

Wrist Ship Supply Holding A/S

Stigsborgvej 60, DK-9400 Noerresundby, Denmark
Tel. (+45) 98 13 72 77. Fax (+45) 98 16 72 77

www.wrist.com

CVR no. DK 34 60 00 82

Generalforsamling: 09.03.2016

Dirigent: Søren Dan Johansen

ANNUAL REPORT 2015



SHIP SUPPLY

Contents

Financial highlights and key ratios	4
Management commentary	
The year in review	6
Customer focus	7
Corporate responsibility	9
Risk management	13
Financial review	15
Statement by Management	18
Independent auditors' report	19
Accounting policies and changes as a result of the transition to IFRS	21
Financial statements	
Consolidated income statements.....	24
Statement of comprehensive income	25
Consolidated cash flow statement.....	26
Consolidated balance sheet, assets	27
Consolidated balance sheet, equity and liabilities..	28
Consolidated statement of shareholders' equity....	30
Notes	31
Income statement – <i>Parent</i>	65
Statement of comprehensive income – <i>Parent</i>	66
Cash flow statement.....	67
Balance sheet, assets – <i>Parent</i>	68
Balance sheet, equity and liabilities – <i>Parent</i>	69
Statement of shareholders' equity – <i>Parent</i>	70
Notes – <i>Parent</i>	71
Legal structure	83
Management	84

EXPERT CARE

Wrist Ship Supply is the world's leading ship and offshore supplier of provisions and stores with a market share in excess of 7%. Wrist offers a global 24/7 service, including handling of owners' goods, shipping, air freight and related marine services that meet the demands of international organisations as well as local businesses.

From offices around the globe, all Wrist staff take pride in making it easy for customers to receive their supplies – where and when requested – efficiently and at the best possible price.

Our mission is to provide expert care to each ship and offshore location.

www.wrist.com

Wrist Ship Supply Holding A/S

FINANCIAL HIGHLIGHTS AND KEY RATIOS

DKK'000 and ratios	IFRS 2015	IFRS 2014	2013	DK GAAP 2012
Net Sales	3,674,577	3,347,343	499,111	0
Gross profit	932,444	805,408	80,807	0
Operating profit (EBITDA)	227,503	208,500	17,644	0
Earnings before interest and tax (EBIT)	189,997	210,618	-4,096	0
Profit of financial items	-59,487	-55,220	-4,531	0
Profit for the year	97,044	123,719	-2,963	0
Inventories	218,230	195,203	166,467	0
Trade receivables	574,934	549,142	469,425	0
Total assets	2,311,968	2,122,320	1,876,801	80
Shareholders' equity	947,492	808,243	669,220	80
Investment capital including goodwill	1,470,225	1,336,837	978,715	0
Net interest-bearing debt (NIBD)	577,476	591,953	672,450	0
Acquisition etc of property, plant and equipment	37,495	49,516	11,533	0
Cash flow from investing activities (CFFI)	89,441	33,481	1,021,846	0
Cash flow from operating activities (CFFO)	123,036	134,507	13,987	0
Number of employees	1,167	1,105	981	0
Performance ratios (%)				
Gross margin	25.4	24.1	16.2	0.0
Operating margin (EBITDA)	6.2	6.2	3.5	0.0
Return on invested capital	13.1	16.1	3.0	0.0
Equity ratio	11.1	16.7	-0.9	0.0

The figures stated for 2014 and 2015 as well as the balance sheet items for 2013 have been prepared in accordance with IFRS. All other figures have been prepared in accordance with the Danish Financial Statements Act. The effect of the change to IFRS is described in note 1.

Definitions of financial highlights and key ratios

Financial highlights are defined and calculated in accordance with “Recommendations & Ratios 2015” issued by the Danish Society of Financial Analysts.

Ratios		Calculation formula	Ratios reflect
Gross margin (%)	=	$\frac{\text{Gross profit} \times 100}{\text{Net sales}}$	The enterprise's operating gearing.
Operating margin (EBITDA) (%)	=	$\frac{\text{EBITDA} \times 100}{\text{Net sales}}$	The enterprise's operating profitability.
Return on invested capital (%)	=	$\frac{\text{EBIT} \times 100}{\text{Average invested capital incl goodwill}}$	The return generated by the enterprise on investors' funds.
Equity ratio (%)	=	$\frac{\text{Profit/(loss) for the year Excl. minority interests} \times 100}{\text{Average equity}}$	The enterprise's return on capital invested in the enterprise by the owners.

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, and less other provisions and long-term operating liabilities. Accumulated impairment losses on goodwill are not added.

Net interest-bearing debt is defined as interest-bearing liabilities, including income tax payable, net of interest-bearing assets, including cash and income tax receivable.

THE YEAR IN REVIEW

During 2015 Wrist further consolidated its position as the world's largest supplier to ships and offshore locations.

Volumes and sales increased more than market growth

Wrist achieved substantial growth in volumes supplied to ships, but saw a decline in demand from the badly hit offshore market. Through the Group's constant focus on customer service, responsiveness to changes in customer demand and competitive sourcing, a substantial growth in supplies to ships more than offset the negative impact from the headwinds experienced by the offshore oil and gas industry. Actually, Group revenue increased by 1% in local currencies and by as much as 10% in the reporting currency, reaching DKK 3.7bn.

Operating profits increased

Due to efficiency improvements in all our operations, the Group increased its gross profit margin from 24.1% in 2014 to 25.4% in 2015. The operating profit (EBITDA) advanced by 9% from DKK 209m in 2014 to DKK 228m in 2015, while the operating margin remained at a healthy level of 6.2% for 2015.

Business platform expanded through acquisitions

In order to expand its offering further and seize new market opportunities, Wrist acquired businesses in Aberdeen in the UK and Den Helder in the Netherlands, both contributing positively to sales as well as earnings. In January 2016, the Wrist Group announced its acquisition of Garrets International Ltd., which delivers provision management services to more than 1,000 ships worldwide. Together with Wrist's subsidiary SeaStar Management, Garrets will strengthen the global proposition to customers and enhance the Group's ability to support welfare on board as well as securing more resources for the development of service tools for the crew.

Innovation in service offerings

Wrist continued to seek solutions that improve its range of service offerings. The Group introduced bundled services for ship customers, including provision management and optimisation of last-mile logistics, enabling savings in the operating budgets of the ships. Another initiative was additional investments in 'Ice-Box' container inlets, a concept enabling a stable temperature to be maintained for several days without a power source, introduced to customers in the North Sea, US Gulf and Middle East. Further, Wrist initiated the implementation of a new and more efficient procurement and stock management tool for ships operating under provision management contracts.

Further investments in operational capabilities and infrastructure

The Group continued to develop its global operational capabilities and infrastructure with the aim of improving the quality and responsiveness of its customer services, while at the same time increasing its operational efficiency. The development and improvement of storage and warehousing facilities included new facilities in Algeciras, Corpus Christi and Peterhead, resulting in additional capacity as well as process flow optimisation. Enhanced quality management systems were implemented in more locations, allowing e.g. higher levels of quality accreditation. Further, in 2015 the Wrist Group initiated the roll-out of a new, global business support system, building a platform for additional digitalised customer and vendor solutions.

CUSTOMER FOCUS

Wrist is an experienced and distinguished supplier of provisions and stores to the shipping and offshore industries. The company is continuously developing its business and capabilities, and after more than 60 years in the market, Wrist is today the world's leading ship supplier, with a market share in excess of 7%. Wrist's principal activities are the sale and delivery of provisions and stores to ships, offshore locations and a number of adjacent markets. The company supplies a broad range of products, including deck, engine, electrical, cabin and bonded stores. The company's service concept comprises the storage, surrender and transport of customers' own supplies and spare parts – often through a general warehouse managed by Wrist.

Seafarers' welfare

Wrist is aware of the crucial role played by seafarers. Their welfare is of paramount importance to the business of Wrist's customers, and Wrist is dedicated to ensuring the delivery of high-quality products and services to seafarers all over the world. This is essential for them to stay healthy, content and motivated, and to making life at sea easier for them.

Wrist is a responsible business intent on making a difference over and above the primary competitive parameters.

Global network, local excellence

Through Wrist's global key account management organisation, regional and local teams provide customers with outsourced ship supply services, operating as an extension of their own businesses and thereby optimising operational efficiencies and vessel profitability. Wrist strives to understand and meet the exact needs and requirements of each customer in so far as is possible.

That is the purpose of developing regional networks and appointing key account managers to provide dedicated outsourced services in important regions where customers need support – i.e. global customer expertise combined with local supply chain knowledge and understanding.

Customers are naturally keen to work with a supplier that provides the scale, organisational resources, technology and infrastructure required to deliver an end-to-end service. Wrist's worldwide network is essential to meeting these demands, and Wrist continuously strives to strengthen this further.

Wrist's employees are instrumental to unlocking growth potential in new geographical regions. Our operational capability to streamline the procurement process and play an active role in raising the level of crew nutrition enables Wrist to continuously improve its service and create stronger partnerships.

Customers require effective management by specialist providers with the necessary technological solutions to ensure budget transparency and planning control.

Provision management

The outsourcing of vessel provisioning has increased significantly in recent years. More and more operators are looking to centralise their processes to a single point of contact and are looking for partners that can take care of all their purchasing and supply needs – globally. They wish to outsource processes as a means of enhancing efficiency and reducing overheads without impacting quality or the morale of their crews.

Garrets is a business unit within Wrist, dedicated to the handling of consumable budgets and the delivery of provisions and stores to ships all over the world. The volumes handled by the business unit more than doubled through the operational merger in early 2016 of Wrist Ship Supply's subsidiary SeaStar Management and Garrets International.

Garrets' strategy is to help customers optimise their supply patterns by guiding vessels to use the most cost-efficient ports during their global voyages. Based on extensive knowledge, the business unit also helps vessels to ensure the correct product mix for their provision orders, thereby ensuring a nutritious and healthy meal plan for crews in compliance with the MLC 2006 requirements. Customer focus is driving improvements, increasing efficiencies and streamlining customer procurement processes.

CORPORATE RESPONSIBILITY

Statutory statement on corporate social responsibility in compliance with sections 99a and 99b of the Danish Financial Statements Act (Årsregnskabsloven).

To promote the long-term interests of the company and its stakeholders, Wrist strives to comply with high ethical standards in all business practices.

Business Principles

In 2013, Wrist defined its Business Principles, providing guidelines to increase transparency and describe the way the company and its staff must act whilst achieving the business objectives.

http://www.wrist.com/download/sustainability/business_principles_rev4_13feb14.pdf

The Business Principles are incorporated into Wrist's general business practices when living out its vision, "We are recognised for making our customers' life at sea better", and they reflect the UN Global Compact and relevant regulations on anti-corruption, competition law and international trade sanctions. The Business Principles guide and direct employees and managers in essential matters such as:

- Relationships with authorities
- Transparency
- Anti-trust, anti-corruption and trade sanctions
- Anti-fraud and accuracy of accounting records
- Respect for generally recognised (internationally and locally) human and labour rights and employment practices

The Business Principles represent the codification of the ethical standards representing the Wrist culture, and they are an important step in the formulation and communication of Wrist's ethical position and policies. Wrist does not have a policy for environment and climate change.

Compliance programme

Wrist Compliance Programme was introduced in 2014, covering the topics of:

- 1) international trade sanctions
- 2) anti-bribery rules and principles and
- 3) anti-trust rules/competition law

The programme complies with applicable rules and regulations and is tailored to Wrist and its industry. Within each of these areas, the programme comprises a detailed written policy and training.

The policies contain rules and regulations as well as practical advice for employees. The policies are distributed to all relevant employees, followed by training. The anti-bribery programme also consists of a set of guidelines with clear and specific rules for the giving and receiving of business courtesies. It is supplemented by a set of procedures designed to monitor compliance with the anti-bribery policy. In 2015, the procedures were extended with a section introducing procedures for providing cash discounts

in cash sales and a procedure for cash withdrawals to limit the risk of inappropriate behaviour. Furthermore, the policy on business courtesies has been tightened.

In 2015, on-site compliance training was conducted at the Wrist entities in North America, Scotland, England and the Netherlands. The training of new staff and newly acquired entities is ongoing. In total, more than 300 employees have participated in on-site training sessions.

The implementation of the Business Principles and the compliance programme has drawn attention to and increased awareness among staff and managers of the importance of avoiding violations, which is reflected in the number of questions received by the Legal Department about the Wrist compliance policies.

Human rights

It is essential for Wrist that all business activities are performed with respect for human and labour rights – for instance fair employment, dissociation from forced or compulsory labour and the use of child labour, freedom of association, the right to collective bargaining and freedom from discrimination. Employees must act accordingly, and the Wrist Business Principles are used as a reference in dealings with external stakeholders.

Whistleblowing policy

In 2015, a whistleblowing system specifically tailored to the requirements of Wrist was developed in cooperation with a leading Danish law firm. The whistleblowing system is a mechanism which allows employees to report violations of legislation and policies with no risk of retaliation. At present, the whistleblowing system is awaiting approval by the Danish Data Protection Agency. The whistleblowing system is expected to be introduced in Q1 2016.

Seafarers

Aligned with Wrist's vision of "...making our customers' life at sea better", the life of seafarers is always at the forefront of our minds.

Life at sea is known to be tough! Working conditions are risky, and hiring periods are long, meaning absence from family and friends, and in case of reprehensible working conditions, being out there in the middle of the ocean means that help is not close at hand.

A lot of charitable organisations do a tremendous amount of work to help seafarers. Wrist has been a member of ISWAN (International Seafarers' Welfare and Assistance Network) since 2013, and in 2015 Wrist again sponsored the ISWAN "Seafarer Centre of the Year" award. Furthermore, Wrist has supplied computers and other equipment to a new welfare centre in Rotterdam run by the Danish Government's Seamen's Service (*Handelsflådens Velfærdsråd*). In addition, Wrist is making donations to "Seamen Aalborg".

In recognition of the crews of three vessels that have picked up large numbers of refugees in the Mediterranean, Wrist boarding representatives have handed out goodie bags to all seafarers on board these vessels when they came to port.

Donations and charitable activities are focused on projects that have a positive impact on life at sea.

Promotion of the underrepresented gender

Board of Directors

The gender composition at the Board of Directors level remains unchanged from 2014 since the right candidate has not yet been found (the current composition of the Board of Directors being no women and four men). There is currently one vacancy at the Board of Directors level, for which a qualified candidate is sought to, firstly, complement the current composition of the Board of Directors, and, secondly add to gender diversity.

Wrist is committed to striking a sound gender balance between men and women on the Board of Directors. The company's target is to achieve at least a 60/40 distribution between men and women on the Board of Directors before end of 2016. The target includes the owner's representatives and does not include employee representatives (if any).

Management

In accordance with Wrist's commitment to achieving a sound and balanced composition of genders across the company, the Board of Directors has approved a policy aimed at increasing the share of the underrepresented gender at all management levels. Training, development and promotional opportunities are available to prepare employees for becoming leaders.

This policy will be monitored and reviewed annually by the Board of Directors, and progress compared to the stated intention and the policy as such will be described in Wrist's annual report. The policy has the full support of the executive management and has been approved by the Board of Directors.

Wrist defines "Management" as:

- The Executive Board
- Managers reporting directly to the Executive Board
- A manager leading a team of two or more employees
- A subject matter expert with company-wide impact.

At management level, the current gender composition is 82% men and 18% women.

Initiatives

In support of this target, Wrist will be introducing a number of initiatives to help managers fulfil the target:

Talent acquisition

Ensure that lists of candidates for job interviews at all levels have an equal representation of both genders, and where top candidates are equally qualified, select the underrepresented gender.

Internal promotions

Ensure that lists of candidates for internal promotions at all levels have an equal representation of both genders, and where top candidates are equally qualified, select the underrepresented gender.

Talent development

Ensure that the underrepresented gender is provided with training, development and mentoring opportunities to assist their professional growth. This specifically includes defining managerial development opportunities during the annual performance review.

Role models

Create a forum where the underrepresented gender can participate in activities, (e.g. talks at local focus groups) to gain insight and inspiration on how to develop their own career opportunities

General

The overarching principle, however, remains that the company will select the best-qualified person, irrespective of gender, race, age or religious beliefs.

RISK MANAGEMENT

Wrist is exposed to various risks that may impact the Group's results, cash flow, financial position and future prospects.

Significant potential risk factors related to markets, business operations and financial markets are identified, evaluated and reported on a continuous basis, and risk management is also integrated in the Group's strategic planning process.

Market risk

Market risk refers primarily to risk factors on which the management can exert only limited influence in the short term, but which it is addressing in its long-term planning.

Shipping and offshore industry prospects

Wrist offers its services to the shipping and offshore industry in numerous countries, and this diversification does in itself amount to risk mitigation. Wrist continuously monitors the development of the industries which it serves to enable timely adjustments of its strategic planning.

Structural changes

Structural changes among onshore and offshore distributors and the consolidation of service providers to the shipping industry create opportunities as well as risks. Wrist monitors developments and adjusts its strategic and operational planning accordingly.

Business risk

Business risks refer to overall risks relating to the current management and operation of the company.

Price fluctuations

Wrist is continuously working to improve its sales processes to support the more precise pricing of products, contractual agreements and manage inventory levels to mitigate risks associated with fluctuations in cost.

Customer retention

Wrist serves a large and diverse customer base which is broadly distributed both geographically and in terms of supply solutions and products. This is in itself a risk-mitigating factor, as is the Group's focus on customer service. With its global key account management organisation, Wrist has a thorough understanding of the needs of its customers and is able to clarify where initiatives may be needed to improve its offering to customers.

Financial reporting

The mitigation of the key risks relating to the Group's financial reporting is ensured through group policies on financial management, a financial manual, internal controls and the statutory audit. Wrist adheres to firm budgeting and reporting schedules and monitors the performance of its business units on a monthly basis. Structured business review meetings are held quarterly.

IT system availability

High-quality and reliable IT systems are important for the Group's storing and processing orders, warehousing, delivery services, financial reporting and accounting records. Wrist is continuously testing and developing the capacity and reliability of its IT systems to secure high performance.

Compliance with regulations

Wrist is committed to conducting its business in compliance with all applicable laws and other regulations and adhering to principles of good corporate citizenship in all the countries in which it is active. The manager of each business unit, supported by group functions, is responsible for monitoring and enforcing the Group's policies as well as ensuring compliance with national legislation and local requirements. Wrist's Business Principles and related policies and procedures are made available to managers and employees to assist and direct them in carrying out their duties.

Financial risk

Financial risk factors refer to fluctuations in the Group's results, cash flow and financial position due to changes in Wrist's financial exposure. The overall objective of risk monitoring and control is to ensure cost-effective financing and to minimise potential adverse impacts from market fluctuations.

Exchange rate risk

The Group's business activities are predominantly based in USD, GBP, SGD and EUR, and many credit facilities are denominated in DKK, USD and GBP (currencies listed according to the size of aggregated amounts). In order to reduce the exchange rate risk, Wrist aims to match costs and revenues, as well as assets and liabilities, in each business unit. Overall, the estimated risk arising from currency exposure is limited as most of the business has limited transaction exposure.

Interest rate risk

The interest rates of credit facilities are variable. Wrist uses derivative contracts to hedge interest rate risks, and currently the company has chosen to hedge the majority of such risk for a period of three years.

Funding risk

Wrist has entered into a long-term committed financing agreement with credit facilities enabling both current operations and planned expansion. Treasury management is centralised and ensures that sufficient financial resources are available to meet planned requirements. Wrist has a good financial position, cash flow and liquidity reserve.

Credit risk

Credit risk mainly relates to trade debtors, other receivables and cash at banks. The aggregate amounts recognised under these items in the balance sheet constitute the maximum credit risk. Receivables relate to shipping, ship management and catering companies. Handling increased credit risk in the shipping industry, Wrist's global credit function monitors the creditworthiness of existing and new customers and assists in debt collection. Wrist conducts individual assessments of customer creditworthiness, managed globally. Cash is held with banks with high credit ratings.

FINANCIAL REVIEW

Transition to IFRS

The accounting policies have been changed relative to last year due to the Group's transition from reporting according to the Danish Financial Statements Acts to reporting according to IFRS as of 1 January 2015. The comparative figures for 2014 have been restated in accordance with the IFRS standards, and the opening balance sheet as at 1 January 2014 has also been restated so that it too complies with the transitional provisions set out in IFRS 1 concerning first-time adoption of International Financial Reporting Standards.

The transition to presenting the financial statements in accordance with IFRS impacts the Wrist Ship Supply Holding Group, for example, in the following areas:

- Goodwill is no longer amortised on a straight-line basis, but is subject to an annual impairment test in which the value of goodwill is assessed based on several financial ratios
- Lease payments are recognised as an expense on a straight-line basis over the lease term
- Adjustments in equity will in future be classified as other comprehensive income
- The notes have been significantly expanded.

All adopted and relevant standards have been applied on implementation.

The effect of the transition to IFRS is shown in the notes to the financial statements along with explanations of the most significant changes to the figures. The most significant changes for the 2014 financial year relate to the reversal of goodwill amortisations. The operating profit (EBIT) rose from DKK 143m to DKK 211m, of which DKK 71m results from the reversal of goodwill amortisation. The consolidated profit inclusive of minorities' share of the profit rose from DKK 58m to DKK 124m.

The group's balance sheet total as at 31 December 2014 rose from DKK 2,053m to DKK 2,122m, of which DKK 73m results from the reversal of goodwill amortisations.

Equity including minorities rose from DKK 758m to DKK 808m.

For a further specification of the changes in the income statement and balance sheet, reference is made to note 1 to the financial statements.

Sales

Sales developed positively in all regions except Asia. The supplies to ships developed very positively whereas supplies to offshore locations decreased due to less activity in the offshore oil and gas industry. Net sales reached DKK 3,675m compared to DKK 3,347m in 2014, an increase of 9.8%. Measured in the local currencies, growth totalled 1.0%.

Gross profit

Gross profit amounted to DKK 932m compared to DKK 805m in 2014, an increase of 15.8%. The gross profit ratio increased to 25.4% compared to 24.1% in 2014, supported by the Group's continued focus on procurement.

Operating profit

Operating profit (EBITDA) amounted to DKK 228m compared to DKK 209m in 2014, an increase of 9.1%. The profit margin stayed at 6.2%.

Net profit

Profit for the year amounted to DKK 97m compared to DKK 124m in 2014. The profit is satisfactory and above the expected level. In 2014, the net profit was affected by income of DKK 33m from the sale of a facility in Singapore. Adjusted for this special item, net profit increased by 6.6%.

Cash flows

Cash flow from operating activities amounted to DKK 123m in 2015 against DKK 135m in 2014, a decrease on 8.5%. The cash flow decrease was due to improved earnings whereas working capital increased to 8.5% of net sales compared to 8.2% in 2014 and higher tax payments. The group's procurement strategies to improve services and achieve more competitive pricing have resulted in higher inventories.

Investments

Net investments amounted to DKK 89m compared to DKK 33m in 2014. Investments in software and property, plant and equipment aggregated DKK 53m in 2015 against DKK 77m in 2014. Sales of assets of DKK 43m in 2014 relate mainly to the previously mentioned sale of a facility in Singapore.

Financial position

At 31 December 2015, cash and cash equivalents totalled DKK 186m, while undrawn credit facilities amounted to DKK 70m. Accordingly, total available cash and undrawn credit facilities amounted to DKK 266m. Wrist has entered into a long-term committed financing agreement with credit facilities enabling both current operations and planned expansion.

Net interest-bearing debt amounted to DKK 577m at 31 December 2015 (DKK 592m at the end of 2014). The net interest-bearing debt as a ratio to like-for-like EBITDA improved to 2.5 in 2015 from 2.8 in 2014.

Subsequent events

Since the balance sheet date, Wrist has acquired Garrets International Ltd., a global provider of provision management solutions to ship owners and ship managers. Garrets has annual sales in excess of DKK 0.5bn, and the acquisition will strengthen Wrist's presence in this niche market. The acquisition was financed by available cash and a new committed credit facility.

Outlook for 2016

The shipping industry expects 2016 to be another challenging year in most of segments. Activity in the ship supply markets is dependent on the number of ships in operation, and thus the growth in global transports driven by global economic growth. However, Wrist expects growth in supplies to the shipping markets. The outlook in the offshore sector is depressing due to the consistently low oil prices and thus a lower demand for drilling rigs, seismic offshore support and other specialised ships.

The recent acquisitions have strengthened the Group's position in key market segments and will, combined with new green field establishments, underpin Wrist's strong market position and the strength of its business model. The continued focus on developing a robust and stable logistics and technological infrastructure, supported by financial resources, a global presence, agility and the high quality of its products and services, remains the mainstay of the business.

Overall, Wrist anticipates organic growth in sales, benefitting from the Group's strong market position and the constant enhancements of its business model. For 2016, Wrist expects total sales of DKK 4.2-4.5bn and an operating profit (EBITDA) of DKK 270-290m. The outlook is based on foreign exchange rates similar to the December 2015 rates.

STATEMENT BY MANAGEMENT

The Board of Directors and the Executive Board have today considered and approved the annual report of Wrist Ship Supply Holding A/S for the financial year 1 January – 31 December 2015.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2015 and of the results of their operations and cash flows for the financial year 1 January – 31 December 2015.

In our opinion, the management commentary contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent face.

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

Aalborg, 9 March 2016

Executive Board

Robert Steen Kledal
CEO

Anders Skipper
Executive Vice President, CFO

Søren Juul Jørgensen
Executive Vice President, CCO

Martin Gaard Christiansen
Executive Vice President

Board of Directors

Søren Dan Johansen
Chairman

Tom Sten Behrens-Sørensen

Kurt Kokhauge Larsen

Petter Samlin

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Wrist Ship Supply Holding A/S

Report on the consolidated financial statements and parent financial statements

We have audited the consolidated financial statements and parent financial statements of Wrist Ship Supply Holding A/S for the financial year 1 January 2015 – 31 december 2015, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including the accounting policies, for the Group as well as the Parent. The consolidated financial statements and parent financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of 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 International Financial Reporting Standards as adopted by the EU and disclosure requirements of 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 the 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 31 December 2015, and of the results of their operations and cash flows for the financial year 1 January 2015 – 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of the Danish Financial Statements Act.

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 statements.

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 statements.

Copenhagen, 9 March 2016

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No 33 96 35 56

Lynge Skovgaard
State-Authorised
Public Accountant

Rasmus B. Johnsen
State-Authorised
Public Accountant

ACCOUNTING POLICIES AND CHANGES AS A RESULT OF THE TRANSITION TO IFRS

The 2015 consolidated financial statements of Wrist Ship Supply Holding A/S are presented in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for the financial statements of class C enterprises, cf. the Danish Executive Order on IFRS (*IFRS-bekendtgørelsen*) issued in accordance with the Danish Financial Statements Act. Wrist Ship Supply Holding A/S is a limited company incorporated in Denmark.

The consolidated financial statements are presented in Danish kroner (DKK'000), which is the presentation currency for the group's activities and the functional currency for the parent company.

The consolidated financial statements are presented on the basis of historical costs, except for derivative financial instruments. The most important elements of the accounting policies and changes resulting from new and changed standards are described below. The accounting policies in general are described in note 26.

Changes in accounting policies as a result of the adoption of IFRS

The 2015 consolidated financial statements are the first financial statements to be prepared in accordance with IFRS.

Upon transition to IFRS, IFRS 1 "First-time Adoption of International Financial Reporting Standards" has been applied. According to this standard, the opening balance sheet as at 1 January 2014 and the comparative figures for 2014 have been prepared in accordance with the standards and interpretations applicable as at 31 December 2015. The opening balance sheet as at 1 January 2014 has been prepared as if these standards and interpretations had always been applied, except for situations where the special transitional and commencement provisions in IFRS 1 described below apply.

The transition to preparing financial statements and consolidated financial statements in accordance with IFRS has made it necessary to change the Group's accounting policies in a number of important areas regarding recognition and measurement:

- Restatement of goodwill and no more amortisation of goodwill.
- Lease payments are recognised as an expense on a straight-line basis over the lease term.
- Estimated costs of contractual obligations in lease contracts for the dismantling and removing of items and restoration of sites at the end of lease terms have been recognised as part of PP&E and amortised over the lease term.
- The impact of the changes on deferred tax.

The main rule for the accounting treatment of changes to the accounting policies is that in the year of change, the annual report must be prepared with retroactive effect as if the Group had always applied the new accounting policies. This includes the restatement of comparative figures. In connection with the transition to IFRS, IFRS 1 contains a number of mandatory and optional exceptions to this main rule.

- Business combinations completed before 1 January 2014, including related determined pre-acquisition balance sheets and goodwill amounts, have not been adjusted in accordance with the provisions of IFRS 3.
- The amount to be included in the cost of property, plant and equipment related to decommissioning and restoration liabilities has been determined in accordance with the exemption in IFRS 1:D21.
- Cumulative translation differences that existed at the date of transition to IFRSs have been deemed to be zero in accordance with the exemption in IFRS 1:D13.

Apart from changes regarding recognition and measurement, the presentation and classification of accounting items have been changed for the following areas due to the transition to IFRS:

- Non-controlling interests are presented as part of consolidated equity.
- Provisions are included under current and non-current liabilities, respectively.

The monetary effect of the changes in accounting policies as a result of the transition to reporting according to IFRS is specified in note 1.

Application of new and revised International Financial Reporting Standards (IFRSs)

Amendments to IFRSs that are mandatorily effective for the current year

New and revised standards and interpretations that are mandatorily effective for 2015 have been implemented as part of the transition to IFRS.

New and revised IFRSs in issue but not yet effective

At the time of publication of the 2015 consolidated financial statements of Wrist Ship Supply Holding A/S, there are a number of new or changed standards and interpretations which have not yet come into effect and which therefore have not been incorporated into the consolidated financial statements.

IFRS 15 “Revenue from Contracts with Customers” is effective for annual periods beginning on or after 1 January 2018.

Wrist Ship Supply Holding A/S is currently analysing the potential effects of IFRS 15; however, since the analysis is at a preliminary stage, it is not possible to provide an estimate of the expected consequences. The preliminary analysis indicates that the more detailed requirements on identifying performance obligations as well as the requirements on determining whether revenue should be recognised over time or at a point in time may to some extent affect the timing of future revenue recognition; however, this is not expected to have any material impact on future consolidated financial statements.

IASB has also issued IFRS 9 “Financial Instruments”, which also awaits EU endorsement. The new standard will change the provisions for bad debts, which will be based on expected losses and not incurred losses. Wrist Ship Supply Holding A/S is assessing the impact of the standard, but it is not expected to have any material impact on future consolidated financial statements.

IFRS 16 “Leases” is effective for annual periods beginning on or after 1 January 2019.

Wrist Ship Supply Holding A/S has not begun analysing the possible effects of IFRS 16 yet; however, as Wrist Ship Supply Holding A/S has significant operating lease commitments, IFRS 16 is expected to increase non-current assets (right-of-use assets) as well as lease liabilities, and will also impact the income statement, cash flow statement and equity to some degree.

Other new or revised IFRSs in issue but not yet effective are not expected to have any material impact on future consolidated financial statements.

CONSOLIDATED INCOME STATEMENTS

	<u>Note</u>	<u>2015</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>
Net Sales	2	3,674,577	3,347,343
Cost of sales		-2,742,133	-2,541,935
Gross profit		932,444	805,408
Other external expenses	3	-253,645	-221,936
Staff costs	4	-452,531	-375,132
Other operating income		0	32,204
Other operating expenses		1,235	163
Depreciation, amortisation and impairment	5	-37,506	-30,089
Operating profit before interest and tax (EBIT)		189,997	210,618
Financial income	6	22,366	19,919
Financial expenses	7	-81,853	-75,139
Profit before tax (EBT)		130,510	155,398
Income tax	8	-33,353	-31,656
Profit for the year		97,157	123,742
Attributable to:			
Shareholders of Wrist Ship Supply Holding A/S		97,044	123,719
Non-controlling interests		113	23

STATEMENT OF COMPREHENSIVE INCOME

Note	2015 DKK'000	2014 DKK'000
Profit for the year	97,157	123,742
Other comprehensive income		
Items that can be reclassified to the income statement when certain conditions are met:		
Exchange differences, foreign entities	20,625	17,451
Fair value adjustment for the year relating to hedging instruments	1,125	-3,875
Tax relating to hedging instruments	-214	737
Total comprehensive income	118,693	138,055
Attributable to:		
Shareholders of Wrist Ship Supply Holding A/S	118,693	138,055
Non-controlling interests	113	23
	118,806	138,078

CONSOLIDATED CASH FLOW STATEMENT

	Note	2015 DKK'000	2014 DKK'000
Profit before tax (EBT)		130,510	155,398
Amortisation and depreciation		37,506	30,089
Working capital changes	19	-10,278	-479
Adjustments for non-cash items	20	60,464	24,294
Cash flow from ordinary operating activities		218,202	209,302
Financial income		22,461	18,011
Financial expenses		-75,553	-67,329
Income taxes refunded/paid		-42,075	-25,476
Cash flow from operating activities (CFFO)		123,035	134,508
Acquisition etc of intangible assets		-15,020	-27,382
Acquisition etc of property, plant and equipment		-37,495	-49,516
Sale of property, plant and equipment		2,694	43,200
Acquisition of enterprises		-39,620	0
Disposal of enterprises		0	217
Cash flow from investing activities (CFFI)		-89,441	-33,481
Loans raised		39,627	56,310
Instalments on loans etc		-50,971	-93,504
Purchase/Sale of own shares		-6,819	0
Increase of capital		27,375	0
Other cash flows from financing activities		572	-3,045
Cash flows from financing activities		9,784	-40,239
Cash flow for the year		43,378	60,787
Cash and cash equivalents at 1 January		142,703	81,633
Currency translation adjustments of cash and cash equivalents		-171	283
Cash and cash equivalents at 31 December		185,910	142,703

The cash flow statement cannot be derived from the published financial information only.

CONSOLIDATED BALANCE SHEET, ASSETS

		2015	2014	1 January 2014
	Note	DKK'000	DKK'000	DKK'000
Goodwill		969,421	910,848	880,973
Software		33,031	3,500	4,105
Intangible assets in development		11,732	29,860	6,614
Intangible assets	9	1,014,184	944,208	891,692
Land and buildings		75,033	78,184	91,692
Fixtures and fittings, tools and equipment		105,891	95,246	76,417
Leasehold improvements		18,892	15,796	5,689
Prepayments for prorerty, plant and equipment		0	593	0
Property, plant and equipment	10	199,816	189,819	173,798
Investments in associates		0	0	226
Deferred tax assets	13	16,500	22,927	22,253
Other non-current assets		16,500	22,927	22,479
Total non-current assets		1,230,500	1,156,954	1,087,969
Inventories		218,230	195,203	166,467
Trade receivables	15	574,934	549,142	469,425
Receivables from group enterprises		14,321	1,738	4,066
Income tax receivable		6,935	3,532	4,561
Other receivables		73,842	65,551	53,306
Prepayments		7,295	7,497	9,374
Receivables		677,327	627,460	540,732
Cash and cash equivalents		185,911	142,703	81,633
Total current assets		1,081,468	965,366	788,832
Total assets		2,311,968	2,122,320	1,876,801

CONSOLIDATED BALANCE SHEET EQUITY AND LIABILITIES

		2015	2014	1 January 2014
	Note	DKK'000	DKK'000	DKK'000
Share capital		16,501	16,134	16,112
Foreign currency translation reserve		38,076	17,451	0
Hedging reserves		-2,605	-3,516	-378
Retained earnings		895,432	778,199	653,534
Shareholders' share of equity		947,404	808,268	669,268
Non-controlling interests		88	-25	-48
Shareholders' equity		947,492	808,243	669,220
Deferred tax	13	6,892	3,543	3,340
Provisions	16	7,673	6,491	4,681
Accrual for straight line lease expense		14,480	12,852	10,986
Debt to mortgage credit institutions	17	2,998	3,271	5,375
Debt to credit institutions	17	636,231	623,336	580,249
Leasing debt	17	34,117	38,212	36,632
Other debt	17	42	114	371
Total non-current liabilities		702,433	687,819	641,634
Instalment of non-current debt next year	17	91,953	52,990	36,430
Provisions	16	19	107	0
Debt to credit institutions		0	7,543	9,598
Trade creditors		379,303	384,155	315,231
Debt to group enterprises		249	2,064	3,483
Corporate tax		7,185	21,298	17,963
Other payables	18	177,215	154,215	182,674
Deferred income		6,119	3,886	568
Total current liabilities		662,043	626,258	565,947
Total liabilities		1,364,476	1,314,077	1,207,581
Total equity and liabilities		2,311,968	2,122,320	1,876,801

Mortgages and collateral	21
Lease commitments	22
Related parties and group relations	23
Financial risks and financial instruments	24
Events after the reporting period	25
Accounting policies	26

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

Consolidated statement of shareholders' equity

DKK'000	Share capital	Retained earnings	Foreign currency translation adjustment	Hedging reserves	Wrist Ship Supply's share	Non-controlling interests	Total
Shareholders equity at 1 January 2015	16,134	778,199	17,451	-3,516	808,268	-25	808,243
Profit for the year	0	97,044	0	0	97,044	113	97,157
Other comprehensive income	0	0	20,625	911	21,536	0	21,536
Total comprehensive income	0	97,044	20,625	911	118,580	113	118,693
Increase of capital	367	27,008	0	0	27,375	0	27,375
Treasury shares	0	-6,819	0	0	-6,819	0	-6,819
Shareholders equity at 31 December 2015	16,501	895,432	38,076	-2,605	947,404	88	947,492
Shareholders equity at 1 January 2014	16,112	666,416	0	-378	682,150	-48	682,102
Adjustment according to IFRS	0	-12,882	0	0	-12,882	0	-12,882
Adjusted equity at 1 January 2014	16,112	653,534	0	-378	669,268	-48	669,220
Profit for the year	0	123,719	0	0	123,719	23	123,742
Other comprehensive income	0	0	17,451	-3,138	14,313	0	14,313
Total comprehensive income	0	123,719	17,451	-3,138	138,032	23	138,055
Increase of capital	22	946	0	0	968	0	968
Shareholders equity at 31 December 2014	16,134	778,199	17,451	-3,516	808,268	-25	808,243

Wrist Ship Supply Holding A/S have during 2015 acquired nom. 131 treasury shares, which is also held at balance date.

Number of shares is 16,501 with the nominal value of DKK 1,000.

No dividend was declared in either 2014 or 2015.

NOTES

1 Effect of IFRS and Critical accounting judgements and key sources of estimation uncertainty

1.1 Effect of IFRS

The consolidated financial statements included in this annual report have been prepared in accordance with the international Financial Reporting Standards (IFRS) as adopted by the EU and additional disclosure requirements in the Danish Financial Act.

The financial statements for 2015 are the first financial statements of the Group to be prepared in accordance with IFRS. The amounts in the consolidated financial statements for 2015 and 2014 as well as the opening balance sheet at 1 January 2014 have been prepared as if IFRS had always been applied, except where the Group has applied the special provisions of IFRS 1 "First-time Adoption of IFRSs" as explained below. Financial highlights and key ratios for the years 2011-2013 in the management commentary have not been restated.

The consolidated effects of the transition to IFRS on the income statement and balance sheet position are shown in the overview below with explanatory notes:

DKK '000	1 of January 2014				31 of December 2014		
	Assets	Liabilities	Equity	Profit/loss	Assets	Liabilities	Equity
Applied after Danish GAAP	1,874,795	1,192,693	682,102	58,112	2,053,765	1,295,326	758,439
Reversed amortisation of goodwill	0		0	70,692	72,570		72,570
Other non-current assets	-2,205		-2,205	564	-2,190		-2,190
Provisions		4,681	-4,681	-626		6,598	-6,598
Accrual for straight line lease expense		10,986	-10,986	-1,505		12,852	-12,852
Other	3,369	191	3,178	-2,104	388	370	18
Tax effect on above changes	842	-971	1,812	-1,314	-2,213	-1,094	-1,119
Currency effect on IFRS conversion				-144			0
Adjustments Total	2,006	14,887	-12,882	65,563	68,555	18,726	49,829
Non-controlling interests		48	-48	23		25	-25
Applied after IFRS	1,876,801	1,207,581	669,220	123,698	2,122,320	1,314,077	808,243

Goodwill

Goodwill is no longer amortised in the income statement. Instead, the Group performs impairment tests annually and when there are indications for impairments. Until this point in time, goodwill has been amortised on a straight-line basis over its economic life up to a maximum of 15 years. At the transition to IFRS, the Group has exercised the exemption provision of IFRS 1, which allows the use of the carrying value of goodwill at the date of transition as the new cost price in the opening balance sheet as at 1 January 2014.

Straight-line Lease

According to IFRS, lease payments under operating leases must be recognised as an expense in the income statement over the term of lease on a straight-line basis. Previously, lease expenses were

recognised in the income statement when paid.

1.1 Effect of IFRS continuing

Provisions and property, plant and equipment

Decommissioning and restoration liabilities primarily related to leasehold improvements and assets installed in rented premises are recognised as a provision with a corresponding addition to the cost of property plant and equipment. Upon transition to IFRS, Wrist has applied the exemption in IFRS 1:D21, whereby the carrying value of the addition to property plant and equipment in the opening balance sheet is calculated as the liability on the date of transition, discounted back to the date when the liability arose, less accumulated depreciation from that date and until the date of transition.

1.2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 26, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The key assumptions used in the impairments tests of goodwill are disclosed in note 11.

Revenue recognition

Revenue for the sale of goods is recognized in accordance with IAS 18, when Wrist Ship Supply Holding Group has transferred to the customer the significant risks and rewards of ownership of the goods. Sometimes Wrist Ship Supply Holding Group enters into contracts where the contracted payment for the goods delivered is based on the number of meals prepared from the goods delivered, measured on a monthly basis. However, Wrist Ship Supply Holding Group has transferred all significant risks and rewards related to the goods delivered under such contract upon delivery alongside the ships, including any risk of physical damage to the goods, and do not have any continuing managerial involvement in the goods. The revenue, which can be measured reliably, is therefore recognized upon delivery alongside ship.

	2015	2014
	DKK'000	DKK'000
2 Net Sales		
Europe	2,089,212	1,976,877
North America	1,110,779	932,531
Asia	240,632	252,906
Middle East and Africa	199,554	176,346
Other regions	34,400	8,683
	3,674,577	3,347,343

The Group is not listed or in the process of becoming listed, and no segment information is disclosed according to IFRS. Revenue is split between geographical regions. This information does not amount to segment information to IFRS.

3 Fees to auditors appointed at the annual general meeting

Statutory audit	2,531	2,426
Other engagement services	0	119
Tax and VAT services	903	710
Other services	2,863	548
Fees to auditors	6,297	3,803
Statutory audit (other auditors)	234	135
Other engagement services (other auditors)	118	0
Tax and VAT services (other auditors)	61	73
Other services (other auditors)	493	0
Other fees	906	208
	7,203	4,011

	2015	2014
	DKK'000	DKK'000
4 Staff costs		
Wages and salaries	384,078	313,749
Pension costs	18,172	27,267
Other social security costs	17,598	6,064
Other staff costs	32,683	28,052
	452,531	375,132
Global:		
Average number of full-time employees at 1 January	1,105	981
Accession	62	124
Average number of full-time employees at 31 December	1,167	1,105
Number of full-time employees at 31 December	1,216	1,163
Denmark:		
Average number of full-time employees at 1 January	231	205
Accession	16	26
Average number of full-time employees at 31 December	247	231
Number of full-time employees at 31 December	256	236

4 Staff costs *continuing*

DKK'000	Board of Directors	Executive Board	Other top manage- ment	Total
Remuneration	380	0	0	380
Salary	0	5,424	8,796	14,220
Bonus	0	5,023	2,675	7,698
Pension, company contributions	0	70	396	466
Benefits (car, housing, phone etc.)	0	1,309	1,402	2,711
Cost at 31 December 2015	380	11,826	13,269	25,475
Remuneration	538	0	0	538
Salary	0	4,563	8,128	12,691
Bonus	0	4,068	2,289	6,357
Pension, company contributions	0	69	353	422
Benefits (car, housing, phone etc.)	0	390	1,280	1,670
Cost at 31 December 2014	538	9,090	12,050	21,678

The Executive Board and a number of members of other top management in both the parent company and in the Group are comprised by special bonus arrangements based on individual performance targets. For the Executive Board the bonus payments are maximized at 75% - 130% of the individual basic salary, and for other top management these vary between 10% to 60% of the individual basic salary. The bonus arrangements are unchanged compared to previous year.

Certain employees and members of management have in May 2015 acquired warrants and shares in Wrist Ship Supply Holding A/S at the fair value of the warrants and shares. The warrants and shares are fully vested and the warrants are exercisable in the period of 28 January to 28 February 2018, or if Wrist Ship Supply Holding is sold or becomes listed before 28 January 2018. However, exercise also requires that certain thresholds for increase in the fair value of the shares in the company are achieved.

A total of 1,101 warrants have been issued and acquired by employees and management with an exercise price of 64,808 per share.

	2015	2014
	DKK'000	DKK'000
5 Depreciation, amortisation and impairment		
Amortisation of intangible assets	2,678	4,603
Depreciation of property, plant and equipment	34,828	25,486
	37,506	30,089
6 Financial income		
Financial income arising from Group enterprises	75	851
Interest income	21,105	16,745
Other financial income	1,186	2,323
	22,366	19,919
7 Financial expenses		
Interest expenses	58,896	52,593
Exchange rate adjustments	6,405	3,362
Financial leasing	2,975	3,028
Other financial expenses	13,577	16,156
	81,853	75,139

	2015	2014
	DKK'000	DKK'000
8 Income tax		
<u>Current tax:</u>		
Current tax on profit for the year	22,859	27,333
Adjustment in respect of prior years	2,143	1,895
Total current tax	<u>25,002</u>	<u>29,228</u>
<u>Deferred tax:</u>		
Adjustment of deferred tax asset/liability	9,134	3,172
Adjustment of deferred tax asset/liability in respect of prior years	-783	-744
Total deferred tax	<u>8,351</u>	<u>2,428</u>
Total income tax	<u>33,353</u>	<u>31,656</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the profit of the consolidated entities as follows:

Earnings before tax	130,510	155,398
Calculated tax at Danish statutory rate of 23.5% in 2015 (24.5% 2014)	30,670	38,073
Effect of difference in tax rate in foreign subsidiaries	-760	-187
Adjustment in respect of prior years	1,013	811
Effect from change in local tax rate	-762	-729
Income / expenses not subject to tax	3,192	-6,312
Tax charge	<u>33,353</u>	<u>31,656</u>

The changes in local tax rate is related to deferred tax in individual countries and is due to the gradual decrease in corporate tax rates. The effect in 2015 is due to changes in the timing of reversals of the temporary differences compared to the initial estimate.

	Software DKK'000	Goodwill DKK'000	Intangible assets in development DKK'000	Total DKK'000
9 Intangible assets				
Cost at 1 January 2015	35,330	910,848	29,859	976,037
Exchange rate adjustments	2,688	27,575	0	30,263
Additions	118	30,998	14,530	45,646
Transfer to software	32,657	0	-32,657	0
Total cost at 31 December 2015	70,793	969,421	11,732	1,051,946
Amortisation at 1 January 2015	31,829	0	0	31,829
Exchange rate adjustments	3,255	0	0	3,255
Amortisation for the year	2,678	0	0	2,678
Total amortisation at 31 December 2015	37,762	0	0	37,762
Carrying amount at 31 December 2015	33,031	969,421	11,732	1,014,184
Cost at 1 January 2014	35,128	1,002,511	6,614	1,044,253
Adjustment according to IFRS	-2,680	0	0	-2,680
Adjusted to net value according to IFRS	0	-121,538	0	-121,538
Adjusted cost at 1 January 2014	32,448	880,973	6,614	920,035
Exchange rate adjustments	4	26,073	0	26,077
Additions	2,878	3,802	23,245	29,925
Total cost at 31 December 2014	35,330	910,848	29,859	976,037
Amortisation at 1 January 2014	29,614	123,498	0	153,112
Adjustment according to IFRS	-1,272	-1,960	0	-3,232
Adjusted to net value according to IFRS	0	-121,538	0	-121,538
Adjusted amortisation at 1 January 2014	28,342	0	0	28,342
Exchange rate adjustments	-1,116	0	0	-1,116
Amortisation for the year	4,603	0	0	4,603
Total amortisation at 31 December 2014	31,829	0	0	31,829
Carrying amount at 31 December 2014	3,501	910,848	29,859	944,208

	Land and buildings DKK'000	Ships, fixtures and fittings, tools and equipment DKK'000	Leasehold improve- ments DKK'000	Prepayments for property, plant and equipment DKK'000	Total DKK'000
10 Property, plant and equipment					
Cost at 1 January 2015	98,579	240,144	32,186	593	371,502
Exchange rate adjustments	2,073	7,301	2,383	10	11,767
Additions	2,370	33,981	6,218	-8	42,561
Disposals	-462	-27,493	-6,025	0	-33,980
Reclassifications	-952	-6,339	1,485	-595	-6,401
Total cost as at 31 December 2015	101,608	247,594	36,247	0	385,449
Depreciation at 1 January 2015	20,395	144,898	16,390	0	181,683
Exchange rate adjustments	767	5,463	1,750	0	7,980
Depreciation for the year	5,980	24,343	4,505	0	34,828
Reversal regarding disposals	-462	-26,385	-5,610	0	-32,457
Reclassifications	-105	-6,616	320	0	-6,401
Depreciation at 31 December 2015	26,575	141,703	17,355	0	185,633
Carrying amount at 31 December 2015	75,033	105,891	18,892	0	199,816
Hereof financial leasing	29,045	405			
Cost at 1 January 2014	108,832	201,949	18,700	0	329,481
Adjustment according to IFRS	3,301	-372	-170	0	2,759
Adjusted cost at 1 January 2014	112,133	201,577	18,530	0	332,240
Exchange rate adjustments	633	10,523	1,889	22	13,067
Additions	375	34,636	11,825	571	47,407
Disposals	-14,562	-6,592	-58	0	-21,212
Total cost at 31 December 2014	98,579	240,144	32,186	593	371,502
Depreciation at 1 January 2014	24,125	127,292	11,969	0	163,386
Adjustment according to IFRS	-3,683	-2,132	872	0	-4,943
Adjusted depreciation at 1 January 2014	20,442	125,160	12,841	0	158,443
Exchange rate adjustments	306	-3,271	1,382	0	-1,583
Depreciation for the year	5,953	17,322	2,211	0	25,486
Reversal regarding disposals	-6,306	5,687	-44	0	-663
Total depreciation at 31 December 2014	20,395	144,898	16,390	0	181,683
Carrying amount at 31 December 2014	78,184	95,246	15,796	593	189,819
Hereof financial leasing	30,520	726			

11 Impairment test

Goodwill

Besides goodwill there are no intangible assets with indefinite useful lives.

Based on management view of the Group, only one CGU is identified covering the entire Wrist Ship Supply Group. At 31 December 2015, the consolidated goodwill is booked at DKK 969 million, which is allocated to the CGU of Wrist Ship Supply Group. Wrist Ship Supply Holding Group performed impairment test of the carrying amount of goodwill at 31 December 2015 based on value in use. Impairment testing is performed in Q4 each year, based on the budgets or business plans approved by the Board of Directors.

The impairment test for the cash-generating unit compares the recoverable amount, equivalent to the present value of the expected future free cash flow, with the carrying amount of the individual cash-generating unit. The expected future free cash flow is based on budgets and projections for subsequent years. Key parameters include net sales, gross profit margin, EBIT margin and future capital expenditure, and general growth expectations for the years after 2019.

Budgets and projections for the 2016-2019 period are based on business plans and external market surveys, assessing risks associated with key parameters and incorporating these in expected future free cash flows. The value for the period after 2019 takes in account the general growth expectations of the ship supply and offshore industries.

Growth rates are not expected to exceed the average long-term growth rate in the Group's market for supplying provisions to the global ship fleet, so a growth rate of 1% is used in the terminal period.

The discount rates used to calculate the recoverable amounts are after tax, and reflect the risk-free interest plus specific risks associated with the individual geographic segments. The discount rate used for Wrist Ship Supply Group is 8.4% (9.0% before tax).

Key assumptions from the impairment testing of goodwill are as follows.

	Increase in EBIT 2016 until terminal period	Increase of Net Working Capital from 2016 until terminal period
Wrist Ship Supply Group	10-12%	10-12%

The impairment test performed at 31 December 2015 for Wrist Ship Supply Group indicate significantly higher capital values of the assets compared to the carrying amounts, and the impairment test is therefore not sensitive to changes in the significant conditions and factors.

12 Subsidiaries

Company name	Registered office in	City	Ownership share %
Wrist Ship Supply A/S	Denmark	Noerresundby	
Wrist Far East (Singapore) Pte. Ltd.	Singapore	Singapore	100
Wrist Far East (Malaysia) SDN BHD	Malaysia	Jahor Bahru	100
Wrist Middle East (U.A.E.) LLC	Dubai, U.A.E.	Dubai	100
H.S. Hansen A/S	Denmark	Noerresundby	100
Danish Supply Corporation A/S	Denmark	Esbjerg	100
Saga Shipping A/S	Denmark	Skagen	100
Aalborg Trosseføring ApS	Denmark	Skagen	70
Gasværksvej Aalborg A/S	Denmark	Noerresundby	100
Skagen Lodseri A/S	Denmark	Skagen	100
Rederiet Skawlink IV A/S	Denmark	Skagen	100
Wrist Offshore Supply A/S	Denmark	Noerresundby	100
Wrist Africa Tanger SARL	Marocco	Tanger	100
J.A. Arocha S.L.	Spain	Las Palmas	100
Wrist Europe Intership (Algeciras) S.L.	Spain	Algeciras	100
Wrist Europe (Gibraltar) Ltd.	Gibraltar	Gibraltar	100
Wrist Europe (Marseille) SAS	France	Marseille	100
Wrist Europe (Norway) AS	Norway	Haugesund	100
Wrist-Kooyman Ship-Supply B.V.	Netherlands	Rotterdam	100
Wrist Europe (UK) Ltd.	United Kingdom	London	100
Strachans Ltd.	United Kingdom	Peterhead	100
Wrist North America Inc.	USA	Pasadena	100
Marwest dba West Coast LLC	USA	Oakland	100
East Coast Ship Supply LLC	USA	New Jersey	100
Wrist USA (Houston) Inc	USA	Pasadena	100
World Delivery Enterprises LLC	USA	Pasadena	100
Karlo Corporation Supply & Services	Canada	Montreal	100
Wrist Hong Kong Trading Company Ltd.	Hong Kong	Hong Kong	100
Wrist Shenzhen Trading Company Ltd.	China	Shenzhen	100
North Sea Stores Ltd.	United Kingdom	Aberdeen	100
Den Helder Stores B.V.	Netherlands	Den Helder	100
Wrist Holding NL B.V.	Netherlands	Rotterdam	100

2015 DKK'000	Deferred tax, intangible assets	Deferred tax, tangible assets	Deferred tax, current assets	Deferred tax, provisions	Deferred tax, taxable losses prior years	Deferred tax, long term liabilities	Deferred tax, short term liabilities	Total deferred tax
Deferred tax beginning of year	-52	1,810	-22,935	-3,197	637	4,408	-57	-19,386
Charge to the income statement	5,449	-144	99	-1,289	1,091	3,010	347	8,563
Exchange rate adjustments	2,049	-793	-2,502	-750	1,023	1,828	190	1,046
Other adjustments	0	39	-5	133	0	0	0	167
Deferred tax end of year	7,446	911	-25,343	-5,103	2,752	9,246	480	-9,609

Deferred tax is presented in the balance sheet as follows:

Deferred tax asset	16,500
Deferred tax liability	6,892
Deferred tax asset year end net	9,608

The Group expects to utilize the deferred tax assets, as the Group entities general have a positive taxable income.

2014 DKK'000	Deferred tax, intangible assets	Deferred tax, tangible assets	Deferred tax, current assets	Deferred tax, provisions	Deferred tax, taxable losses prior years	Deferred tax, long term liabilities	Deferred tax, short term liabilities	Total deferred tax
Deferred tax beginning of year	1,450	954	-18,034	-5,122	-599	1,668	44	-19,638
Charge to the income statement	-1,518	812	45	-267	750	2,929	-93	2,657
Exchange rate adjustments	16	44	-4,946	2,192	486	-189	-8	-2,403
Deferred tax end of year	-52	1,810	-22,935	-3,197	637	4,408	-57	-19,384

Deferred tax is presented in the balance sheet as follows:

Deferred tax asset	22,927
Deferred tax liability	3,543
Deferred tax asset year end net	19,384

The Group expects to utilize the deferred tax assets, as the Group entities general have a positive taxable income.

14 Acquisition of companies

In 2015, Wrist Ship Supply Holding Group acquired two small companies, Den Helder Stores B.V. and North Sea Stores Ltd. The acquisitions were made to ensure a supply chain within the offshore operations of Wrist Ship Supply Holding Group. The total acquisition price is DKK 46m. The companies did not contribute significantly to Net sales and net profit in 2015.

Non-current assets

Property, plant and equipment	2,201
-------------------------------	-------

Current assets

Inventories	5,814
Account receivable	12,148
Other current receivables	2,842
Cash and cash equivalents	6,350

Non-current and current liabilities

Loans	-746
Accounts payable	-9,224
Other debt	-4,412

Acquired net assets

Goodwill	30,998
Consideration paid in cash	45,971
Cash and cash equivalents acquired	-6,350

Cash flow from acquisition of enterprises

39,621

On 28 January 2016, Wrist Ship Supply Holding Group acquired Garrets International Ltd. As the acquisition took place after the balance sheet date, Wrist has not yet been able to determine the fair values of assets and liabilities acquired in accordance with Wrist's accounting policies. The below figures show the carrying amounts of the net assets acquired at 28 January 2016 according to the accounting policies of Garrets International Ltd. The acquisition price for 100% of the shares was DKK 280m. The purpose of the acquisition is to grow the budget management segment of the Wrist Ship Supply Holding Group and ensure a sales channel.

Cost relating to the acquisition are DKK 5.8m.

14 Acquisition of companies continuing

Non-current assets

Property, plant and equipment	2,140
Intangible assets	116,154

Current assets

Account receivable	102,143
Other current receivables	19,737
Cash and cash equivalents	31,114

Non-current and current liabilities

Loans	-69,157
Accounts payable	-103,439
Other debt	-47,358

Acquired net assets

51,334

	2015	2014
	DKK'000	DKK'000
15 Trade receivables		
Trade receivables	595,480	573,106
Provisions for impairment of trade receivables	-20,546	-23,964
	574,934	549,142
Impairment losses at 1 January	-23,964	-23,964
Exchange rate adjustments	-868	-868
Impairment losses in the year	2,675	-556
Realised in the year	1,611	1,424
Impairment losses at 31 December	-20,546	-23,964

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Overdue trade receivables not written down are broken down as follows:

Overdue 1-30 days	130,136	115,835
Overdue 31-60 days	45,724	40,931
Overdue 61-90 days	22,596	18,129
Over 90 days	35,599	33,856
	234,055	208,751

Included in the provision for impairment of trade receivables are individually impaired trade receivables amounting to DKK 9,046 (31 December 2014: DKK 6,454).

16 Provisions

DKK'000	Provisions for pension and pension- like liabilities	Provisions for restoration liabilities	Provisions for dismantling liabilities	Total provisions
Provisions at 1 January 2015	1,290	2,913	2,395	6,598
Increase	71	366	413	850
Discounting interests	0	180	61	241
Decrease	-99	0	0	-99
Exchange rate adjustments	-9	1	110	102
Provisions at 31 December 2015	1,253	3,460	2,979	7,692
Non-current provisions	1,234	3,460	2,979	7,673
Current provisions	19	0	0	19
Provisions at 1 January 2014	1,276	2,162	1,166	4,604
Increase	14	556	1,097	1,667
Discounting interests	0	195	43	238
Decrease	0	0	0	0
Exchange rate adjustments	0	0	89	89
Provisions at 31 December 2014	1,290	2,913	2,395	6,598
Non-current provisions	1,290	2,805	2,395	6,491
Current provisions	0	107	0	107

Provisions for restoration liabilities are where the Group has an obligation to restore rented facilities upon vacating such facilities.

Provisions for dismantling liabilities are where the Group is obligated to dismantle assets placed in rented facilities.

Provisions for pension and pension-like liabilities are where the Group is obligated to pay anniversary bonuses etc.

	Payments due one year DKK'000	Payments due between 1-5 years DKK'000	Outstand- ing after 5 years DKK'000
17 Total non-current liabilities			
Debt to mortgage credit institutions	275	2,081	917
Leasing debt	5,924	34,117	0
Debt to credit institutions	78,158	636,231	0
Other debt	7,596	41	0
	91,953	672,470	917
		2015	2014
		DKK'000	DKK'000
18 Other payables			
Social security and other related expenses		43,092	26,414
Customer bonuses		19,885	9,833
Commissions		48,121	52,082
VAT		4,299	500
Financial instruments - market value		3,468	4,689
Other accrued expenses		58,350	60,697
		177,215	154,215
19 Change in working capital			
Increase/decrease in inventories		-5,282	-16,831
Increase/decrease in receivables		90,317	24,098
Increase/decrease in trade payables etc.		-95,313	-7,746
		-10,278	-479
20 Adjustments for non-cash items			
Financial income and expenses		59,486	55,220
Gains/losses from sale of non-current assets		-1,235	-33,394
Change in provisions		2,213	2,468
		60,464	24,294

21 Mortgages and collateral

Land and buildings have been used to secure mortgage loans totalling DKK 3,273k. The book value is DKK 8,361k as at 31 December 2015.

As security for the Group's credit facilities, Wrist Ship Supply Holding A/S has issued floating-charge and share pledge securities to Nordea for all material companies in Wrist Ship Supply Holding Group.

Joint taxation arrangement

The company is party to a mandatory Danish joint taxation arrangement with Wrist Adm ApS serving as the administration company. The joint taxation arrangement complies with general Danish tax legislation and has included other Danish sister companies due to common ultimate ownership. Due to the joint taxation, under Danish tax legislation, the company is subject to partial joint and secondary liability from the financial year 2013 for income taxes etc. for the jointly taxed companies, and from 1 July 2012 also partial joint and secondary liability for obligations, if any, relating to withholding of tax on interest, royalties and dividend for the jointly taxed companies. In both cases, however, secondary liability cannot exceed an amount equivalent to the share of capital of the company which is owned directly or indirectly by the ultimate parent. Tax liabilities concerning sister companies previously included in the joint tax arrangement and for which the company may be jointly liable as described above are covered by an indemnification agreement with W.S.S. Holding A/S.

22 Lease commitments

Financial lease commitments

2015	Payments due one year DKK'000	Payments due between 1- 5 years DKK'000	Outstand- ing after 5 years DKK'000
Minimum lease payments	3,550	39,198	0
Present value of minimum lease payments	3,283	27,776	0

The Group is obligated to purchase Gasværksvej 46-48, Denmark in 2020 for DKK 25m.

Tenants have rental commitments vis-à-vis Wrist Ship Supply A/S in period of notice DKK 8,590k.

The rental income for the year is DKK 3,485m which is included in Other external expenses.

2014	Payments due one year DKK'000	Payments due between 1- 5 years DKK'000	Outstand- ing after 5 years DKK'000
Minimum lease payments	3,550	42,748	0
Present value of minimum lease payments	3,283	28,729	0

22 Lease commitments

Operational leasing commitments

Operating leases related to leases of building and equipment with lease terms between 5 and 10 years. The Group does not have an option to purchase the leased building or equipment at the end of the lease terms.

	Payments due one year DKK'000	Payments due between 1- 5 years DKK'000	Outstand- ing after 5 years DKK'000
2015			
Minimum lease payments	42,302	139,621	95,503
Present value of minimum lease payments	40,165	116,652	64,851
	Payments due one year DKK'000	Payments due between 1- 5 years DKK'000	Outstand- ing after 5 years DKK'000
2014			
Minimum lease payments	56,088	122,616	138,550
Present value of minimum lease payments	53,255	102,442	91,767
		2015	2014
		DKK'000	DKK'000
Minimum lease payments in the profit for the year		40,158	3,464

Tenants have rental commitments vis-à-vis Wrist Ship Supply A/S in period of notice DKK 2,350k.

The rental income for the year is DKK 2,100m which is included in Other external expenses.

23 Related parties and group relations

Related parties of the company are W.S.S. Holding A/S, O.W. Lux SARL and their subsidiaries.

Altor Fund II GP Limited, Jersey controls W.S.S. Holding A/S, which is the upper Danish holding company of the Group.

Transactions with parent entities.

	2015	2014
	DKK'000	DKK'000
Financial items, net	75	14
Financial receivables	1,955	1,804

All transactions were made on terms equivalent to arm's length principles.

Minimum lease payments	3,550	42,748	0
Present value of minimum lease payments	3,283	28,729	0

Wrist Ship Supply A/S

22 Lease commitments continuing

Operational lease commitments

Operating leases related to leases of building and equipment with lease terms between 5 and 10 years. The Group does not have an option to purchase the leased building or equipment at the end of the lease terms.

	Payment	Payment	Outstand
	s due	s due	ing after
	one year	between	5 years
	DKK'000	1-5 years	DKK'000
	DKK'000	DKK'000	DKK'000
2015			-
Minimum lease payments	42,302	139,621	95,503
Present value of minimum lease payments	40,165	116,652	64,851

2014	Payment s due one year DKK'000	Payment s due between 1-5 years DKK'000	Outstand - ing after 5 years DKK'000
Minimum lease payments	56,088	122,616	138,550
Present value of minimum lease payments	53,255	102,442	91,767
		2015 DKK'000	2014 DKK'000
Minimum lease payments in the profit for the year		40,158	3,464

24 Financial risks and financial instruments

Financial risk factors refer to fluctuations in the Group's results, cash flows and financial position due to changes in financial exposure. The overall objective of risk monitoring and control is to provide cost-effective financing and to minimise potential adverse impacts from market fluctuations.

Exchange rate risk

The Group's business activities are predominantly based in USD, GBP, SGD and EUR, and many credit facilities are denominated in DKK, USD and GBP (currencies listed according to the size of aggregated amounts). In order to reduce the exchange rate risk, Wrist aims to match costs and revenues, as well as assets and liabilities, through representation in the countries in which Wrist operates, and transacting in the functional currencies of the various business units. Therefore, most of the business has no or very limited transaction-related exchange rate exposure. Significant investments in foreign entities are financed in the investment currency. Consequently, material currency exposure for the Group is limited to translation risks related to foreign subsidiaries, and the loans taken out to finance these investments.

The Group is mainly exposed to the currencies USD and GBP.

The following table details the Group's sensitivity to a 10% increase in USD and GBP. The sensitivity analysis includes investments in relevant subsidiaries and external debt, where the debt is denominated in the relevant currency. A positive number indicates an increase in profit/(loss) or equity where the currency strengthens 10% against DKK at the balance sheet date. A 10% weakening of the currency would have a comparable but opposite impact on profit/(loss) and equity.

	USD impact		GBP impact	
	2015	2014	2015	2014
Impact on profit/(loss) from translation of debt and investments in subsidiaries	-23,232	-24,817	-12,837	-13,310
Impact on equity from translation of debt and investments in subsidiaries	-15,832	-20,386	-116	-508

Interest rate risk

The interest rates of credit facilities are variable. Wrist uses derivative contracts to hedge the interest rate risks, and currently the company has chosen to hedge most of such risks for a period of 15 months. Under the interest rate derivative contracts, the Group agrees to exchange the difference between fixed and floating-rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the cash flow exposures on the issued variable-rate debt.

24 Financial risks and financial instruments continuing

Derivative financial instruments hedging future cash flow

Currency and DKK			2015	2014
	<u>Currency</u>	<u>DKK'000</u>	<u>Book value</u>	<u>Book value</u>
Loan USD, expiring March 2017	25,037	171,619	-175	-370
Loan DKK, expiring March 2017	113,333	113,333	-1,377	-1,734
Loan DKK, expiring March 2017	100,000	100,000	-1,215	-1,530
Loan GBP, expiring March 2017	4,895	50,319	-339	-548
Loan GBP, expiring March 2017	4,000	41,118	-362	-507
Total hedge account measured at fair value recognised in equity			<u>-3,468</u>	<u>-4,689</u>

Fair value adjustments on hedging instruments recognised in other comprehensive income in 2015 amounts to DKK 1,125k (2014: DKK -3,875k).

Interest rate sensitivity analysis:

If interest rates had been 100 basis points higher and all other variables constant, the Group's profit for the year ended 31 December 2015 would decrease by DKK 6m (2014: decrease by DKK 6m) due to the Group's exposure to interest rates on variable-rate borrowings, partly offset by a change in the fair value of interest rate derivative contracts.

The sensitivity analysis was based on the Group's exposure to floating-rate liabilities and derivatives at the end of the reporting period. For floating-rate liabilities, the analysis is based on the assumption that the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

Liquidity risk

Wrist has entered into a long-term committed financing agreement with credit facilities enabling both the current operations and planned expansion. Treasury management is centralised and ensures that sufficient financial resources are available to meet planned requirements. This is done by ensuring that the cash flow on a monthly basis matches the planned cash needs. The entities in the Wrist Ship Supply Holding Group have a positive cash flow on a monthly basis. Wrist is in a sound financial position with significant positive cash flows from operating activities and adequate cash reserves.

Credit risk

Credit risk mainly relates to trade debtors, other receivables and cash at banks. The aggregate amounts recognised under these items in the balance sheet constitute the maximum credit risk. Receivables relate to shipping, ship management and catering companies. Credit risk associated with the shipping industry is handled by the global credit function, which monitors the creditworthiness of existing and new customers and assists in collection. Wrist conducts individual assessments of customer creditworthiness, and credit lines are managed globally. Cash is held with banks with high credit ratings.

24 Financial risks and financial instruments continuing

Fair value measurements

Wrist Ship Supply Holding Group measures financial instruments hedging future cash flow at fair value level 2.

Wrist does not have any assets or liabilities measured at fair value other than interest rate derivative contracts entered into to hedge future cash flows of floating-rate financing. Interest rate derivative contracts are measured at fair value based on discounted cash flows based on observable input (level 2). Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

The management is of the opinion that the carrying amounts of all other financial assets and liabilities recognised in the consolidated financial statements approximate their fair values.

Capital structure

The Company's management assesses whether the Group's capital structure is in line with the interests of the company and its shareholders. The overall objective is to ensure a capital structure that supports long-term profitable growth. As of 31 December 2015, the Group's interest-bearing debt net comprise DKK 600 million (2014: DKK 641 million), which is considered a reasonable level compared to the current need for financial flexibility. There are no changes in the Group's guidelines and procedures for managing capital structure in 2015.

25 Events after the reporting period

Apart from the acquisition of Garrets International Ltd. mentioned in note 14, there have been no post-balance sheet events material to this Annual Report which have not been recognised or mentioned.

26 Accounting policies

Accounting policies are as described below.

Consolidated financial statements

The consolidated financial statements incorporate the financial statements of Wrist Ship Supply Holding A/S (the parent company) and entities controlled by Wrist Ship Supply Holding A/S and its subsidiaries. Control is achieved when the parent company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The parent company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Wrist Ship Supply Holding A/S and its subsidiaries. The consolidated financial statements are prepared by combining items of a uniform nature. All financial statements used for consolidation are presented in accordance with the accounting policies of the Group.

On consolidation, intercompany income and expenses, intercompany accounts and dividends as well as gains and losses on transactions between the consolidated entities are eliminated.

The items in the financial statements of the subsidiaries are recognised in full in the consolidated financial statements.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit/(loss) as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits*, respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit/(loss) as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The measurement basis is decided on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment of goodwill is recognised directly in profit/(loss). An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit/(loss) on disposal.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into DKK using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of foreign operations (i.e. disposal of the Group's entire interest in foreign operations or disposal involving loss of control over a subsidiary that includes foreign operations, all of the exchange differences accumulated in equity in respect of such operations attributable to the owners of the parent company are reclassified to profit/(loss).

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of foreign operations are treated as assets and liabilities of such foreign operations and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on the taxable profit for the year. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the

accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit/(loss), except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Income statement and statement of comprehensive income

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Cost of sales

Cost of sales includes expenses incurred to purchase goods, adjusted for changes in inventories of goods for resale.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Employee benefits

Retirement benefit costs and termination benefits

Payments to defined-contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Wrist Ship Supply Holding Group does not have any material defined-benefit plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period in which the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits mainly consist of jubilee obligations, and are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Other operating income and expenses

Other operating income and expenses comprise income and expenses of a secondary nature viewed in relation to the Group's primary activities, including gains (losses) from the sale of tangible and intangible non-current assets, if the sales price exceeds the original cost price.

Balance sheet

Intangible assets

Software is recognised initially at cost including the directly attributable cost of preparing the software for its intended use. Software is amortised on a straight-line basis over the estimated useful life (3-5 years).

Internally generated assets arising from development are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources necessary to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

The cost of internally generated assets is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above, and comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

Property, plant and equipment

Sites and buildings, leasehold improvements as well as other facilities, equipment and fixtures are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the acquisition price, costs directly related to the acquisition and the costs of preparing the asset up until such time as the asset is ready for use. Land is not depreciated.

If the acquisition or use of the asset requires the Group to incur costs for dismantling or restoration of the asset, the estimated costs of such measures are recognised as a provision and a part of the cost of the asset concerned, respectively.

The basis of depreciation is the cost of the asset less its residual value. The residual value is the expected amount that could be obtained if the asset were sold today less selling costs if the asset already had the age and was in the condition that the asset is expected to be in at the end of its useful life. The cost of a combined asset is split into smaller parts which are depreciated separately if the useful lives differ.

Depreciation is recognised so as to write off the cost or valuation of assets (other than land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that

ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The depreciation periods are as follows:

- Buildings, 20-40 years
- Fixtures and fittings, tools and equipment, 3-6 years
- Leasehold improvements, 3-7 years or the lease term if shorter
- Ships, 15-20 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain/(loss) arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit/(loss).

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

Receivables

Receivables comprise trade receivables and other receivables.

On initial recognition, receivables are measured at fair value and subsequently at amortised cost, which usually corresponds to the nominal value less write-downs for bad debts.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, when it is probable that the Group will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Financial assets in Wrist Ship Supply Holding Group are all classified as 'loans and receivables' except for assets related to derivatives entered into to economically hedge future cash flows, which are classified as assets at fair value through profit/(loss).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash, and others [describe]) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets are assessed for indications of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Wrist Ship Supply Holding Group has historically not experienced material losses related to receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit/(loss).

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be attributed objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit/(loss) to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the parent company's own equity instruments is recognised and deducted directly in equity. No gain/(loss) is recognised in profit/(loss) on the purchase, sale, issue or cancellation of the parent company's own equity instruments.

Financial liabilities

Financial liabilities in Wrist Supply Holding Group are all classified as 'other financial liabilities' measured at amortised cost except for liabilities related to derivatives entered into to hedge future cash flows, which are classified as liabilities at fair value through profit/(loss).

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derivative financial instruments

The Group enters into interest rate swaps to manage its exposure to interest rate risks. Further details of derivative financial instruments are disclosed in note 24.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain/(loss) is recognised in profit/(loss) immediately unless the derivative is designated and effective as a hedging instrument, in which event the gain/(loss) is recognised in other comprehensive income and accumulated in the cash flow hedging reserve in equity.

Segment information

The Group is not listed or in the process of becoming listed, and no segment information is disclosed according to IFRS.

In note 2, revenue is split between Europe and the rest of the world as well as into the sale of goods and services. This information is not segment information in accordance with IFRS.

INCOME STATEMENT

PARENT

	Note	2015 DKK'000	2014 DKK'000
Other external expenses	2	-95	-168
Operating profit before interest and tax (EBIT)		-95	-168
Profit from investments in subsidiaries	3	104,556	130,093
Financial income	4	1,309	565
Financial expenses	5	-9,223	-8,828
Profit before tax (EBT)		96,547	121,662
Income tax	6	498	2,058
Profit for the year		97,045	123,720

STATEMENT OF COMPREHENSIVE INCOME

PARENT

	2015	2014
Note	DKK'000	DKK'000
Profit for the year	97,045	123,720
Other comprehensive income		
Items that can be reclassified to the income statement when certain conditions are met:		
Exchange differences, foreign entities	20,625	17,451
Fair value adjustment for the year relating to hedging instruments	1,125	-3,875
Tax relating to hedging instruments	-214	737
Total comprehensive income	118,581	138,033

CASH FLOW STATEMENT

	Note	2015 DKK'000	2014 DKK'000
Profit before tax (EBT)		96,547	121,662
Working capital changes	11	-480	-4,143
Adjustments for non-cash items	12	-96,642	-121,830
Cash flow from ordinary operating activities		-575	-4,311
Financial income		1,234	565
Financial expenses		-8,158	-7,166
Income taxes refunded/paid		-12,711	9,671
Cash flow from operating activities (CFFO)		-20,210	-1,241
Cash flow from investing activities (CFFI)		0	0
Loans raised		10	0
Instalments on loans etc.		-11,206	-32,081
Dividend received		0	40,000
Purchase/Sale of own shares		-6,819	0
Increase of capital		27,375	0
Other cash flows from financing activities		3156	-563
Cash flows from financing activities		9,676	7,357
Cash flow for the year		-10,534	6,115
Cash and cash equivalents at 1 January		10,534	4,419
Cash and cash equivalents at 31 December		0	10,534

BALANCE SHEET, ASSETS

PARENT

	<u>Note</u>	<u>2015</u> DKK'000	<u>2014</u> DKK'000	<u>1 January</u> <u>2014</u> DKK'000
Investments in subsidiaries	7	1,051,850	925,976	820,389
Deferred tax assets	8	453	241	0
Other non-current assets		1,052,303	926,217	820,389
Total non-current assets		1,052,303	926,217	820,389
Receivables from group enterprises		38,365	25,889	0
Income tax receivable		5,468	0	70
Other receivables		4,453	0	0
Receivables		48,286	25,889	70
Cash and cash equivalents		0	10,534	4,419
Total current assets		48,286	36,423	4,489
Total assets		1,100,589	962,640	824,878

BALANCE SHEET, EQUITY AND LIABILITIES

PARENT

		2015	2014	1 January 2014
	Note	DKK'000	DKK'000	DKK'000
Share capital		16,501	16,134	16,112
Foreign currency translation reserve		38,076	17,451	0
Reserve for net revaluation under the equity method		120,642	0	0
Hedging reserves		-2,605	-3,516	-378
Retained earnings		774,792	778,200	653,534
Shareholders' equity		947,406	808,269	669,268
Debt to credit institutions	9	150,010	144,552	142,889
Total non-current liabilities		150,010	144,552	142,889
Debt to credit institutions		1,270	0	5
Debt to group enterprises		356	341	6,187
Corporate tax		0	7,431	0
Other payables	10	1,547	2,047	6,529
Total current liabilities		3,173	9,819	12,721
Total liabilities		153,183	154,371	155,610
Total equity and liabilities		1,100,589	962,640	824,878

Mortgages and collateral	13
Related parties and group relations	14
Financial risks and financial instruments	15
Events after the reporting period	16
Accounting policies	17

STATEMENT OF SHAREHOLDERS' EQUITY

PARENT

DKK'000	Share capital	Retained earnings	Foreign currency translation adjustment	Hedging reserves	Reserve for net revaluation under the equity method	Total
Shareholders equity at 1 January 2015	16,134	778,200	17,451	-3,516	0	808,269
Profit for the year	0	-23,597	0	0	120,642	97,045
Other comprehensive income	0	0	20,625	911	0	21,536
Total comprehensive income	0	-23,597	20,625	911	120,642	118,581
Increase of capital	367	27,008	0	0	0	27,375
Own shares	0	-6,819	0	0	0	-6,819
Shareholders equity at 31 December 2015	16,501	774,792	38,076	-2,605	120,642	947,406
Shareholders equity at 1 January 2014	16,112	666,416	0	-378	0	682,150
Adjustment according to IFRS	0	-12,882	0	0	0	-12,882
Adjusted equity at 1 January 2014	16,112	653,534	0	-378	0	669,268
Profit for the year	0	123,720	0	0	0	123,720
Other comprehensive income	0	0	17,451	-3,138	0	14,313
Total comprehensive income	0	123,720	17,451	-3,138	0	138,033
Increase of capital	22	946	0	0	0	968
Shareholders equity at 31 December 2014	16,134	778,200	17,451	-3,516	0	808,269

Wrist Ship Supply Holding A/S have during 2015 acquired nom. 131 treasury shares, which is also held at balance date.

Number of shares is 16,501 with the nominal value of DKK 1,000.

No dividend was declared in either 2014 or 2015.

NOTES

PARENT

1 Effect of IFRS

The separate financial statements of the parent included in this annual report have been prepared in accordance with the international financial reporting standards (IFRS) as adopted by EU and additional disclosure requirements in the Danish Financial Act.

The separate financial statements for 2015 are the first financial statements of the parent to be prepared in accordance with IFRS.

The parent has elected to early adopt the amendment to IAS 27 Separate Financial Statements, and measures subsidiaries in accordance with the equity method. The net effects of the transition to IFRS on the income statement for 2014 and equity at 1.12.2014 and 31.12.2014 respectively are therefore identical to the net effects in the consolidated financial statements.

In the separate financial statements of the parent, the accumulated effects of the transition related to subsidiaries are reflected in Investments in subsidiaries in the below table. For an explanation of the significant effects of the transition reference is made to note 1 of the consolidated financial statements.

The effects of the transition to IFRS on the income statement and balance sheet position are shown in the overview below with explanatory notes:

DKK'000	1 of January 2014			Profit/loss	31 of December 2014		
	Assets	Liabilities	Equity		Assets	Liabilities	Equity
Applied after Danish GAAP	837,760	155,610	682,150	58,126	912,869	154,369	758,500
Investments in subsidiaries	-12,882	0	-12,882	65,594	49,771	0	49,771
Adjustments Total	-12,882	0	-12,882	65,594	49,771	0	49,771
Applied after IFRS	824,878	155,610	669,268	123,720	962,640	154,369	808,271

	2015	2014
	DKK'000	DKK'000
2 Fees to auditors appointed at the annual general meeting		
Statutory audit	25	40
Other services	8	0
Fees to auditors	33	40
Other services (other auditors)	0	0
Other fees	0	0
	33	40
3 Profit/(loss) from investments in subsidiaries		
Share of profit/(loss) in subsidiaries	104,556	130,093
	104,556	130,093
4 Financial income		
Financial income arising from Group enterprises	1,234	565
Other financial income	75	0
	1,309	565
5 Financial expenses		
Financial expenses from Group enterprises	0	129
Interest expenses	8,231	7,600
Exchange rate adjustments	0	28
Other financial expenses	992	1,071
	9,223	8,828

	2015	2014
	DKK'000	DKK'000
6 Income tax		
<u>Current tax:</u>		
Current tax on profit for the year	-1,636	-1,817
Adjustment in respect of prior years	1,351	0
Total current tax	<u>-285</u>	<u>-1,817</u>
<u>Deferred tax:</u>		
Adjustment of deferred tax asset/liability	-213	-241
Adjustment of deferred tax asset/liability in respect of prior years	0	0
Total deferred tax	<u>-213</u>	<u>-241</u>
Total income tax	<u>-498</u>	<u>-2,058</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the profit of the consolidated entities as follows:

Earnings before tax	96,547	121,668
Income from equity method used towards subsidiaries	104,556	130,093
Earnings before tax, Parent company	<u>-8,009</u>	<u>-8,425</u>
Calculated tax at Danish statutory rate 23.5% in 2015 (24.5% 2014)	-1,882	-2,064
Adjustment in respect of prior years	1,351	0
Effect from change in local tax rate	20	21
Income / expenses not subject to tax	14	-15
Tax charge	<u>-498</u>	<u>-2,058</u>

Effect from changes in local tax rate is related to the graduate reduction in the Danish Corporate tax rates from 25% in 2013 to 24.5% in 2014, 23.5% in 2015 and 22% in 2016 and onwards. The effect in 2015 is due to changes in the estimate of the reversal of temporary differences, and hence the tax rate applied to measure deferred tax.

	2015	2014
	DKK'000	DKK'000
7 Investments in subsidiaries		
Cost price at 1 January	931,208	931,208
Additions in the year	0	0
Cost price at 31 December	931,208	931,208
Value adjustments at 1 January	-5,232	-97,937
Adjustment according to IFRS	0	-12,882
Adjusted value adjustments at 1 January	-5,232	-110,819
Dividend distribution	0	-40,000
Currency translation adjustment	20,625	17,489
Profit for the year after tax	104,556	130,093
Other adjustments	693	-1,995
Value adjustments at 31 December	120,642	-5,232
Carrying amount at 31 December	1,051,850	925,976

8 Deferred tax assets and deferred tax liabilities

2015 000' DKK	Deferred tax, intangible assets	Deferred tax, tangible assets	Deferred tax, financial non- current assets	Deferred tax, current assets	Deferred tax, provisions	Total deferred tax
Deferred tax beginning of year	0	0	0	-241	0	-241
Charge to the income statement	0	0	0	-207	0	-207
Change in tax rate	0	0	0	-5	0	-5
Deferred tax end of year	0	0	0	-453	0	-453

Deferred tax is presented in the balance sheet as follows:

Deferred tax asset	453
Deferred tax liability	0
Deferred tax asset year end net	453

The Company expects to utilize the deferred tax assets, as entities general have a positive taxable

2014 000' DKK	Deferred tax, intangible assets	Deferred tax, tangible assets	Deferred tax, financial non- current assets	Deferred tax, current assets	Deferred tax, provisions	Total deferred tax
Deferred tax beginning of year	0	0	0	0	0	0
Charge to the income statement	0	0	0	-241	0	-241
Deferred tax end of year	0	0	0	-241	0	-241

Deferred tax is presented in the balance sheet as follows:

Deferred tax asset	241
Deferred tax liability	0
Deferred tax asset year end net	0

The Company expects to utilize the deferred tax assets, as entities general have a positive taxable

	Payments due one year DKK'000	Payments due between 1-5 years DKK'000	Outstand- ing after 5 years DKK'000
9 Total non-current liabilities			
Debt to credit institutions	0	150,010	0
	0	150,010	0
		2015	2014
		DKK'000	DKK'000
10 Other payables			
Financial instruments - market value		1,215	1,530
Other accrued expenses		332	517
		1,547	2,047
11 Change in working capital			
Increase/decrease in trade payables etc.		-480	-4,143
		-480	-4,143
12 Adjustments for non-cash items			
Financial income and expenses		7,914	8,263
Other adjustments		-104,556	-130,093
		-96,642	-121,830

13 Mortgages and collateral

As security for the Group's credit facilities, Wrist Ship Supply Holding A/S has issued floating-charge and share pledge securities to Nordea for all material companies in Wrist Ship Supply A/S.

Joint taxation arrangement

The company is party to a mandatory Danish joint taxation arrangement with Wrist Adm ApS serving as the administration company. The joint taxation arrangement complies with general Danish tax legislation and has included other Danish sister companies due to common ultimate ownership. Due to the joint taxation, under Danish tax legislation, the company is subject to partial joint and secondary liability from the financial year 2013 for income taxes etc. for the jointly taxed companies, and from 1 July 2012 also partial joint and secondary liability for obligations, if any, relating to withholding of tax on interest, royalties and dividend for the jointly taxed companies. In both cases, however, secondary liability cannot exceed an amount equivalent to the share of capital of the company which is owned directly or indirectly by the ultimate parent. Tax liabilities concerning sister companies previously included in the joint tax arrangement and for which the company may be jointly liable as described above are covered by an indemnification agreement with W.S.S. Holding A/S.

14 Related parties and group relations

Related parties of the company are W.S.S. Holding A/S, O.W. Lux SARL and their subsidiaries, as well as all subsidiaries of the Company.

Altor Fund II GP Limited, Jersey controls W.S.S. Holding A/S, which is the upper Danish holding company of the Group.

Transactions with group relations:

	2015	2014
	DKK'000	DKK'000
Financial items, net	75	14
Financial receivables	1,955	1,804

All transactions were made on terms equivalent to arm's length principles.

Transactions with related parties (Subsidiaries):

	2015	2014
	DKK'000	DKK'000
Intra-group management and administration agreements	24,719	28,599
Financial items, net	29,352	25,819
Financial receivables	551,848	453,325
Financial payables	-23,101	-24,030

15 Finansiell risks and financial instruments

Financial risk factors refer to fluctuations in the Company's results, cash flows and financial position due to changes in financial exposure. The overall objective of risk monitoring and control is to provide cost-effective financing and to minimise potential adverse impacts from market fluctuations.

Exchange rate risk

The company's business activities are predominantly DKK and credit facilities are denominated in DKK, therefore the Company is not exposed to exchange rate risks.

Interest rate risk

The interest rates of credit facilities are variable. Wrist uses derivative contracts to hedge the interest rate risks, and currently the company has chosen to hedge most of such risks for a period of 15 months. Under the interest rate derivative contracts, the Company agrees to exchange the difference between fixed and floating-rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the cash flow exposures on the issued variable-rate debt. Fair value adjustments on hedging instruments recognised in other comprehensive income in 2015 amounts to DKK 1,125k (2014: DKK -3,875k).

Derivative financial instruments hedging future cash flow

	<u>Currency</u>	<u>DKK</u>	<u>2015 Book value</u>	<u>2014 Book value</u>
Currency and DKK				
Loan DKK, expiring March 2017	100,000	100,000	-1,215	-1,530
Total hedge account measured at fair value recognised in equity			<u>-1,215</u>	<u>-1,530</u>

Interest rate sensitivity analysis:

If interest rates had been 100 basis points higher and all other variables were held constant, the Company's profit for the year ended 31 December 2015 would decrease by DKK 1m (2014: decrease by DKK 1m) due to the Company's exposure to interest rates on variable rate borrowings, partly offset by a change in the fair value of interest rate derivative contracts.

The sensitivity analysis have been determined based on the exposure to floating rate liabilities and derivatives at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

Liquidity risk

Wrist has entered into a long-term committed financing agreement with credit facilities enabling both the current operations and planned expansion. Treasury management is centralised and ensures that sufficient financial resources are available to meet planned requirements.

15 Finansiell risks and financial instruments continuing

Fair value measurements

Wrist Ship Supply Holding A/S measure its financial instruments hedge future cash flow to fair value level 2.

Wrist does not have any assets or liabilities measured at fair value other than interest rate derivative contracts entered into to economically hedge the future cash flows of floating rate financing. Interest rate derivative contracts are measured at fair value based on discounted cash flows based on observable input (level 2). Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

The management consider that the carrying amounts of all other financial assets and liabilities recognised in the financial statements approximate their fair values.

Capital structure

The Company's management assesses whether the Company's capital structure is in line with the interests of the company and its shareholders. The overall objective is to ensure a capital structure that supports long-term profitable growth. There are no changes in the Company's guidelines and procedures for managing capital structure in 2015.

16 Events after the reporting period

Apart from the acquisition of Garrets International Ltd. mentioned in note 14 in the consolidated financial statements, there have been no post-balance sheet events material to this Annual Report which have not been recognised or mentioned.

17 Accounting policies and changes as a result of the adoption of IFRS

The 2015 annual report of the parent company is presented in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for the financial statements of class C enterprises, cf. the Danish Executive Order on IFRS (IFRS-bekendtgørelsen) issued in accordance with the Danish Financial Statements Act.

The accounting policies for the Parent Company and for the Wrist Ship Supply Holding Group are identical (see note 26 for the Wrist Ship Supply Holding Group) except for the situations mentioned below.

Changes in accounting policies as a result of the adoption of IFRS

The 2015 annual report is the first annual report to be prepared in accordance with IFRS.

Upon transition to IFRS, IFRS 1 “First-time Adoption of International Financial Reporting Standards” has been applied. According to this standard, the opening balance sheet as at 1 January 2014 and the comparative figures for 2014 have been prepared in accordance with the standards and interpretations applicable as at 31 December 2015. The opening balance sheet as a 1 January 2014 has been prepared as if these standards and interpretations had always been applied, except for situations where the special transitional and commencement provisions in IFRS 1 described below apply.

The transition to preparing financial statements in accordance with IFRS has made it necessary to change the accounting policies of the Parent Company in the same areas regarding recognition and measurement and the presentation and classification of accounting items as for the Wrist Ship Supply Holding Group.

The monetary effect of the changes in accounting policies as a result of the transition to reporting according to IFRS is specified in note 1.

Application of new and revised International Financial Reporting Standards (IFRSs)

Amendments to IFRSs that are mandatorily effective for the current year

Implementation of new and revised standards and interpretations, that are mandatorily effective for 2015, has been implemented as part of the transition to IFRS.

New and revised IFRSs in issue but not yet effective

Besides the new and revised IFRSs mentioned for the Wrist Ship Supply Holding Group, the Parent Company has decided to early adopt the revised IAS 27 “Separate Financial Statements” regarding amendment “Equity Method in Separate Financial Statements”,

which allows entities to use the equity method to account for investments in subsidiaries in their separate financial statements.

Situations, where the accounting policies of the Parent Company deviate from the Group's

Investments in subsidiaries

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

The Parent's share of the enterprises' profits or losses after elimination of unrealised intra-group profits and losses and less amortisation of goodwill is recognised in the income statement.

Subsidiaries with a negative equity value are measured at zero value, and any receivables from these enterprises are written down by the Parent's share of such negative equity if it is deemed irrecoverable. If the negative equity exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

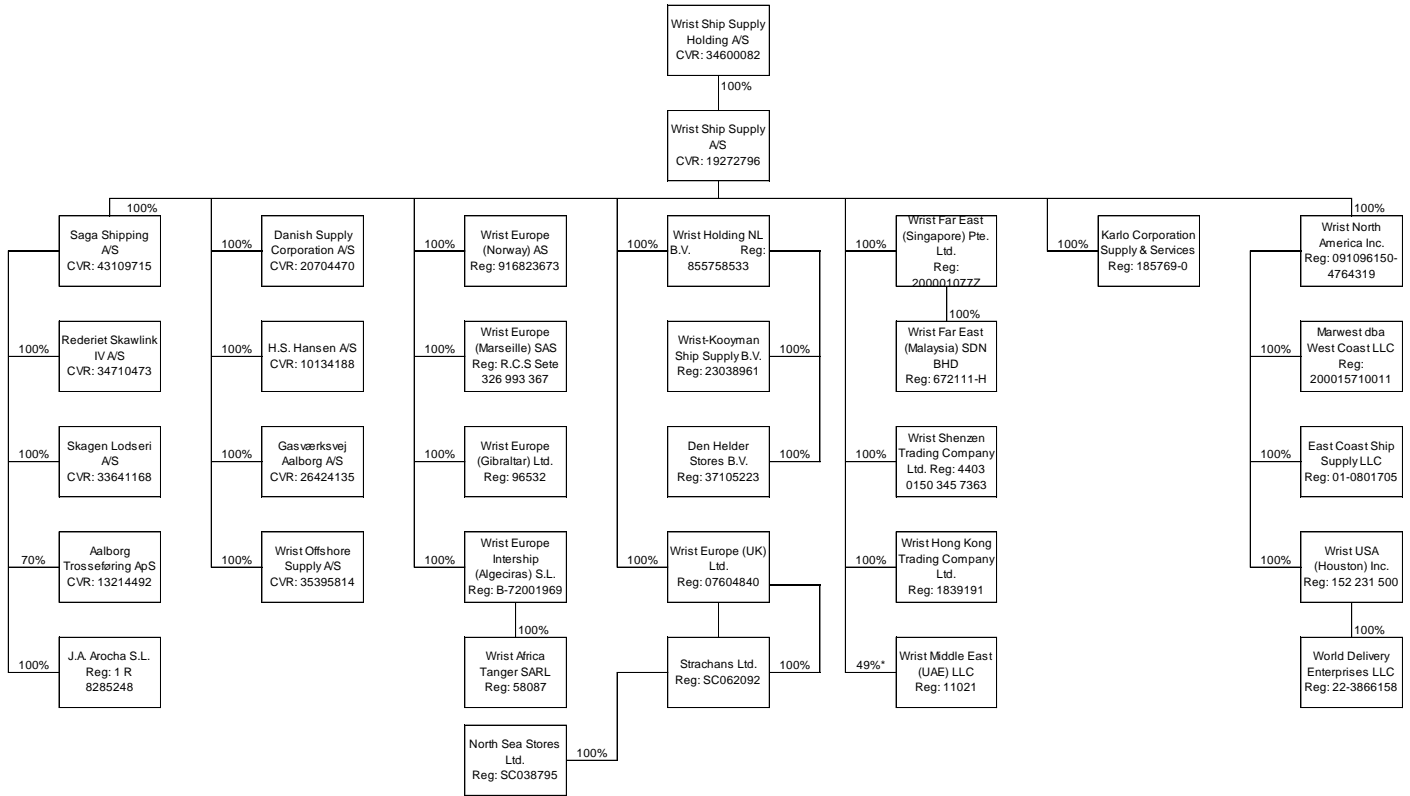
Upon distribution of profit or loss, net revaluation of investments in subsidiaries is transferred to reserve for net revaluation according to the equity method under equity.

The purchase method is applied in the acquisition of investments in subsidiaries.

Corporation tax

The Parent Company is jointly taxed with all of its Danish subsidiaries with Wrist Adm ApS serving as the administration company. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

LEGAL STRUCTURE



Note:
Wrist Middle East (UAE) LLC is controlled 100% by Wrist Ship Supply Holding A/S according to shareholders agreement.

MANAGEMENT

Board of Directors

Søren Dan Johansen, Chairman

Born 1965, Danish

Member of the Board of Directors and Chairman since November 2014

Mr Johansen is a partner of Altor Equity Partners AB, Sweden, and Chief Executive Officer of Altor Equity Partners A/S, Denmark. He holds a Master's degree in Law.

Other duties:

- Wrist Ship Supply A/S, Denmark (C)
- W.S.S Holding A/S, Denmark (C)
- Haarslev Industries A/S, Denmark (C)
- Haarslev Group A/S, Denmark (C)
- Haarslev Group Holding A/S, Denmark (C)
- Norican Global A/S, Denmark (C)
- Statens Ejendomssalg A/S, Denmark (C)
- Okholm ApS, Denmark (C)
- CAM Group Holding 1 DK ApS, Denmark (C)
- CAM Group Holding 2 DK ApS, Denmark (C)
- Carnegie Asset Management Holding Danmark A/S, Denmark (BM)
- CAM Group Holding A/S, Denmark (BM)
- PSR ApS, Denmark (BM)
- Hamlet Protein A/S, Denmark (BM)
- New Nutrition ApS, Denmark (BM)
- New Nutrition Holding ApS, Denmark (BM)

Tom Sten Behrens-Sørensen

Born 1958, Danish

Member of the Board of Directors since 2014

Mr Behrens-Sørensen is a graduate from the A.P. Moller Shipping Academy and has also attended management courses at INSEAD and The Wharton School of the University of Pennsylvania.

Other duties:

- Wrist Ship Supply A/S, Denmark (BM)
- Neptune Orient Lines Limited - (BM)
- Red Sea Gateway Terminal Ltd (BM)
- China Merchants LOSCAM Asia Ltd, China (BM)
- ECCO Xiamen Ltd, China (BM)
- ECCO Tannery Xiamen Ltd, China (BM)
- Odense Maritime Technology A/S, Denmark (BM)
- Clavis Consultants (Beijing) Ltd, China (C)
- Navisino Advisors (Beijing) Ltd, China - Partner & Director

Kurt Kokhauge Larsen

Born 1945, Danish

Member of the Board of Directors since 2010.

Mr Larsen is trained in freight management.

Selected other duties:

- Wrist Ship Supply A/S, Denmark (BM)
- Polaris III Invest Fonden, Denmark (C)
- DSV A/S, Denmark (C)

Petter Samlin

Born 1979, Swedish

Member of the Board of Directors since 2013.

Mr Samlin is a director with Altor Equity Partners AB, Sweden. He holds a Master's degree in Engineering and Business Management from the Royal Institute of Technology in Stockholm, as well as a Bachelor's degree in Business and Administration from Stockholm University School of Business.

Other duties:

- Wrist Ship Supply A/S, Denmark (BM)
- W.S.S. Holding A/S, Denmark (BM)
- Aktiebolaget Skrindan AB, Sweden (BM)
- Valot Group AB, Sweden (C)
- CIBVESTCO AB, Sweden (C)
- Nilmasp 2 AB, Sweden (BM)
- CIBVESTCO Junior AB, Sweden (C)
- Nilmasp AB, Sweden (BM)

(C): Chairman of the Board of Directors
(BM): Member of the Board of Directors

Executive Board

Robert Steen Kledal, CEO

Born 1969, Danish

Joined Wrist Ship Supply in 2010 as CEO

Other duties: DSV A/S, Denmark (BM)

Anders Skipper, Executive Vice President, CFO

Born 1967, Danish

Joined Wrist Ship Supply in 2011 as Executive Vice President, CFO

Søren Juul Jørgensen, Executive Vice President, CCO

Born 1974, Danish

Joined Wrist Ship Supply in 1994, appointed Executive Vice President, CCO, in 2008

Martin Gaard Christiansen, Executive Vice President

Born 1970, Danish

Joined Wrist Ship Supply in 2015 as Executive Vice President

Ownership

Wrist Ship Supply Holding A/S is owned by Altor Fund II GP Limited, Jersey, through subsidiaries (90.4%) and management investors (9.6%).

Annual general meeting

The annual general meeting will be held on 9 March 2016 at the company's registered office.