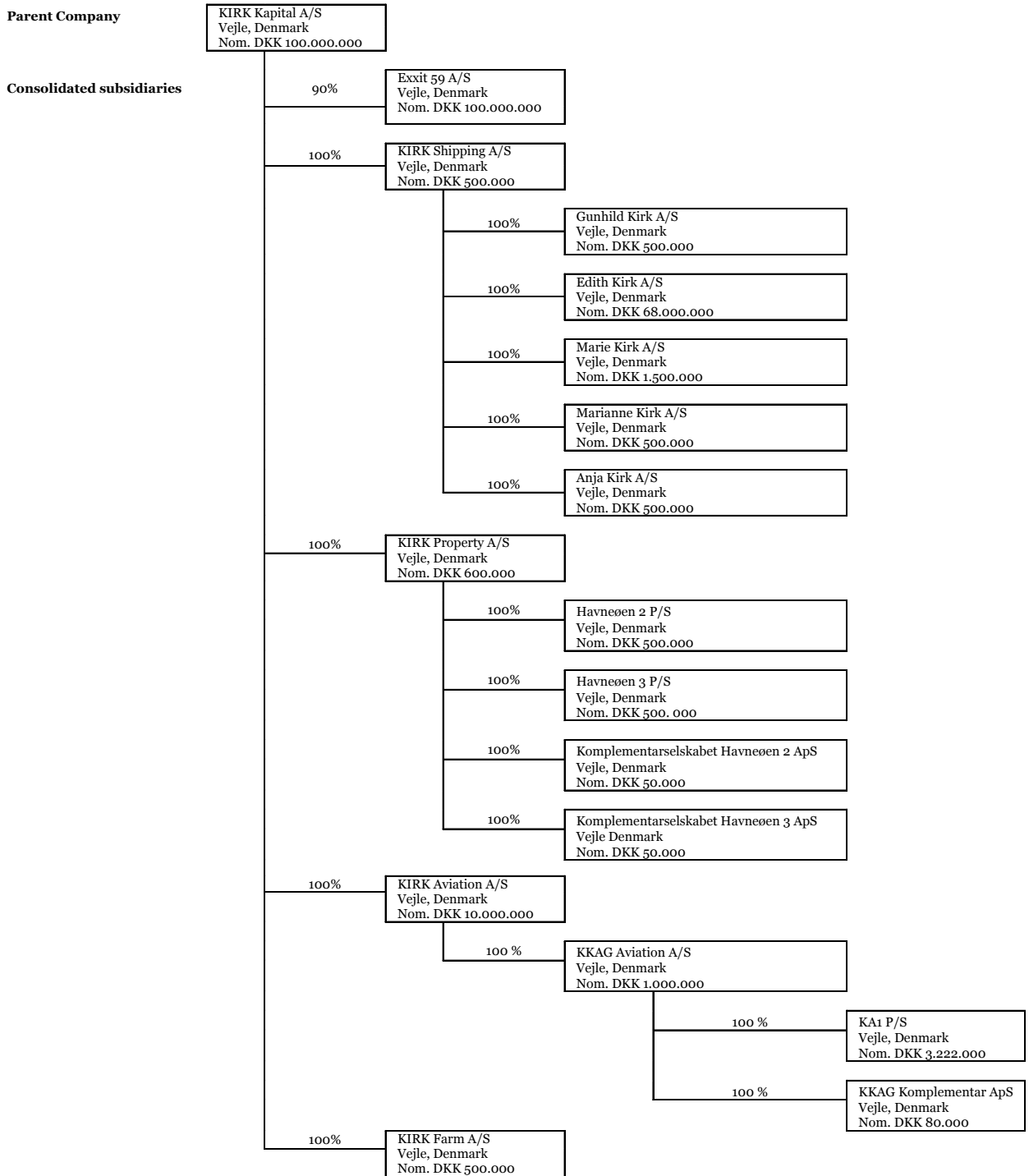
Executive Board

Bjarne Ammitzbøll

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Nobelparken
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

Group Chart



Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	Group				
	2015	2014	2013	2012	2011
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Profit/loss					
Revenue	334.494	326.553	400.221	436.695	370.938
Gross profit/loss	165.498	97.318	176.535	204.413	208.981
Profit/loss before financial income and expenses	-8.661	-57.708	-46.497	-46.044	17.338
Net financials	143.682	46.624	344.948	359.553	-20.375
Net profit/loss for the year	108.170	-26.278	228.186	242.242	25.395
Comprehensive income	155.877	105.094	134.044	241.943	21.032
Balance sheet					
Balance sheet total	6.508.356	5.659.163	5.155.727	5.455.101	5.396.979
Equity	4.348.234	4.234.357	4.169.263	4.075.219	3.842.203
Ratios					
Solvency ratio	66,8%	74,8%	80,9%	74,7%	71,2%
Return on equity	2,5%	-0,6%	5,5%	6,1%	0,7%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Main activity

The KIRK KAPITAL A/S Group has activities within shipping, aviation, servicing, manufacturing and leasing. Furthermore, the Company invests in a wide ranged portfolio of quoted and unquoted shares, properties and interest-bearing instruments.

Development in the year

The income statement of the Group for 2015 shows a profit of DKK 108,170k, and at 31 December 2015 the balance sheet of the Group shows equity of DKK 4,348,234k.

The profit for the year is satisfactory and in line with the expectations.

Special risks

The Company has not taken on any risks that could be referred to as special considering the nature and extent of the investments.

Statutory statement of corporate social responsibility

With reference to Section 99a of the Danish Financial Statements Act relating to the Company's policies regarding corporate social responsibility, we state that KIRK KAPITAL A/S has no such policies.

In this connection we would like to point out that it is the Group's clearly defined intention to run an honest and responsible business in every respect and at any time.

External environment

The Company has only a limited effect on the external environment, and consequently, no special measures have been implemented in order to prevent, reduce or rectify any damage.

Intellectual capital resources

The intellectual capital resources represented by the Company's employees are maintained and improved through both internal and external development activities.

Research and development activities

Due to the scope of business KIRK KAPITAL A/S as parent company does not engage in any research and development activities. Where relevant affiliates carry out these activities.

Diversity

KIRK KAPITAL A/S always selects candidates on the basis of qualifications and suitability. This will also be the case in future. The share of female members on the Parent Company's Board of Directors is 20% today, which fulfills the minimum objective of the company.

Management's Review

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Outlook

Management is of the opinion that the Group is well positioned for the future. For 2016 a satisfactory result in line with the result of 2015 is expected. The profit will, due to the main activities, to a great extent depend on the development on the financial markets.

Income Statement 1 January - 31 December 2015

	Note	Group		Parent Company	
		2015	2014	2015	2014
		DKK'000	DKK'000	DKK'000	DKK'000
Revenue	1	334.494	326.553	7.644	19.318
Other operating income		9.105	15.786	7.196	5.608
Expenses for raw materials and consumables		-128.443	-191.505	-4.875	-4.181
Other external expenses		-49.658	-53.516	-23.884	-32.497
Gross profit/loss		165.498	97.318	-13.919	-11.752
Staff expenses	2	-30.361	-35.177	-25.761	-30.324
Depreciation and impairment of property, plant and equipment	3	-143.753	-119.849	-1.938	-2.186
Other operating expenses		-45	0	0	0
Profit/loss before financial income and expenses		-8.661	-57.708	-41.618	-44.262
Income from investments in subsidiaries		0	0	20.312	-58.330
Income from investments in associates		-80.375	-28.658	-77.360	-5.303
Financial income	4	360.616	364.088	335.102	355.861
Financial expenses	5	-136.559	-288.806	-103.011	-263.725
Profit/loss before tax		135.021	-11.084	133.425	-15.759
Tax on profit/loss for the year	6	-26.377	-14.881	-25.255	-10.519
Profit/loss before minority interests		108.644	-25.965	108.170	-26.278
Minority interests' share of net profit/loss of subsidiaries		-474	-313	0	0
Net profit/loss for the year		108.170	-26.278	108.170	-26.278

Distribution of profit

	Group		Parent Company	
	<u>2015</u> DKK'000	<u>2014</u> DKK'000	<u>2015</u> DKK'000	<u>2014</u> DKK'000
Proposed distribution of profit				
Proposed dividend for the year	43.000	42.000	43.000	42.000
Reserve for net revaluation under the equity method	-16.677	-28.658	0	0
Retained earnings	<u>81.847</u>	<u>-39.620</u>	<u>65.170</u>	<u>-68.278</u>
	<u>108.170</u>	<u>-26.278</u>	<u>108.170</u>	<u>-26.278</u>

Balance Sheet 31 December 2015

Assets

	Note	Group		Parent Company	
		2015 DKK'000	2014 DKK'000	2015 DKK'000	2014 DKK'000
Goodwill		6.954	0	0	0
Intangible assets	7	6.954	0	0	0
Land and buildings		770.247	695.664	145.543	145.553
Other fixtures and fittings, tools and equipment		2.860	3.358	2.001	2.540
Vessels		776.224	754.744	0	0
Airplanes		521.789	227.654	0	0
Property, plant and equipment in progress		383.138	301.473	0	0
Property, plant and equipment	8	2.454.258	1.982.893	147.544	148.093
Investments in subsidiaries	9	0	0	1.507.250	1.356.655
Investments in associates	10	920.577	947.783	826.683	920.939
Other investments	11	1.195.375	1.199.697	1.168.498	1.174.331
Other receivables	11	682.646	317.844	61.302	70.676
Fixed asset investments		2.798.598	2.465.324	3.563.733	3.522.601
Fixed assets		5.259.810	4.448.217	3.711.277	3.670.694
Trade receivables		17.443	9.749	347	0
Receivables from group enterprises		0	0	23.586	633
Receivables from associates		4.635	0	0	0
Other receivables		61.734	47.138	51.252	31.727
Deferred tax asset		16	0	0	0
Corporation tax		13.185	13.774	0	9.921
Prepayments		7.723	8.060	0	0
Receivables		104.736	78.721	75.185	42.281
Current Asset Investments		968.687	1.071.108	968.687	1.071.108
Cash at bank and in hand		175.123	61.117	64.724	4.469
Current assets		1.248.546	1.210.946	1.108.596	1.117.858
Assets		6.508.356	5.659.163	4.819.873	4.788.552

Balance Sheet 31 December 2015

Liabilities and equity

	Note	Group		Parent Company	
		2015 DKK'000	2014 DKK'000	2015 DKK'000	2014 DKK'000
Share capital		100.000	100.000	100.000	100.000
Reserve for net revaluation under the equity method		0	16.677	0	0
Retained earnings		4.205.234	4.075.680	4.205.234	4.092.357
Proposed dividend for the year		43.000	42.000	43.000	42.000
Equity	12	4.348.234	4.234.357	4.348.234	4.234.357
Minority interests		16.971	16.878	0	0
Provision for deferred tax		111.369	83.776	11.953	13.664
Other provisions		2.469	3.340	0	0
Provisions		113.838	87.116	11.953	13.664
Mortgage loans		366.529	363.863	0	0
Credit institutions		798.417	214.175	400.000	0
Other payables		142.781	10.559	0	0
Long-term debt	13	1.307.727	588.597	400.000	0
Mortgage loans	13	9.148	9.127	0	0
Short-term part of long term-debt	13	0	644	0	644
Credit institutions	13	477.878	483.975	0	381.598
Prepayments received from customers		12.464	9.687	0	0
Trade payables		21.306	27.230	2.680	0
Payables to group enterprises		0	0	37	436
Corporation tax		18.467	0	8.269	0
Other payables		181.468	199.928	48.700	157.853
Deferred income		855	1.624	0	0
Short-term debt		721.586	732.215	59.686	540.531
Debt		2.029.313	1.320.812	459.686	540.531
Liabilities and equity		6.508.356	5.659.163	4.819.873	4.788.552
Contingent assets, liabilities and other financial obligations	14				
Fee to auditors	15				

Cash Flow Statement 1 January - 31 December 2015

	Note	Group	
		2015 DKK'000	2014 DKK'000
Net profit/loss for the year		108.170	-26.278
Adjustments	16	-57.022	77.699
Change in working capital	17	76.087	154.228
Cash flows from operating activities before financial income and expenses		127.235	205.649
Financial income		361.498	346.765
Financial expenses		-136.567	-270.815
Cash flows from ordinary activities		352.166	281.599
Corporation tax paid		39.598	-110.379
Cash flows from operating activities		391.764	171.220
Purchase of intangible assets		-7.297	0
Purchase of property, plant and equipment		-526.354	-232.546
Fixed asset investments made etc		-845.133	-1.469.510
Sale of property, plant and equipment		29.166	320.781
Sale of fixed asset investments etc		523.309	730.525
Dividends received from associates		10.596	0
Cash flows from investing activities		-815.713	-650.750
Repayment of mortgage loans		0	-5.078
Repayment of loans from credit institutions		0	5.970
Repayment of payables to group enterprises		1	0
Repayment of other long-term debt		-644	306
Raising of mortgage loans		2.687	80.238
Raising of loans from credit institutions		532.504	381.598
Minority interests		-381	0
Dividend paid		-42.000	-40.000
Other adjustments		147	240
Cash flows from financing activities		492.314	423.274

Cash Flow Statement 1 January - 31 December 2015

	<u>Note</u>	<u>2015</u> DKK'000	<u>2014</u> DKK'000
Change in cash and cash equivalents		68.365	-56.256
Cash and cash equivalents at 1 January 2015		<u>51.212</u>	<u>107.468</u>
Cash and cash equivalents at 31 December 2015		<u>119.577</u>	<u>51.212</u>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		175.123	61.117
Overdraft facility		<u>-55.546</u>	<u>-9.905</u>
Cash and cash equivalents at 31 December 2015		<u>119.577</u>	<u>51.212</u>

Notes to the Financial Statements

	Group		Parent Company	
	2015 DKK'000	2014 DKK'000	2015 DKK'000	2014 DKK'000
1 Revenue				
Rental property	51.939	59.239	7.644	19.318
Aircraft leasing	30.597	42.505	0	0
Shipping	251.958	224.809	0	0
	334.494	326.553	7.644	19.318
2 Staff expenses				
Wages and salaries	27.801	32.596	23.819	28.416
Pensions	1.442	1.329	809	709
Other social security expenses	160	197	118	151
Other staff expenses	958	1.055	1.015	1.048
	30.361	35.177	25.761	30.324
Including remuneration to: Executive Board and Board of Directors	10.507	12.232	10.507	12.232
	10.507	12.232	10.507	12.232
Average number of employees	27	26	22	20

The Executive Board has during the year consisted of one member.

Last year the Executive Board consisted of two members. In 2014 remuneration to the Executive Board amount to DKK 9,922k.

Notes to the Financial Statements

	Group		Parent Company	
	2015 DKK'000	2014 DKK'000	2015 DKK'000	2014 DKK'000
3 Depreciation and impairment of property, plant and equipment				
Amortisation of intangible assets	343	0	0	0
Depreciation of property, plant and equipment	99.150	92.549	1.938	2.186
Impairment of property, plant and equipment	44.260	27.300	0	0
	143.753	119.849	1.938	2.186
4 Financial income				
Income from fixed asset investments	231.914	261.786	231.741	261.730
Interest received from group enterprises	0	0	246	1.129
Other financial income	119.765	96.030	96.003	86.730
Exchange adjustments	1.617	0	0	0
Exchange gains	7.320	6.272	7.112	6.272
	360.616	364.088	335.102	355.861
5 Financial expenses				
Impairment losses on financial assets	24.943	104.978	24.943	104.978
Interest paid to group enterprises	0	0	203	169
Interest paid to associates	0	170	0	0
Other financial expenses	46.825	45.195	17.114	20.196
Exchange adjustments, expenses	2.181	0	0	0
Exchange loss	62.610	138.463	60.751	138.382
	136.559	288.806	103.011	263.725

Notes to the Financial Statements

	Group		Parent Company	
	2015 DKK'000	2014 DKK'000	2015 DKK'000	2014 DKK'000
6 Tax on profit/loss for the year				
Current tax for the year	7.026	11.985	13.993	14.367
Deferred tax for the year	5.761	3.115	-1.711	-1.477
Adjustment of current tax concerning previous years	-5.752	-20.094	-6.369	-2.410
Adjustment of deferred tax concerning previous years	0	20.619	0	39
	7.035	15.625	5.913	10.519
which breaks down as follows:				
Tax on profit/loss for the year	26.377	14.881	25.255	10.519
Tax on changes in equity	-19.342	744	-19.342	0
	7.035	15.625	5.913	10.519

7 Intangible assets

Group

	Goodwill DKK'000
Cost at 1 January 2015	0
Additions for the year	7.297
Cost at 31 December 2015	7.297
Impairment losses and amortisation at 1 January 2015	0
Amortisation for the year	343
Impairment losses and amortisation at 31 December 2015	343
Carrying amount at 31 December 2015	6.954

Notes to the Financial Statements

8 Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Vessels	Airplanes	Property, plant and equipment in progress	Total
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Cost at 1 January 2015	958.629	7.492	1.212.360	318.312	386.476	2.883.269
Exchange adjustment	0	0	140.211	41.339	0	181.550
Additions for the year	22.059	589	0	294.920	208.787	526.355
Disposals for the year	-28.000	-2.106	-8.465	0	0	-38.571
Transfers for the year	93.125	0	0	0	-93.125	0
Cost at 31 December 2015	1.045.813	5.975	1.344.106	654.571	502.138	3.552.603
Impairment losses and depreciation at 1 January 2015	262.965	4.134	457.616	90.658	85.000	900.373
Exchange adjustment	0	0	53.832	10.969	0	64.801
Impairment losses for the year	0	0	0	10.260	34.000	44.260
Depreciation for the year	12.601	758	64.899	20.895	0	99.153
Impairment and depreciation of sold assets for the year	0	-1.033	-8.465	0	0	-9.498
Reversal of impairment and depreciation of sold assets	0	-744	0	0	0	-744
Impairment losses and depreciation at 31 December 2015	275.566	3.115	567.882	132.782	119.000	1.098.345
Carrying amount at 31 December 2015	770.247	2.860	776.224	521.789	383.138	2.454.258
Depreciated over	50 years	3-6 years	20 years	10-20 years		

Notes to the Financial Statements

8 Property, plant and equipment (continued)

Parent Company

	Land and buildings	Other fixtures and fittings, tools and equipment	Total
	DKK'000	DKK'000	DKK'000
Cost at 1 January 2015	214.247	5.381	219.628
Additions for the year	1.418	0	1.418
Disposals for the year	0	-1.060	-1.060
Cost at 31 December 2015	<u>215.665</u>	<u>4.321</u>	<u>219.986</u>
Impairment losses and depreciation at 1 January 2015	68.694	2.841	71.535
Depreciation for the year	1.428	512	1.940
Impairment and depreciation of sold assets for the year	0	-1.033	-1.033
Impairment losses and depreciation at 31 December 2015	<u>70.122</u>	<u>2.320</u>	<u>72.442</u>
Carrying amount at 31 December 2015	<u>145.543</u>	<u>2.001</u>	<u>147.544</u>

Notes to the Financial Statements

	Parent Company	
	<u>2015</u>	<u>2014</u>
	DKK'000	DKK'000
9 Investments in subsidiaries		
Cost at 1 January 2015	2.190.072	1.934.001
Additions for the year	134.600	256.070
Disposals for the year	<u>0</u>	<u>0</u>
Cost at 31 December 2015	<u>2.324.672</u>	<u>2.190.071</u>
Value adjustments at 1 January 2015	-833.417	-718.041
Disposals for the year	0	0
Exchange adjustment	111.467	126.075
Net profit/loss for the year	20.313	-58.330
Dividend to the Parent Company	-114.991	-188.416
Fair value adjustment of hedging instruments for the year	-794	5.296
Amortisation of goodwill	<u>0</u>	<u>0</u>
Value adjustments at 31 December 2015	<u>-817.422</u>	<u>-833.416</u>
Carrying amount at 31 December 2015	<u>1.507.250</u>	<u>1.356.655</u>

Notes to the Financial Statements

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
KIRK Property A/S	Vejle	100%
KIRK Farm A/S	Vejle	100%
Exxit 59 A/S	Vejle	90%
KIRK Shipping A/S	Vejle	100%
Anja Kirk A/S	Vejle	100%
Gunhild Kirk A/S	Vejle	100%
Edith Kirk A/S	Vejle	100%
Marie Kirk A/S	Vejle	100%
Marianne Kirk A/S	Vejle	100%
KIRK Aviation A/S	Vejle	100%
KKAG Aviation A/S	Vejle	100%
KKAG Komplementarselskab ApS	Vejle	100%
KA1 P/S	Vejle	100%
Havneøen 2 P/S	Vejle	100%
Havneøen 3 P/S	Vejle	100%
Komplementarselskabet Havneøen 2 ApS	Vejle	100%
Komplementarselskabet Havneøen 3 ApS	Vejle	100%

Notes to the Financial Statements

	Group		Parent Company	
	2015 DKK'000	2014 DKK'000	2015 DKK'000	2014 DKK'000
10 Investments in associates				
Cost at 1 January 2015	931.106	51.657	931.106	51.657
Exchange adjustment	577	0	0	0
Additions for the year	64.249	879.449	0	879.449
Disposals for the year	-6.300	0	-6.300	0
Cost at 31 December 2015	<u>989.632</u>	<u>931.106</u>	<u>924.806</u>	<u>931.106</u>
Value adjustments at 1 January 2015	16.677	41.376	-10.166	-4.864
Exchange adjustment	3.098	3.959	0	0
Net profit/loss for the year	-8.328	-26.655	-4.919	-3.300
Dividends received	-10.596	0	-10.596	0
Revaluations for the year, net	2.536	0	0	0
Amortisation of goodwill	-72.442	-2.003	-72.442	-2.003
Value adjustments at 31 December 2015	<u>-69.055</u>	<u>16.677</u>	<u>-98.123</u>	<u>-10.167</u>
Carrying amount at 31 December 2015	<u>920.577</u>	<u>947.783</u>	<u>826.683</u>	<u>920.939</u>
Remaining positive difference included in the above carrying amount at 31 December (Goodwill)	<u>342.900</u>	<u>421.642</u>	<u>342.900</u>	<u>421.642</u>

Notes to the Financial Statements

Investments in associates are specified as follows:

Name	Place of registered office	Votes and ownership
NK Aviation Ltd.	Ireland	50%
Høje-Taastrup ApS	Kolding	31%
K/S Høje-Taastrup	Kolding	31%
Erria A/S	Kastrup	28%
Kolor Invest A/S (Kompan)	Odense	25%
PNO Holding A/S	Skanderborg	48%
P-AP 2009 A/S (Alliance+)	Brøndby	40%
Havneøen 1 P/S	Vejle	50%
Komplementarselskabet Havneøen 1 ApS	Vejle	50%
Hafnia Managemant A/S	Denmark	20%
KN Operating Ltd.	Ireland	50%

Notes to the Financial Statements

11 Other fixed asset investments

	Group		Parent Company	
	Other investments	Other receivables	Other investments	Other receivables
	DKK'000	DKK'000	DKK'000	DKK'000
Cost at 1 January 2015	1.146.438	442.765	1.123.318	89.740
Exchange adjustment	2.660	46.990	0	0
Additions for the year	32.047	455.030	28.011	5.491
Disposals for the year	-73.348	-47.444	-68.227	0
Cost at 31 December 2015	<u>1.107.797</u>	<u>897.341</u>	<u>1.083.102</u>	<u>95.231</u>
Revaluations at 1 January 2015	53.259	-124.921	51.012	-19.064
Exchange adjustment	255	-13.194	0	0
Revaluations for the year	36.205	-87.273	34.384	-14.865
Reversals for the year of revaluations in previous years	-2.141	10.693	0	0
Revaluations at 31 December 2015	<u>87.578</u>	<u>-214.695</u>	<u>85.396</u>	<u>-33.929</u>
Carrying amount at 31 December 2015	<u>1.195.375</u>	<u>682.646</u>	<u>1.168.498</u>	<u>61.302</u>

Notes to the Financial Statements

12 Equity

Group

	Share capital DKK'000	Reserve for net revaluation under the equity method DKK'000	Retained earnings DKK'000	Proposed dividend for the year DKK'000	Total DKK'000
Equity at 1 January 2015	100.000	16.677	4.075.680	42.000	4.234.357
Exchange adjustments	0	0	29.159	0	29.159
Ordinary dividend paid	0	0	0	-42.000	-42.000
Fair value adjustment of hedging instruments	0	0	-794	0	-794
Tax on other equity movements	0	0	19.342	0	19.342
Net profit/loss for the year	0	-16.677	81.847	43.000	108.170
Equity at 31 December 2015	100.000	0	4.205.234	43.000	4.348.234

Parent Company

Equity at 1 January 2015	100.000	0	4.092.357	42.000	4.234.357
Exchange adjustments	0	0	29.159	0	29.159
Ordinary dividend paid	0	0	0	-42.000	-42.000
Fair value adjustment of hedging instruments	0	0	-794	0	-794
Tax on other equity movements	0	0	19.342	0	19.342
Net profit/loss for the year	0	0	65.170	43.000	108.170
Equity at 31 December 2015	100.000	0	4.205.234	43.000	4.348.234

The share capital is broken down as follow:

	Number	Nominal value DKK'000
A-shares	57.709	57.709
B-shares	42.291	42.291
		100.000

There have been no changes in the share capital during the last 5 years.

Notes to the Financial Statements

13 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent Company	
	2015 DKK'000	2014 DKK'000	2015 DKK'000	2014 DKK'000
Mortgage loans				
After 5 years	330.015	314.375	0	0
Between 1 and 5 years	36.514	49.488	0	0
Long-term part	<u>366.529</u>	<u>363.863</u>	<u>0</u>	<u>0</u>
Within 1 year	<u>9.148</u>	<u>9.127</u>	<u>0</u>	<u>0</u>
	<u>375.677</u>	<u>372.990</u>	<u>0</u>	<u>0</u>
Credit institutions				
After 5 years	0	0	0	0
Between 1 and 5 years	798.417	214.175	400.000	0
Long-term part	<u>798.417</u>	<u>214.175</u>	<u>400.000</u>	<u>0</u>
Within 1 year	422.332	92.472	0	0
Other short-term debt to credit institutions	<u>55.546</u>	<u>391.503</u>	<u>0</u>	<u>381.598</u>
Short-term part	<u>477.878</u>	<u>483.975</u>	<u>0</u>	<u>381.598</u>
	<u>1.276.295</u>	<u>698.150</u>	<u>400.000</u>	<u>381.598</u>
Other payables				
Between 1 and 5 years	142.781	10.559	0	0
Long-term part	<u>142.781</u>	<u>10.559</u>	<u>0</u>	<u>0</u>
Within 1 year	66.038	0	0	0
Other short-term payables	<u>115.438</u>	<u>199.931</u>	<u>48.700</u>	<u>157.853</u>
Short-term part	<u>181.476</u>	<u>199.931</u>	<u>48.700</u>	<u>157.853</u>
	<u>324.257</u>	<u>210.490</u>	<u>48.700</u>	<u>157.853</u>

Notes to the Financial Statements

14 Contingent assets, liabilities and other financial obligations

Contingent liabilities

Parent Company

Contingent liabilities and remaining commitment regarding participation in investment projects amount to a maximum of DKK 164,700k.

Contingent liabilities regarding rent of property in the Parent Company amount to DKK 16,021k.

As collateral for bank debt, DKK 363,924k, the bank is given security in depositary with a carrying amount of DKK 724,282k at 31 December 2015.

The Parent Company has provided a guarantee of a maximum of DKK 1,208,851k to financial institutions in which the Company's subsidiaries have loans and bank transactions.

The Danish group enterprises are jointly and severally liable for tax on the jointly taxed income of the Group and for Danish taxes at source such as dividend tax, tax on royalty payments and withholding tax. The total payable corporation tax is disclosed in the Annual Report of KIRK KAPITAL A/S, which is the management company of the joint taxation.

Group

Contractual obligations relating to construction work in progress amount to a maximum of DKK 191m.

The Group is committed to provide loans to a third party at an amount of DKK 20,940k.

As security for payables to financial institution, DKK 308,497k collateral has been given in vessels and cash funds which at 31 December 2015 have a carrying amount of DKK 664,907k and DKK 10,908k, respectively. Furthermore, shares and accompanying rights in the subsidiaries Gunhild Kirk A/S, Edith Kirk A/S, Marianne Kirk A/S and Anja Kirk A/S have been placed as security, the carrying amount of which amounts to DKK 716,713k at 31 December 2015.

As security for payables to financial institution, DKK 512,250k, the shares and accompanying rights in the subsidiary KKAG Aviation A/S have been placed as security, the carrying amount of which amounts to DKK 272,210k at 31 December 2015.

As security for mortgage debt, DKK 375,677k collateral has been given in land and buildings with a carrying amount of DKK 615,754k at 31 December 2015.

As security for the payment obligation, a cash amount of DKK 23,260k has been deposited with Sydbank.

Notes to the Financial Statements

	Group	
	2015	2014
	DKK'000	DKK'000
15 Fee to auditors		
Audit fee to PricewaterhouseCoopers	697	796
Other assurance engagements	171	65
Tax advisory services	1.160	1.523
Non-audit services	2.606	4.048
	4.634	6.432
16 Cash flow statement - adjustments		
Financial income	-360.616	-364.088
Financial expenses	136.559	288.806
Depreciation, amortisation and impairment losses, including losses and gains on sales	142.917	109.129
Income from investments in associates	80.375	28.658
Tax on profit/loss for the year	26.377	14.881
Minority interests' share of net profit/loss of subsidiaries	474	313
Other adjustments	-83.108	0
	-57.022	77.699
17 Cash flow statement - change in working capital		
Change in receivables	-27.471	27.716
Change in other provisions	-808	3.340
Change in trade payables, etc	105.160	116.877
Fair value adjustments of hedging instruments	-794	6.295
	76.087	154.228

Accounting Policies

Basis of Preparation

The Annual Report of KIRK KAPITAL A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

Consolidated and Parent Company Financial Statements for 2015 are presented in DKK.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, KIRK KAPITAL A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Accounting Policies

Business combinations

Acquisitions

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). Cost comprises the fair value of the consideration paid as well as expenses for consultants etc directly related to the acquisition. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straightline basis over its estimated useful life. Any remaining negative differences are recognised in deferred income in the balance sheet as negative goodwill. Amounts attributable to expected losses or expenses are recognised as income in the income statement as the affairs and conditions to which the amounts relate materialise. Negative goodwill not related to expected losses or expenses is recognised at an amount equal to the fair value of non-monetary assets in the income statement over the average useful life of the non-monetary assets.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made. Moreover, any change in contingent consideration is adjusted in the value of goodwill or negative goodwill.

Amortisation of goodwill is recognised in “Amortisation, depreciation and impairment losses”.

Minority interests

On statement of group results and group equity, the shares of results and equity of subsidiaries attributable to minority interests are recognised as separate items in the income statement and the balance sheet. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Accounting Policies

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Segment reporting

Segment information is presented in respect of business segments based on the Group's risks and returns and its internal financial reporting system.

Income Statement

Revenue

Revenue from the sales of service etc is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Accounting Policies

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises as well as office expenses etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Depreciation and impairment losses

Depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprises, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in associates

The item "Income from investments in associates" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, realised and unrealised capital and exchange gains and losses on foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with the parent and all Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Accounting Policies

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5-20 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Aircraft	10-20 years
Buildings	50 years
Vessels	20 years
Other fixtures and fittings, tools and equipment	3-6 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Accounting Policies

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items "Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries and associates.

Other fixed asset investments

Other fixed asset investments are measured at estimated fair value.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Current asset investments

Current asset investments, which consist of listed bonds are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Prepayments

Prepayments comprise prepaid expenses concerning operating expenses relating to vessels.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Accounting Policies

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

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

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Accounting Policies

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$$

Return on equity

$$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$