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Epoke Investment II A/S
Central Business Registration No 33964730
Jægersborg Allé 4, 5. sal
2920 Charlottenlund

Annual report 2015/16

The Annual General Meeting adopted the annual report on 13.06.2016

Chairman of the General Meeting

Name: Thomas Marstrand

Member of Deloitte Touche Tohmatsu Limited

Contents

Entity details

Entity

Epoke Investment II A/S
Jægersborg Allé 4, 5. sal
2920 Charlottenlund

Central Business Registration No: 33964730
Registered in: Gentofte
Financial year: 01.03.2015 - 29.02.2016

Board of Directors

Søren Klarskov Vilby, Chairman
Asger Bruun-Christensen
Nicholas Andrew Vince
Kristian la Cour
Thomas Marstrand

Executive Board

Thomas Marstrand

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Frodesgade 125
6701 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Epoke Investment II A/S for the financial year 01.03.2015 - 29.02.2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 29.02.2016 and of the results of its operations and cash flows for the financial year 01.03.2015 - 29.02.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Charlottenlund, 12.04.2016

Executive Board

Thomas Marstrand

Board of Directors

Søren Klarskov Vilby
Chairman

Asger Bruun-Christensen

Nicholas Andrew Vince

Kristian la Cour

Thomas Marstrand

Independent auditor's reports

To the owners of Epoke Investment II A/S
Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of Epoke Investment II A/S for the financial year 01.03.2015 - 29.02.2016, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent 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 consolidated financial statements and parent 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 about whether consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent 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 entity'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 the overall presentation of the consolidated financial statements and parent 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

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group’s and the Parent’s financial position at 29.02.2016, and of the results of their operations and the Group’s cash flows for the financial year 01.03.2015 - 29.02.2016 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Esbjerg, 12.04.2016

Deloitte
Statsautoriseret Revisionspartnerselskab

Jørn Jepsen	Mikael Grosbøl
State Authorised Public Accountant	State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

	2015/16 DKK'000	2014/15 DKK'000	2013/14 DKK'000	2011/13 DKK'000
Financial highlights				
Key figures				
Revenue	241.437	271.638	276.850	469.270
Gross profit/loss	90.485	106.178	116.664	183.160
Operating profit/loss	3.779	9.669	24.390	35.864
Net financials	(2.634)	(2.499)	(2.202)	(3.893)
Profit/loss for the year	(1.080)	3.904	15.794	20.429
Total assets	222.663	191.628	228.019	210.639
Investments in property, plant and equipment	18.889	3.108	3.154	8.158
Equity	119.898	125.599	121.818	105.661
Invested capital including goodwill	164.710	143.926	146.928	172.257
Ratios				
Gross margin (%)	37,5	39,1	42,1	39,0
Net margin (%)	(0,4)	1,4	5,7	4,4
Return on invested capital including goodwill (%)	5,1	9,7	19,7	24,9
Return on equity (%)	(0,9)	3,2	13,9	19,3
Equity ratio (%)	53,8	65,5	53,4	50,2

Please note that the financial year 2011/13 covers 17 months.

Management commentary

Primary activities

The Group’s primary activities are to develop, manufacture and sell Epoke GROUP equipment, wear/spare parts and service. During 2015 the companies Hydromann A/S (snow removal equipment) and Brodd Sweden (sweepers) were acquired as a supplement and to complement the Group’s product range (winter/summer). Futhermore the acquisitions increases the Group’s total world wide market share.

The Group’s products are sold through own companies in Denmark, Germany, Sweden and Poland. Sales and marketing in other markets are based on partnerships with dealers and the subsidiaries based in the respective countries.

Epoke Group markets anti-skid products in co-operation with dealers, focusing on the customer. Epoke Group aims to become the industry’s best-known brand and to be a market leader in selected segments.

Epoke Group develops and manufactures equipment that meets the customers' requirements in terms of service, quality and economic life costs.

Development in activities and finances

Net loss of the Group for the financial year 2015/16 is DKK 1,080k, and group equity amounts to DKK 119,898k.

For financial reporting purposes, the Parent merged with its wholly-owned subsidiary Epoke Investment A/S effective from 01.03.2015. The comparative figures have been adjusted accordingly.

Profit/loss for the year in relation to expected developments

Management considers profit for the year unsatisfactory and below expectations.

Outlook

Management expects a better financial performance for the next financial year.

Particular risks

Currency risk

The Group’s receivables and loans are primarily denominated in DKK. The Group does not apply financial instruments for the purpose of speculating.

Excess liquidity is deposited in money market accounts or the like. Therefore, the Group is exposed to no material financial risks.

Intellectual capital resources

The Group aims to be an attractive workplace with motivated and committed staff.

Management commentary

Environmental performance

The Group holds a clean environmental approval dated 1 August 2000.

Research and development activities

The Group is among the absolute market leaders for winter road clearance. The Group has won this position through persistent and targeted development efforts as regards spreaders and related electronic products.

The two acquisitions during 2015, Hydromann and Brodd, is to be integrated in and develop the Group.

The Group protects its development projects by taking out patents, if appropriate.

The Group intends to sustain its position by continuously adding the resources required and staying focused on road clearance.

The Group's product portfolio is characterised by high performance, low service costs, high quality of products and in particular innovative solutions.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied for this consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group’s accounting policies.

Accounting policies

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

Profits or losses from divestment of equity investments

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Accounting policies

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes ordinary write-downs of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Accounting policies

Staff costs
Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for entity staff.

Amortisation, depreciation and impairment losses
Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income
Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the parent company and all the parent company’s Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill
Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually ten years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Accounting policies

Intellectual property rights etc
Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is five years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights.

Property, plant and equipment
Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-manufactured assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

Indirect production costs in the form of indirect attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

Accounting policies

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	7-33 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	7 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises’ equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally 5 years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Accounting policies

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Income tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments
Securities recognised under current assets comprise listed shares and are measured at fair value (market price) at the balance sheet date.

Cash
Cash comprises cash in hand and bank deposits.

Treasury shares
Acquisition and selling prices and dividends for treasury shares are classified directly as equity under retained earnings. Gains and losses on sale are not recognised in the income statement.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Other provisions
Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructurings, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Accounting policies

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Finance lease commitments

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

Accounting policies

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$	The Entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Revenue}}$	The Entity's operating profitability.
Return on invested capital incl goodwill (%)	$\frac{\text{EBITA x 100}}{\text{Average invested capital incl goodwill}}$	The return generated by the Entity on the investors' funds.
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Equity ratio (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$	The financial strength of the Entity.

EBITA (Earnings Before Interest, Tax and Amortisation) is defined as operating profit plus the year's amortisation of and impairment losses relating to intangible assets including goodwill.

Invested capital including goodwill is defined as net working capital plus the carrying amount of property, plant and equipment and intangible assets as well as accumulated amortisation of intangible assets, including goodwill, less other provisions and long-term operating liabilities. Accumulated impairment losses on goodwill have not been added.

Net working capital is defined as inventories, receivables and other operating current assets net of trade payables and other short-term operating liabilities. Income tax receivable and payable as well as cash are not included in net working capital.

Consolidated income statement for 2015/16

	Notes	2015/16 DKK'000	2014/15 DKK'000
Revenue		241.437	271.638
Changes in inventories of finished goods and work in progress		9.253	(4.664)
Other operating income		705	686
Cost of sales		(138.740)	(139.799)
Other external expenses		(22.170)	(21.683)
Gross profit/loss		**90.485**	**106.178**
Staff costs	1	(77.269)	(87.512)
Depreciation, amortisation and impairment losses		(9.437)	(8.997)
Operating profit/loss		**3.779**	**9.669**
Other financial income		536	732
Other financial expenses		(3.170)	(3.231)
Profit/loss from ordinary activities before tax		**1.145**	**7.170**
Tax on profit/loss from ordinary activities	2	(2.225)	(3.127)
Consolidated profit/loss		**(1.080)**	**4.043**
Minority interests' share of profit/loss		0	(139)
Profit/loss for the year		**(1.080)**	**3.904**

Proposed distribution of profit/loss		
Retained earnings	(1.080)	3.904
	(1.080)	**3.904**

Consolidated balance sheet at 29.02.2016

	Notes	2015/16 DKK'000	2014/15 DKK'000
Completed development projects		5.366	3.810
Goodwill		18.703	13.621
Intangible assets	3	**24.069**	**17.431**
Land and buildings		26.225	13.507
Plant and machinery		7.115	6.635
Other fixtures and fittings, tools and equipment		3.766	3.401
Leasehold improvements		43	56
Property, plant and equipment in progress		105	0
Property, plant and equipment	4	**37.254**	**23.599**
Other receivables		45	24
Fixed asset investments	5	**45**	**24**
Fixed assets		**61.368**	**41.054**
Raw materials and consumables		55.391	42.427
Manufactured goods and goods for resale		44.591	35.338
Inventories		**99.982**	**77.765**
Trade receivables		33.533	30.823
Other short-term receivables		3.849	1.194
Income tax receivable		8.735	3.866
Prepayments		1.970	1.054
Receivables		**48.087**	**36.937**
Other investments		3	0
Other investments		**3**	**0**
Cash		**13.223**	**35.872**
Current assets		**161.295**	**150.574**
Assets		**222.663**	**191.628**

Consolidated balance sheet at 29.02.2016

	Notes	2015/16 DKK'000	2014/15 DKK'000
Contributed capital		3.250	3.250
Retained earnings		116.648	122.349
Equity		**119.898**	**125.599**
Provisions for deferred tax	7	229	312
Other provisions		2.935	5.474
Provisions		**3.164**	**5.786**
Bank loans		7.082	0
Finance lease liabilities		170	0
Other credit institutions		23.924	25.145
Other payables		2.231	0
Non-current liabilities other than provisions	8	**33.407**	**25.145**
Current portion of long-term liabilities other than provisions	8	2.673	1.204
Bank loans		15.344	0
Trade payables		22.124	11.305
Income tax payable		3.306	0
Other payables	9	22.747	22.589
Current liabilities other than provisions		**66.194**	**35.098**
Liabilities other than provisions		**99.601**	**60.243**
Equity and liabilities		**222.663**	**191.628**

Subsidiaries	6
Unrecognised rental and lease commitments	11
Contingent liabilities	12
Mortgages and securities	13

Consolidated statement of changes in equity for 2015/16

	Contri-buted capi-tal DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	3.250	122.349	125.599
Purchase of treasury shares	0	(6.071)	(6.071)
Sale of treausry shares	0	1.000	1.000
Exchange rate adjustments	0	57	57
Value adjustments	0	514	514
Tax of equity postings	0	(121)	(121)
Profit/loss for the year	0	(1.080)	(1.080)
Equity end of year	**3.250**	**116.648**	**119.898**

Consolidated cash flow statement for 2015/16

	Notes	2015/16 DKK'000	2014/15 DKK'000
Operating profit/loss		3.779	9.669
Amortisation, depreciation and impairment losses		9.437	8.997
Other provisions		(2.539)	(1.408)
Working capital changes	10	(16.924)	12.016
Cash flow from ordinary operating activities		**(6.247)**	**29.274**
Financial income received		536	732
Financial income paid		(3.170)	(3.231)
Income taxes refunded/(paid)		(3.990)	(15.655)
Cash flows from operating activities		**(12.871)**	**11.120**
Acquisition etc of intangible assets		(11.332)	(365)
Acquisition etc of property, plant and equipment		(18.889)	(3.108)
Sale of property, plant and equipment		463	206
Acquisition of fixed asset investments		(24)	0
Sale of fixed asset investments		3	85
Other cash flows from investing activities		(3)	0
Cash flows from investing activities		**(29.782)**	**(3.182)**
Loans raised		13.425	0
Instalments on loans etc		(3.694)	(1.419)
Dividend paid		0	(468)
Acquisition of treasury shares		(6.071)	(25.000)
Sale of treasury shares		1.000	0
Cash flows from financing activities		**4.660**	**(26.887)**
Increase/decrease in cash and cash equivalents		**(37.993)**	**(18.949)**
Cash and cash equivalents beginning of year		35.872	54.821
Cash and cash equivalents end of year		**(2.121)**	**35.872**
Cash and cash equivalents at year-end are composed of:			
Cash		13.223	35.872
Short-term debt to banks		(15.344)	0
Cash and cash equivalents end of year		**(2.121)**	**35.872**

Notes to consolidated financial statements

1. Staff costs

	2015/16 DKK'000	2014/15 DKK'000
Wages and salaries	69.527	80.192
Pension costs	5.789	5.452
Other social security costs	1.953	1.868
	77.269	**87.512**
Average number of employees	**177**	**206**

	Remune-ration of manage-ment 2015/16 DKK'000	Remune-ration of manage-ment 2014/15 DKK'000
Board of Directors	450	462
	450	**462**

2. Tax on profit/loss from ordinary activities

	2015/16 DKK'000	2014/15 DKK'000
Tax on current year taxable income	2.257	3.810
Change in deferred tax for the year	(81)	(675)
Adjustment concerning previous years	49	(8)
	2.225	**3.127**

Notes to consolidated financial statements

3. Intangible assets

	Completed development projects DKK'000	Goodwill DKK'000
Cost beginning of year	14.932	25.887
Addition through merger and business combinations	3.228	0
Additions	144	7.960
Cost end of year	**18.304**	**33.847**
Amortisation and impairment losses beginning of year	(11.122)	(12.266)
Amortisation for the year	(1.816)	(2.878)
Amortisation and impairment losses end of year	**(12.938)**	**(15.144)**
Carrying amount end of year	**5.366**	**18.703**

4. Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	40.737	39.557	28.905	83
Addition through merger and business combinations	14.011	1.846	321	0
Exchange rate adjustments	0	0	(49)	0
Additions	0	573	2.033	0
Disposals	0	0	(1.886)	0
Cost end of year	**54.748**	**41.976**	**29.324**	**83**
Depreciation and impairment losses beginning of the year	(27.230)	(32.922)	(25.504)	(27)
Exchange rate adjustments	0	0	21	0
Depreciation for the year	(1.293)	(1.939)	(1.628)	(13)
Reversal regarding disposals	0	0	1.553	0
Depreciation and impairment losses end of the year	**(28.523)**	**(34.861)**	**(25.558)**	**(40)**
Carrying amount end of year	**26.225**	**7.115**	**3.766**	**43**

Notes to consolidated financial statements

4. Property, plant and equipment

	Property, plant and equipment in progress DKK'000
Cost beginning of year	0
Addition through merger and business combinations	82
Exchange rate adjustments	0
Additions	23
Disposals	0
Cost end of year	**105**
Depreciation and impairment losses beginning of the year	0
Exchange rate adjustments	0
Depreciation for the year	0
Reversal regarding disposals	0
Depreciation and impairment losses end of the year	**0**
Carrying amount end of year	**105**

5. Fixed asset investments

	Other receivables DKK'000
Cost beginning of year	24
Addition through merger and business combinations	24
Disposals	(3)
Cost end of year	**45**
Carrying amount end of year	**45**

Notes to consolidated financial statements

6. Subsidiaries

	Registered in	Corporate form	Equity interest %
Epoke A/S	Vejen	A/S	100,0
Alfred Thomsen GmbH	Eichenzell, Germany	GmbH	100,0
Epoke Maschinenbau GmbH & Co. KG	Eichenzell, Germany	GmbH & Co. KG	100,0
Epoke Sp. z.o.o.	Warzawa, Poland	Sp z.o.o	100,0
Ejendomsselskabet Skibelund ApS	Gentofte	ApS	100,0
Brodd Sweden AB	Sweden	AB	100,0
Brodd Polonia Sp z.o.o.	Poland	Sp. z.o.o.	100,0

7. Deferred tax

	2015/16 DKK'000	2014/15 DKK'000
Intangible assets	230	839
Property, plant and equipment	(696)	(947)
Inventories	759	512
Receivables	166	149
Provisions	(230)	(241)
	229	**312**

8. Long-term liabilities other than provisions

	Instalments within 12 months 2015/16 DKK'000	Instalments within 12 months 2014/15 DKK'000	Instalments beyond 12 months 2015/16 DKK'000	Outstanding after 5 years DKK'000
Bank loans	1.274	0	7.082	0
Finance lease liabilities	163	0	170	0
Other credit institutions	1.236	1.204	23.924	8.964
Other payables	0	0	2.231	0
	2.673	**1.204**	**33.407**	**8.964**

Notes to consolidated financial statements

9. Other short-term payables

	2015/16 DKK'000	2014/15 DKK'000
VAT and duties	1.712	2.623
Wages and salaries, personal income taxes, social security costs, etc payable	6.201	5.719
Holiday pay obligation	4.167	3.808
Other costs payable	10.667	10.439
	22.747	**22.589**

10. Change in working capital

	2015/16 DKK'000	2014/15 DKK'000
Increase/decrease in inventories	(22.609)	3.065
Increase/decrease in receivables	(6.281)	12.429
Increase/decrease in trade payables etc	11.883	(3.478)
Other changes	83	0
	(16.924)	**12.016**

11. Unrecognised rental and lease commitments

	2015/16 DKK'000	2014/15 DKK'000
Commitments under rental agreements or leases until expiry	**3.282**	**3.061**

12. Contingent liabilities

Interest rate swaps have been entered into in order to hedge the interest risk involved in bank loans until maturity.

	2015/16 DKK’000	2014/15 DKK’000
2018, nominal amount	12.331	13.215
2024, nominal amount	2.524	2.774
	14.855	**15.989**

13. Mortgages and securities

Loans with credit institutions are secured on real property. This mortgage also comprises the plant and machinery deemed part of the property.

The carrying amount of the mortgaged property is DKK 11,740k, and the carrying amount of mortgaged plant is DKK 7,863k.

The Group has provided payment guarantees for DKK 3,266k nominal.

Parent income statement for 2015/16

	Notes	2015/16 DKK'000	2014/15 DKK'000
Other external expenses		(219)	(338)
Operating profit/loss		**(219)**	**(338)**
Income from investments in group enterprises		(1.328)	3.684
Other financial income		529	649
Other financial expenses		0	(3)
Profit/loss from ordinary activities before tax		**(1.018)**	**3.992**
Tax on profit/loss from ordinary activities	1	(62)	(88)
Profit/loss for the year		**(1.080)**	**3.904**
Proposed distribution of profit/loss			
Reserve for net revaluation according to the equity method		(1.328)	4.118
Retained earnings		248	(214)
		(1.080)	**3.904**

Parent balance sheet at 29.02.2016

	Notes	2015/16 DKK'000	2014/15 DKK'000
Investments in group enterprises		102.606	102.984
Fixed asset investments	2	**102.606**	**102.984**
Fixed assets		**102.606**	**102.984**
Receivables from group enterprises		17.367	2.892
Income tax receivable		3.235	1.896
Receivables		**20.602**	**4.788**
Cash		**32**	**20.041**
Current assets		**20.634**	**24.829**
Assets		**123.240**	**127.813**

Parent balance sheet at 29.02.2016

	Notes	2015/16 DKK'000	2014/15 DKK'000
Contributed capital	3, 4	3.250	3.250
Reserve for net revaluation according to the equity method		4.631	5.509
Retained earnings		112.017	116.840
Equity		**119.898**	**125.599**
Payables to group enterprises		0	153
Income tax payable		3.306	1.984
Other payables		36	77
Current liabilities other than provisions		**3.342**	**2.214**
Liabilities other than provisions		**3.342**	**2.214**
Equity and liabilities		**123.240**	**127.813**
Contingent liabilities	5		
Related parties with controlling interest	6		

Parent statement of changes in equity for 2015/16

	Contributed capital DKK'000	Reserve for net revalua-tion accor-ding to the equity me-thod DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	3.250	5.509	116.840	125.599
Purchase of treasury shares	0	0	(6.071)	(6.071)
Sale of treausry shares	0	0	1.000	1.000
Other adjustments	0	450	0	450
Profit/loss for the year	0	(1.328)	248	(1.080)
Equity end of year	**3.250**	**4.631**	**112.017**	**119.898**

Notes to parent financial statements

	2015/16 DKK'000	2014/15 DKK'000
1. Tax on profit/loss from ordinary activities		
Tax on current year taxable income	72	88
Adjustment concerning previous years	(10)	0
	62	**88**

	Investments in group enter-prises DKK'000
2. Fixed asset investments	
Cost beginning of year	97.474
Additions	500
Cost end of year	**97.974**
Revaluations beginning of year	5.510
Amortisation of goodwill	(2.574)
Share of profit/loss for the year	1.246
Other adjustments	450
Revaluations end of year	**4.632**
Carrying amount end of year	**102.606**

	Number	Par va-lue DKK'000	Nominal value DKK'000
3. Contributed capital			
Ordinary Shares	325.000.000	0	3.250
	325.000.000		**3.250**

Notes to parent financial statements

4. Treasury shares

	Number	Nominal value DKK'000	Share of contri-buted capi-tal %	Purchase / (selling)-price DKK'000
Treasury shares acquired:				
Ordinary Shares	11.393.865	114	3,5	6.071
	11.393.865	**114**	**3,5**	
Treasury shares disposed of:				
Ordinary Shares	1.876.697	19	0,6	1.000
	1.876.697	**19**	**0,6**	
Holding of treasury shares:				
Ordinary Shares	9.517.168	95	2,9	
	9.517.168	**95**	**2,9**	

Treasury shares were acquired as part of purchasing shares from employees that have resigned from the Group. Treasury shares have been sold to new employees of the Group.

5. Contingent liabilities

The Company serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed companies and for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

6. Related parties with controlling interest

Erhvervsinvest II K/S, Gentofte, Denmark, holds the majority of shares in the Company and thus exercises control over it.