

Ricoh Capital Danmark A/S

Annual report 2015/16

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

on 12-09 20 16


chairman

CVR no. 34 07 84 91

Contents

1	Statement by the Board of Directors and the Executive Board	2
2	Independent auditor's report	3
2.1.1	To the shareholder of Ricoh Capital Danmark A/S	3
2.1.2	Independent auditor's report on the financial statements	3
2.1.3	Statement on the Management commentary	4
3	Management commentary	5
3.1	Company details	5
3.1.1	Board of Directors	5
3.1.2	Executive Board	5
3.1.3	Auditor	5
3.1.4	Annual general meeting	5
3.1.5	Principal activities	6
3.1.6	Result of the year	6
3.1.7	Outlook	6
3.1.8	Material events after the reporting date	6
4	Financial statements 1 April 2015 – 31 March 2016	7
4.1	Statement of comprehensive income	7
4.2	Statement of financial position	8
4.3	Statement of changes in equity	9
4.4	Cash flow statement	10
4.5	Overview of notes	11
4.6	Notes	12
4.6.2	Cash flows from operating activities	15
4.6.3	Cash flows from financing activities	15
4.6.4	Cash and cash equivalents	15

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 Ricoh Capital Danmark A/S for the financial year 1 April 2015 – 31 March 2016.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements under the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2016 and of the results of the Company's operations and cash flows for the financial year 1 April 2015 – 31 March 2016.

Further, in our opinion, the Management commentary 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.

Vallensbæk Strand, 12 September 2016
Executive Board:

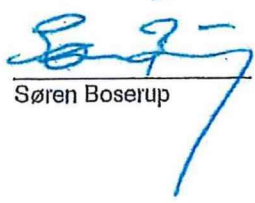

Søren Krogh-Nielsen

Board of Directors:


Jan Peter Winham
Chairman


Nicola Clare Downing


Søren Krogh-Nielsen


Søren Boserup

Independent auditor's report

To the shareholder of Ricoh Capital Danmark A/S

Independent auditor's report on the financial statements

We have audited the financial statements of Ricoh Capital Danmark A/S for the financial year 1 April 2015 – 31 March 2016, which comprise statement of comprehensive income, statement of financial position, cash flow statement, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements under the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements under 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.

Auditor's responsibility

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

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

Independent auditor's report

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

Our audit has not resulted in any qualification.

Conclusion

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2016 and of the results of the Company's operations and the cash flows for the financial year 1 April 2015 – 31 March 2016 in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements under the Danish Financial Statements Act.

Statement on the Management commentary


In accordance with 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 financial statements. On this basis, it is our opinion that the information provided in the Management commentary is consistent with the financial statements.

Copenhagen, 12 September 2016

KPMG

Statsautoriseret Revisionspartnerselskab

Cvr. No. 25 57 81 98



Jacob Lehman
State Authorised
Public Accountant



Ricoh Capital Danmark A/S
Annual report 2015/16
CVR no. 34 07 84 91

Management commentary

Company details

Ricoh Capital Danmark A/S
Delta Park 37
2665 Vallensbæk Strand

Telephone:	+45 70 10 67 68
Website:	www.ricoh.dk
E-mail:	info@ricoh.dk
CVR no.:	34 07 84 91
Established:	8 December 2011
Registered office:	Vallensbæk
Financial year:	1 April 2015 – 31 March 2016

Board of Directors

Ian Peter Winham, chairman
Nicola Clare Downing
Søren Krogh-Nielsen
Søren Boserup

Executive Board

Søren Krogh-Nielsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Annual general meeting

The annual general meeting will be held on 12 September 2016.

Management commentary

Principal activities

Ricoh Capital Danmark A/S is a 100 % owned subsidiary to Ricoh Danmark A/S. The principal activity of the company is to provide leasing arrangements of the parent company's products.

Result of the year

Result before taxes for the year amounted to DKK 2.195 thousand compared to DKK - 985 thousand (loss) in last year. The result is very satisfactory.

The result for 2016/17 is expected to be within the same range.

Outlook

The leasing activity of the company is expected to keep increasing. It is expected that activity currently arranged through third party leasing partners by Ricoh Danmark A/S gradually and consequently will be transferred to the Company, thus a strong leasing portfolio will develop over years.

Material events after the reporting date

No events have occurred after the reporting date that may significantly affect the annual report.

IFRS Transition

The Company has in 2015/16 transitioned from preparing financial statements according to the Danish Financial Statements Act to IFRS to align within the Ricoh Group.

The transition has been based on the internal group reporting package used within the Ricoh Group for consolidation purposes and has resulted in a number of reclassifications. The internal group-reporting package has been adopted as the transition balance, except for tax income/expense for the 2014/15 and 2015/16, as the ones used for statutory purposes are considered the most accurate.

Furthermore, as part of the IFRS transition cash flow statement has been presented, which has not previously been presented.

Reference is made to note 19.

Financial statements 1 April 2015 – 31 March 2016

Statement of comprehensive income

DKK'000	Note	2015/16	2014/15
Income from lease contracts	4	5,271	1,376
Expenses from lease contracts	5	-2,165	-1,114
Other external expenses	6	-896	-1,220
Operating profit		2,210	-958
Financial income	8	0	5
Financial expenses	9	-15	-32
Profit before tax		2,195	-985
Tax on profit for the year	10	2,465	-618
Profit for the year/total comprehensive income		4,660	-1,603

Financial statements 1 April 2015 – 31 March 2016

Statement of financial position

DKK'000	Note	2015/16	2014/15	1/4 2014
ASSETS				
Finance lease receivables	4, 11	55,475	32,220	5,710
Deferred tax	13	846	34	87
Non-current assets		56,321	32,254	5,797
Current assets				
Trade receivables	11	5,074	6,068	268
Finance lease receivables	4, 11	19,520	12,434	4,101
Current joint tax receivable		1,081	0	0
Other receivables		0	27	0
Prepayments		625	123	0
Current assets		26,300	18,652	268
TOTAL ASSETS		82,621	50,906	10,166
Equity				
Share capital		500	500	500
Retained earnings		3,161	-1,499	104
Total equity		3,661	-999	604
Liabilities				
Trade payables		22	125	0
Payables to group entities		76,318	50,123	9,535
Current joint tax payable		0	571	11
Other payables		2,383	903	16
Deferred income		236	183	0
Current liabilities		78,960	51,905	9,562
Total liabilities		78,960	51,905	9,562
TOTAL EQUITY AND LIABILITIES		82,621	50,906	10,166

Financial statements 1 April 2015 – 31 March 2016

Cash flow statement

DKK'000	Note	2015/16	2014/15
Operating profit for the year		2,210	-958
Cash flow from operating activities before changes in working capital		2,210	-958
Changes in working capital	15	-25,980	-39,219
Cash flow from operating activities		-23,770	-40,777
Interest income received		0	5
Interest expense paid		-15	-32
Cash flows from operating activities		-23,785	-40,204
Loans from Group Enterprises		23,785	40,204
Cash flows from financing activities		23,785	40,204
Cash flows for the year		0	0
Cash and cash equivalents at the beginning of the year		0	0
Cash and cash equivalents at year end*		0	0

*Cash and cash equivalent only represents cash and cash equivalent held outside Ricoh Europe's cash pool scheme. Cash with Ricoh Europe's cash pool scheme is presented as receivables from group entities.

Financial statements 1 April 2015 – 31 March 2016

Statement of changes in equity

DKK'000	Share capital	Transfer- red compre- hensive income	Total
Equity at 1 April 2015	500	-1,499	-999
Comprehensive income in 2015/16			
Profit for the year	0	4,660	4,660
Total comprehensive income for the period	0	4,660	4,660
Equity at 31 March 2016	500	3,161	3,661
Equity at 1 April 2014	500	104	604
Comprehensive income in 2014/15			
Profit for the year	0	-1,603	-1,603
Total comprehensive income for the period	0	-1,603	-1,603
Equity at 31 March 2015	500	-1,499	-999

Financial statements 1 April 2015 – 31 March 2016

Overview of notes

<i>Notes</i>		<i>Notes</i>	
1	Accounting policies	13	Deferred tax
2	Significant accounting estimates and judgements	14	Contingent liabilities and collateral
3	New accounting regulation	15	Changes in working capital
4	Revenues	16	Financial risks and financial instruments
5	Costs of revenues	17	Related parties
6	Other external expenses	18	Events after the reporting day
7	Staff costs	19	Accounting effect of transition to IFRS
8	Financial income		
9	Financial expenses		
10	Tax		
11	Receivable		
12	Equity		

Financial statements 1 April 2015 – 31 March 2016

Notes

1 Accounting policies

General information

Ricoh Capital Danmark A/S is a limited liability company incorporated and domiciled in Denmark.

The financial statements of Ricoh Capital Danmark A/S for 2015/16 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements applying to reporting class B entities under the Danish Financial Statements Act.

This annual report is the Company's first annual report presented in accordance with IFRS. For the transition, IFRS 1 on first-time adoption of IFRS has been applied. The accounting effect of the transition to IFRS is described in note 19, including a description of the changes in accounting policies compared to previous years.

On 12 September 2016, the Board of Directors approved this annual report for publication and approval by the shareholder at the annual general meeting to be held on 12 September 2016.

Basis of preparation

The financial statements are presented in DKK thousands.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency translation adjustments resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Income statement

Revenues

Revenues comprise rental from lease contracts, lease services and royalties. The rental cover interest income related to the entered lease agreements, document fees etc. and any gains related to entered agreements.

Financial statements 1 April 2015 – 31 March 2016

Notes

1 Accounting policies (continued)

Expenses from lease contracts

Expenses regarding lease contracts comprise interest expenses related to financing the portfolio, insurance and any gain/losses related to the entered agreements.

Other external expenses

Other external expenses comprise expenses for premises, office expenses etc., as well as other administrative expenses.

Staff costs

As Ricoh Capital Danmark A/S has no employees there are no staff costs.

Financial income and expense

Financial income and expenses comprise interest income and expenses, which are not directly derived from the entered lease agreements, which include interest from cash in hand and exchange rate adjustments.

Corporation tax and deferred tax

Tax for the year consists of current tax and changes in deferred tax for the year. The tax expense relating to the profit for the year is recognised in the statement of comprehensive income, other comprehensive income or equity.

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised under other non-current assets at the expected value of their utilisation.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the reporting date. Changes in deferred tax due to changes in tax rate are recognised in the income statement.

The Company and the parent company Ricoh Danmark A/S are jointly taxed. Ricoh Capital Danmark A/S is the administrative company.

Financial statements 1 April 2015 – 31 March 2016

Notes

1 Accounting policies (continued)

Assets

Receivables

Leasing contracts are recognised as finance lease receivables. The receivable is measured at cost of the underlying asset at the time of entering the contract. Lease payments under the lease contracts are divided by the annuity method into interests and repayments. The interests are recognised as revenue, while the repayments are deducted in the finance lease receivable. Write downs are made on the finance lease receivable based on an individual assessment of each receivable.

Trade receivables are recognised at the trade date, initially measured at fair value and subsequently at amortised cost using the effective interest method less provision for impairment. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience.

Shareholder's equity

Dividend distribution to the Company's shareholder is recognised as a liability at the time when the dividends are approved by the Company's shareholder. Dividends proposed for the year are disclosed as a separate item under equity.

Liabilities

Financial liabilities

Financial liabilities are initially recognised at fair value (typically the amount of the proceeds received), net of transaction costs incurred. In subsequent periods, the financial liabilities are measured at amortised cost; any difference between the cost (the proceeds) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial statements 1 April 2015 – 31 March 2016

Notes

1 Accounting policies (continued)

Prepayments and deferred income

Prepayments include expenses incurred in respect of subsequent financial years. Such expenses are typically prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

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

Cash flow statement

Cash flows from operating activities

Cash flows from operating activities are presented using the indirect method and stated as the profit/loss adjusted for non-cash operating items, including changes in working capital, interest received and paid and corporation taxes paid. Working capital comprises current assets less current liabilities, excluding the items included in cash and cash equivalents, borrowings, tax payables and provisions.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the amount or composition of the company's share capital and related expenses as well as cash flows from draw down and repayment of borrowings as well as payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalent only represents cash and cash equivalent held outside Ricoh Europe's cash pool scheme. Cash with Ricoh Europe's cash pool scheme is presented as receivables from group entities.

Financial statements 1 April 2015 – 31 March 2016

Notes

2 Significant accounting estimates and judgements

In connection with the preparation of the financial statements, Management has made accounting estimates and judgements that affect the assets and liabilities reported at the reporting date as well as the income and expenses reported for the financial period. Management continuously reassesses these estimates and judgements based on a number of other factors in the given circumstances.

The following accounting treatment is considered significant to the financial reporting.

— Classification of leasing agreements

— The Company's operation consist of leasing activity. The Company is making assessment over the terms and conditions of the entered leasing contracts, which are the based for the classification of the leasing contracts, both operating and financial leasing.

— As part of this, the Company has made the assessment that all contracts entered are financial leasing.

3 New accounting regulation

At the date of the presentation of this annual report, a number of new or amended standards and interpretations exist that have not yet become effective and are therefore not included in the annual report.

The new standards and interpretations will be implemented as they become mandatory.

It is Management's assessment that these will not significantly affect the consolidated financial statements and the parent company financial statements for the coming financial years.

DKK'000	2015/16	2014/15
4 Revenues		
Rental from lease contracts	3,564	1,376
Lease services and fees	427	0
Other	1,280	0
	<u>5,271</u>	<u>1,376</u>

The Company rents out printers, copiers and communication service equipment on behalf of Ricoh Danmark A/S.

Future minimum lease payments under non-cancellable leases are receivable as follows:

Financial statements 1 April 2015 – 31 March 2016

Notes

DKK'000	2015/16	2014/15
0-1 years	19,520	12,434
1-5 years	55,475	32,220
	<u>79,323</u>	<u>44,654</u>
5 Expenses from lease contracts		
Interest expenses	652	0
Insurance	65	0
Losses related to entered agreements	1,448	1,114
	<u>2,165</u>	<u>1,114</u>
6 Other external expenses		
Audit fee	37	37
Consultants fee	114	123
Shared Service center charges	934	345
Loss on receivables	36	41
Other	-225	674
	<u>896</u>	<u>1,220</u>
7 Staff costs		

The Company does not have any staff employed. The Company is administrated through a shared service center within the Ricoh Group.

Financial statements 1 April 2015 – 31 March 2016

Notes

DKK'000	2015/16	2014/15
8 Financial income		
Foreign exchange gains (net)	0	5
	<u>0</u>	<u>5</u>
9 Financial expenses		
Foreign exchange losses (net)	15	32
	<u>15</u>	<u>32</u>
10 Tax		
Tax on profit for the year can be specified as follows:		
Current tax	1,081	-565
Deferred tax	178	-53
Adjustment of tax relating to previous years	1,205	0
	<u>2,464</u>	<u>-618</u>
Tax on profit for the year is recognised as follows:		
Computed 23.5% tax on profit before tax (2014/15: 24.5%)	-516	-242
Tax effect of:		
Other expenses/income not deductible for tax purposes	1,775	-376
Adjustment of tax relating to previous years	1,205	0
	<u>2,464</u>	<u>-618</u>
Effective tax rate	<u>-112.3</u>	<u>62.7</u>

Financial statements 1 April 2015 – 31 March 2016

Notes

DKK'000	2015/16	2014/15
11 Receivables		
Finance lease receivables	74,995	44,654
Trade receivables	5,074	6,068
Other receivables	0	27
	<u>80,069</u>	<u>50,749</u>
Specification of receivables overdue		
Due by 1-30 days	1,347	1,885
Due by 30-90 days	1,670	1,286
Due by more than 90 days	946	418
Write-down of receivables overdue	-298	-263
Carrying amount of receivables overdue	<u>3,665</u>	<u>3,326</u>
Specification of development in write-down		
Write-down at 1 January	263	0
Adjustment of write-down during the year	35	263
Write-down at 31 December	<u>298</u>	<u>263</u>

The Company does not have any significant credit risks related to individual customers as the client portfolio is spread out on a significant number of customers.

Receivables relate to debtors in Denmark.

Financial statements 1 April 2015 – 31 March 2016

Notes

12 Equity

Capital management

Ricoh Capital Danmark A/S is participant in the cash pool for Ricoh Europe Group. The capital management for the group is centralised in Ricoh Europe FL.

Share capital

	Shares issued			
	Number		Nominal value (DKK'000)	
	2015/16	2014/15	2015/16	2014/15
1 January	500	500	1,000	1,000
31 December – fully paid	500	500	1,000	1,000

The share capital consists of 500 shares of a nominal value of DKK 1,000 each. No shares carry any special rights. There has not been any changes the share capital in the company's lifetime.

	DKK'000	2015/16	2014/15
13 Deferred tax			
Deferred tax at 1 January		34	87
Foreign exchange adjustment		0	0
Deferred tax for the year recognised in profit for the year		178	-53
Adjustment of tax relating to previous years		634	0
Deferred tax at 31 December		846	34
Deferred tax asset relates to:			
Current assets		846	34
Deferred tax at 31 December, net		846	34

Financial statements 1 April 2015 – 31 March 2016

Notes

13 Deferred tax (continued)

Tax losses allowed for carryforward relate to depreciation of lease machines.

14 Contingent liabilities and collateral

Contingent liabilities

The Company does not have any buy back obligations on any of the entered leasing agreements.

The Company is jointly registered for VAT with Ricoh Danmark A/S and severally liable for the payment thereof, amounting to DKK 4,550 thousand (31 March 2015: DKK 5,267 thousand).

The Company is jointly taxed with Ricoh Danmark A/S. The Companies have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends and interest. Corporation tax and withholding tax payable within the joint taxation group amounted to DKK 0 thousand at 31 March 2016 (31 March 2015: DKK 0 thousand).

DKK'000	<u>2015/16</u>	<u>2014/15</u>
15 Changes in working capital		
Change in receivables, including financial lease receivable	-29,320	-40,670
Prepaid costs/deferred income, net	-449	60
Change in trade payables and other payables	3,789	1,391
	<u>-25,980</u>	<u>-39,219</u>

16 Financial risks and financial instruments

Risk management policy

Following its operating, investing and financing activities, the company is exposed to a number of financial risks, including currency and interest rate risks, liquidity risks and credit risks.

The Company does not stand-alone have a formalised Risk Management policy. The Risk Management policy is based on overall instructions from Ricoh Europe via overall group policies, which amongst others covers interest rate risks, liquidity risks and credit risks.

Financial statements 1 April 2015 – 31 March 2016

Notes

16 Financial risks and financial instruments (Continued)

It is the Company's policy not to engage in speculation in financial risks. Thus, the company's financial management is aimed at managing and reducing the financial risks directly attributable to the company's operations, investments and financing.

Management are on an ongoing basis considering the risk exposures and how to address these. When making the considerations the necessary functions within the Ricoh Group are involved, which includes treasury, legal etc. Based on an assessment of the Company's interest rate risks, liquidity risk and credit risks, no derivative financial instruments have been entered as this has not been considered necessary.

For credit risks, reference is made to note 11.

Currency risks

The company is not exposed to currency fluctuations as all transactions are not settled in other currencies than their functional currencies except for EUR. No speculative currency transactions are made, and transactions are solely carried out based on commercial needs. No agreements on currency transaction hedging have been concluded during the financial year.

The company did not have any material net balance sheet positions in foreign currencies at 31 March 2016 other than intra-group balances.

Interest rate risks

The company has no interest rate risk since it is part of a cash pool arrangement and has no other debt to external parties, other than balances from normal course of business.

The embedded interest rates on leasing contracts are fixed within the duration of the lease contract.

Significant movements in the interest rate levels can have a positive/negative effect on the Company due to the relationship between the variable interest rate on loans against the fixed embedded rate on the leasing contracts.

Ricoh Group treasury is continuously monitoring all entities within the Group and ensuring that any significant risks will be mitigated or addressed. Ricoh Group receives monthly reporting's which allows them to make the continuous monitoring and assessment.

Financial statements 1 April 2015 – 31 March 2016

Notes

16 Financial risks and financial instruments (Continued)

Maturity analysis

Liabilities are primarily short-term comprising lease receivables falling due within one year.

Financial instrument categories:

2015/16						
DKK'000	Accounting amount	Cash flow	< 6 months	6 – 12 months	1 – 5 years	> 5 years
Finance Lease receivables	74,995	83,489	10,854	10,854	61,781	0
Trade Receivables	5,074	5,074	5,074	0	0	0
Trade payables and other payables	22	22	22	0	0	0
Payables to group entities ¹⁾	76,318	76,318	10,358	0	0	65,960
Other payables	2,385	2,385	2,385	0	0	0
2014/15						
DKK'000	Accounting amount	Cash flow	< 6 months	6 – 12 months	1 – 5 years	> 5 years
Finance Lease receivables	44,654	48,258	6,708	6,708	34,842	0
Trade Receivables	6,068	6,068	6,068	0	0	0
Other receivables	27	27	27	0	0	0
Trade payables and other payables	125	125	125	0	0	0
Payables to group entities ¹⁾	8,986	8,986	8,986	0	0	41,134
Other payables	903	903	903	0	0	0

¹⁾ Payable to group entities consists of bullet loan DKK 65,960 thousand (2014/15 DKK 41,134 thousand) remaining amount relates to purchase of goods.

The carrying amount and fair value of the above categories are the same for both 2015/16 and 2014/15.

Financial statements 1 April 2015 – 31 March 2016

Notes

17 Related party disclosures

The company's related parties exercising control

- Ricoh Danmark A/S, Delta Park 37, 2665 Vallensbæk Strand Danmark

The Company is included in the consolidated financial statements of Ricoh Europe Holdings PLC, UK, and ultimately in the consolidated financial statements of the ultimate parent company Ricoh Company Ltd., Japan. The consolidated financial statements can be obtained through Companies House, UK, and from the ultimate parent company at their address Ricoh Building, 8-13-1 Ginza, Chuo-ku, Tokyo 104-8222, Japan.

Related party transactions

Related party transactions comprised the following – all transactions relate to Ricoh Danmark A/S and Ricoh Europe PLC:

DKK'000	2015/16	2014/15
Purchase of goods	64,717	44,531
Service and group fees	934	345
	<u>65,651</u>	<u>44,876</u>

The company's outstanding accounts with group entities at 31 March 2016 comprise normal business accounts arising from the purchase and sale of goods as well as loans and amounts to 76,318.

The interest charge on these accounts is shown in notes 8 and 9.

Management employees

The Company's related parties exercising significant influence comprise the Company's Board of Directors and Executive Board.

The Company's Board of Directors and Executive Board does not receive any remuneration from the Company.

18 Events after the reporting date

No events have occurred after the reporting date that may significantly affect the annual report.

Financial statements 1 April 2015 – 31 March 2016

Notes

19 The accounting effect of transition to IFRS

As the Company is a first-time adopter later than its ultimate Parent Company (2013), the Company has measured its assets and liabilities in its financial statements at the carrying amounts that are included in the Parent Company's consolidated financial statements at 1 April 2015.

The transition has had an effect on the Company's statement of comprehensive income, statement of financial position and equity of DKK 0 thousand, which relates to adjustment on tax on result for the year for reporting purposes.

The Company has not previously presented a cash flow statement.

Reclassifications

Apart from changes in accounting policies, the following reclassifications of and changes to the presentation format with restatement of the comparative figures for 2014/15 in the Company:

- Assets are now presented as non-current assets and current assets instead of fixed assets and current assets as previously.
- Deferred tax is classified as non-current assets or non-current liabilities. Until now, deferred tax assets have been classified as current assets.
- Provisions are no longer presented as a separate main item in the statement of financial position but are included in non-current and current liabilities.

The reclassifications have not affected profit and equity.