Latam Foods Holding ApS

c/o ERRIA A/S
Torvet 21, 1. sal.
4600 Køge

CVR no. 35 63 50 33

Annual report 2016

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

on ______________________________ 20 ____

____
chairman of the annual general meeting

Contents

Statement by the Executive Board	2
Independent auditor's report	3
Management's review	7
Company Details	7
Operating review	8
Consolidated financial statements and parent company financial statements 1 January – 31 December	9
Income statement and other comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Cash flow statement	12
Notes	14

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Latam Foods Holding ApS for the financial year 1 January – 31 December 2016.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 December 2016 and of the results of the Group's and the parent company's operations and consolidated cash flows for the financial year 1 January – 31 December 2016.

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

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

Copenhagen, 16 June 2017
Executive Board:

Bent U. Porsborg

Independent auditor's report

To the shareholders of Latam Foods Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Latam Foods Holding ApS for the financial year 1 January – 31 December 2016. The consolidated and parent company financial statements comprise income statement and other comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies for Group and parent company. The financial statements are prepared in accordance with International Financial reporting Standards as adopted by the EU and Danish disclosure requirements in the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company 's assets, liabilities and financial position at 31 December 2016 and of the results of the Group's and the parent company 's operations and consolidated cash flows for the financial year 1 January – 31 December 2016 in accordance with International Financial reporting Standards as adopted by the EU and Danish disclosure requirements in the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent company financial statements

or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent company financial statements and has been prepared in accordance with Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

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

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial reporting Standards as adopted by the EU and Danish disclosure requirements in the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the parent company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

KPMG

Independent auditor's report

- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 21 June 2017
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Niels Vendelbo
State Authorised
Public Accountant

Management's review

Company Details

Latam Foods Holding ApS
c/o ERRIA A/S
Torvet 21, 1. sal.
4600 Køge

CVR no.:	35 63 50 33
Founded	10 January 2014
Registered office:	Copenhagen
Financial period:	1 January – 31 December

Executive Board

Bent U. Porsborg

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen

Management's review

Operating review

Principal activities of the Company

The activities of the parent company is to hold an investment in Plumlatam Holding ApS. The parent company is 100% owend by the FHI Food Holdings International Fund.

The activities of the Group was through the Plumrose Group in Venezuela to produce and sale food products.

Events after the balance sheet date

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

Consolidated financial statements and parent company financial statements 1 January – 31 December

Income statement and other comprehensive income

		Group		Parent company	
USD'000	Note	2016	2015	2016	2015
Revenue		-	(4,432)	-	-
Other expenses		(293)	(446)	(62)	(140)
Depreciation amortisation and impairment losses		-	(1,703)	(233)	(16,415)
Operating loss		(293)	(6,581)	(295)	(16,555)
Financial expenses		(202)	(227)	(202)	(227)
Foreign exchange gains		362	1,106	364	1,122
Loss before tax		(133)	(5,702)	(133)	(15,660)
Tax on loss for the year	3	(245)	(555)	(245)	(333)
Net loss for the period		(378)	(6,257)	(378)	(15,993)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		(378)	(6,257)	(378)	(15,993)
Total comprehensive income attributable to					
Owners of the Company		(378)	(6,257)	(378)	(15,993)
Non-controlling interest		-	-	-	-
		(378)	(6,257)	(378)	(15,993)

Proposed distribution of loss

Retained earnings	(378)	(15,993)
	(378)	(15,993)

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

		Group		Parent company	
USD'000	Note	2016	2015	2016	2015
ASSETS					
Non-current assets					
Investments in subsidiaries	4	-	-	1,700	1,933
Intangible assets	5	-	-	-	-
Deferred tax assets		-	245	-	245
Total non-current assets		-	245	1,700	2,178
Current assets					
Trade and other receivables	6	1,354	1,514	25	-
Cash and cash equivalents		100	206	12	60
Total current assets		1,454	1,720	37	60
TOTAL ASSETS		1,454	1,965	1,737	2,238
EQUITY AND LIABILITIES					
Equity	7				
Share capital		9	9	9	9
Retained earnings		(8,898)	(8,520)	(8,898)	(8,520)
Total equity		(8,889)	(8,511)	(8,889)	(8,511)
Liabilities					
Interest-bearing loans	9	10,050	10,208	10,050	10,208
Non-current liabilities		10,050	10,208	10,050	10,208
Current liabilities other than provisions					
Other payables	10	293	268	576	541
Current liabilities		293	268	576	541
Total liabilities other than provisions		10,343	10,476	10,626	10,749
TOTAL EQUITY AND LIABILITIES		1,454	1,965	1,737	2,238

Consolidated financial statements and parent company financial statements 1 January – 31 December

Statement of changes in equity

USD'000	Share capital	Retained earnings	Total	Non-con-trolling in-terests	Total equity
Group					
Equity at 1 January 2016	9	(8,520)	(8,511)	-	(8,511)
Comprehensive loss for 2016					
Loss for the period	-	(378)	(378)	-	(378)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	(378)	(378)	-	(378)
Equity at 31 December 2016	9	(8,898)	(8,889)	-	(8,889)
Company					
Equity at 1 January 2016	9	(8,520)	(8,511)	-	(8,511)
Comprehensive loss for 2016					
Loss for the period	-	(378)	(378)	-	(378)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	(378)	(378)	-	(378)
Equity at 31 December 2016	9	(8,898)	(8,889)	-	(8,889)

Consolidated financial statements and parent company financial statements 1 January – 31 December

Cash flow statement

		Group		Parent company	
USD'000	Note	2016	2015	2016	2015
Net loss for the year		(378)	(6,257)	(378)	(15,993)
Adjustment for:					
Amortisation and impairment		-	1,703	233	16,415
Financial income		-	(926)	-	-
Financial expenses		-	227	-	-
Income taxes		245	555	245	333
		(133)	(4,698)	100	755
Increase in trade and other receivables		160	6,110	(25)	-
Increase in other payables		(133)	(231)	(123)	203
		27	1,181	(48)	958
Corporation tax paid		-	(555)	-	(333)
Cash flows from operating activities		(106)	626	(48)	625
Repayment loan		-	(634)	-	(634)
Cash flows from financing activities		-	(634)	-	(634)
Total cash flows		(106)	(8)	(48)	(9)
Cash and cash equivalents at 1 January		206	214	60	69
Cash and cash equivalents at 31 December		100	206	12	60

Consolidated financial statements and parent company financial statements 1 January – 31 December

Outline of notes to the financial statements

Note	
1	Significant accounting polices
2	Use of judgements and estimates
3	Intangible assets
4	Income taxes
5	Investments in subsidiaries
6	Trade and other receivables
7	Equity
8	Deferred tax
9	Interest bearing loans
10	Other payables
11	Financial instruments
12	Contingent liabilities
13	Related party disclosures
14	Disclosure of events after the balance sheet date
15	New standards and interpretations not yet adopted

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Significant accounting policies

Latam Foods Holding ApS is a private limited company domiciled in Denmark.

The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”). The parent company financial statements present information about the Company as a separate entity and not about its group.

The consolidated financial statements and parent company financial statements are presented in accordance with International Financial reporting Standards as adopted by the EU and Danish disclosure requirements in the Danish Financial Statements Act for annual reports of reporting class B enterprises.

In addition, the financial statements complies with International Financial reporting Standards issued by the IASB.

Going concern

According to the regulations governing the preparation of financial statements, Management is required to determine whether the financial statements can be presented on a "going concern" basis. Based on estimated future prospects, projected future cash flows, availability of credit facilities, etc., Management has concluded that there are no factors giving reason to doubt the Company's ability to continue in operation for at least 12 months from the balance sheet date.

Basis of preparation

The financial statements are presented in USD.

The financial statements are prepared in accordance with the historical cost principle. The accounting policies as set out below have been consistently applied during the financial period and to comparative figures.

Accounting estimates and judgements considered material to the preparation of the financial statements are described in note 2.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Significant accounting policies (continued)

The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Change in subsidiary ownership and loss of control

Where the group loses control of a subsidiary, the assets and liabilities are derecognised along with any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in the income statement. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Separate parent company financial statements

In the parent company financial statements, all investments in subsidiaries, joint ventures, and associates are carried at cost less write-downs.

Foreign currency translation and hyperinflation

Items included in the financial statements of each of the entities are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). Transactions in other currencies than the functional currency are considered transactions in foreign currencies.

The parent company's functional currency is USD.

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

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Significant accounting policies (continued)

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency USD at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the foreign currency translation reserve or non-controlling interest, as the case may be. When a foreign operation is disposed of, such that control, joint control or significant influence (as the case may be) is lost, the entire accumulated amount in the foreign currency translation reserve, net of amounts previously attributed to non-controlling interests, is reclassified to the income statement as part of the gain or loss on disposal.

Multitier exchange rates

Where a system of multitier exchange rates exists, individual transactions and monetary items denominated in foreign currencies are translated into the functional currency at the expected settlement rate of the transaction. The Group has used the SIMADI exchange rate to value financial instruments denominated in Venezuelan Bolivars at the year-end.

Income statement

Other expenses

Other expenses comprise expenses for fees for registration, trademarks, software, audit and advisory and insurance expenses.

Financial income and expense

Financial items comprise interest expenses, exchange gains and losses on debt and transactions in foreign currencies and impairment of investments in subsidiaries.

Corporation tax and deferred tax

Tax for the period consists of current tax and movements in deferred tax for the period. Tax relating to the loss for the period is recognised in the income statement, other comprehensive income or equity.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Significant accounting policies (continued)

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences which are not deductible for tax purposes and on other items where temporary differences do not affect either loss for the period or taxable income.

Deferred tax is measured at the tax rates (and in accordance with the tax rules) applicable in the respective countries at the date when the deferred tax is expected to be realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be used.

Changes in deferred tax due to changed tax rates are recognised in the income statement.

The parent company is the administrative company for the joint taxation in Denmark and settles all payments with the tax authorities.

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation has been discontinued from the start of the comparative period.

Balance sheet

Intangible assets

Trademarks and trademark rights are stated at cost less accumulated amortisation and less accumulated write-downs.

Amortisation is charged on a straight-line basis over their estimated useful life of 20 years.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Significant accounting policies (continued)

Investment in subsidiaries

Investment in subsidiaries is measured at cost. Cost comprises the purchase price stated at fair value with the addition of direct purchase costs.

If there is any indication of impairment, an impairment test is made. Write-down is made to the lower of carrying amount and the recoverable amount.

Upon distribution of other reserves than profits from subsidiaries, the distributed amount will reduce the cost of the investments when the distribution takes the form of repayment of the parent company's investment.

Impairment of non-current assets

Assets with indefinite useful lives are subject to annual impairment tests. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Trade and other receivables

Receivables are initially measured at fair value and subsequently at amortised cost using the effective interest method, less write-down for bad debts. Write-down for bad debts is effected when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

Write-down of receivables is stated as the difference between the carrying amount and the net present of value of projected cash flows. The effective rate of interest used for the initial recognition of the individual receivable or portfolio of receivables is used as discount rate.

Other payables

Other financial liabilities are measured at amortised cost.

Business combinations

All business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 **Significant accounting policies (continued)**

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

On a transaction-by-transaction basis, the Group elects to measure non-controlling interests, which have both present ownership interests and are entitled to a proportionate share of net assets of the acquiree in the event of liquidation, either at its fair value or at its proportionate interest in the recognised amount of the identifiable net assets of the acquiree at the acquisition date. All other non-controlling interests are measured at their fair value at the acquisition date.

Statement of cash flows

The cash flow statement presents cash flows broken down to operating activities, investing activities and financing activities for the period, changes for the period in cash and cash equivalents and cash and cash equivalents at the beginning and end of the period.

Cash flows from operating activities are presented using the indirect method and stated as loss adjusted for non-cash operating items, including amortisation and write-downs, interest received and paid and corporation taxes paid.

Cash flows from investing activities comprise cash flows from the purchase and sale of intangible assets and investments including discounted operations.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Significant accounting policies (continued)

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

Cash and cash equivalents comprise cash as well as short-term securities with a term to maturity of less than three months, which are easily realisable and only subject to an immaterial risk of changes in value.

2 Use of judgements and estimates

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

The following accounting estimates are considered significant to the financial reporting. Due to the economic circumstances and systems in Venezuela it is unlikely that the Group will receive payment for the royalty receivables in the next financial period. The receivables are subject to regular impairment review by management and are written down sufficiently so the carrying value estimates the present value of future cash flows.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

	Group		Parent company	
USD'000	2016	2015	2016	2015
3 Income taxes				
Tax on loss for the period is specified as follows:				
Current tax expense	-	978	-	57
Impairment of deferred tax asset	245	-	245	-
Adjustment tax expense last year	-	(423)	-	276
	245	555	245	333
Tax on loss for the period is broken down as follows:				
Computed tax at 22% (2015: 23.5%)	-	(1,340)	-	(3,680)
Withholding taxes on royalty invoices to Venezuela	-	921	-	-
Tax effect of:				
Non-deductible costs	-	974	-	4,013
Total tax expense/(credit)	0	555	0	333
Effective tax rate	0.0%	9.7%	0.0%	2.1%

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

USD'000	2016	2015
4 **Investments in subsidiaries**		
Cost at 1 January	18,348	18,348
Cost at 31 December	18,348	18,348
Impairment at 1 January	16,415	-
Impairment for the period	233	16,415
Impaiment at 31 December	16,648	16,415
Carrying amount at 31 December	1,700	1,933

Latam Foods Holding ApS holds the following equity investments in subsidiaries:

		Ownership share		Financial information	
Name	Registered office	2016	2015	Net loss for the year	Equity
Plumrose, S.A.	Caracas, Venezuela	100%	100%	(86)	344

5 Intangible assets

	2016	2015
Trademarks and trademark rights		
Costs at 1 January	1,774	1,774
Costs at 31 December	1,774	1,774
Accumulated impairment and amortisation at 1 January	1,774	71
Impairment and amortisation for the year	-	1,703
Accumulated impairment and amortisation at 31 December	1,774	1,774
Carrying amount at 31 December	-	-

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

USD'000	Group 2016	Group 2015	Parent company 2016	Parent company 2015
6 Trade and other recievables				
Amount owed by group entities	1,253	1,442	-	-
Other receivables	101	72	25	-
Trade and other recievables at 31 December	1,354	1,514	25	-

Since 2003 the Venezuelan government has maintained currency controls and a fixed official exchange rate. In 2013, the Venezuelan government introduced a new exchange rate mechanisms, SICAD 1. This mechanism allowed certain companies that operate in designated industry sectors to exchange a limited volume of VEF for USD at a rate established at regular auctions.

In March 2014, the Venezuelan government opened a second currency exchange mechanism, SICAD 2, which was intended to more closely resemble a market driven exchange rate compared to the official rate and SICAD 1

In February 2015 was implemented a new exchange system denominated Marginal Currency System “SIMADI” where banks and other authorized entities could acts as intermediaries of controlled USD offer/demand.

In March 2016, another new exchange rate system was established involving two different exchange rates, Protected Exchange Rate (DIPRO) and Complementary Exchange Rate (DICOM).

Due to the above, royalty payments from Venezuela are associated with considerable uncertainty regarding their timing of payment. The Venezuelan operations of the Plumrose group has not made any payments for royalties since 1 October 2009.

Gross royalty receivables at 31 December 2016 amounted to USD 11,318 thousand (2015: USD 11,032 thousand) from Plumrose Latinoamericana, C.A. and La Montserratina C.A.

Recognition and measurement of royalty and amounts owed by group enterprises take into account the uncertainty associated with the amounts outstanding to the special circumstances that apply to Venezuela. Due to the circumstances in Venezuela, the management have chosen to write down the entire potion of receivables from Venezuela, which reflect the fair value.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

7 Equity

Capital management

The capital structure of the Group consists of net liabilities and owners' equity. The Group manages its capital to safeguard its ability to operate as a going concern and to optimise returns to the shareholders.

The Group manages its capital structure and makes adjustments to it in light of changes to economic conditions and its strategic objectives.

Share capital

	Shares issued	
	Number	Nomal value
Cost at 31 December	800	9

The share capital is divided into 800 shares of nominal DKK 100 each. All shares rank equally. There are no limitations in negotiability or voting rights.

8 Deferred tax

	Assets		Liabilities	
USD'000	Group	Parent company	Group	Parent company
Deferred tax at 1 January	245	245	-	-
Impairment of deferred tax asset	-245	-245	-	-
Gross tax assets and liabilities	0	0	-	-
Net of tax liabilities	-	-		
	0	0		

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

8 Deferred tax (continued)

The Company has deferred tax asset of DKK 234 thousand related to tax losses carried forward and foreign exchange gain on loans not repaid. The tax asset is impaired based on Managements assessment over the future utilisation of the asset.

	Group		Parent company	
USD'000	2016	2015	2016	2015
9 Interest-bearing loans				
Shareholder loan	10,050	10,208	10,050	10,208
	10,050	10,208	10,050	10,208

The shareholder loan is with FHI Food Holdings International Fund, the Company's parent. The loan is denominated in Euros, the interest rate is Euribor plus 200 basis points and the year of maturity is 2019.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

	Group		Parent company	
USD'000	2016	2015	2016	2015
10 Other payables				
Payables to related parties	209	187	505	457
Other payables	84	81	71	84
	293	268	576	541

11 Financial instruments

The Group has exposure to credit, liquidity and market risks from its use of financial instruments.

IAS 39 categories of financial instruments

	Group		Company
USD'000	2016 Level 2	2016 Level 3	2016 Level 2
Loans and receivables (including cash and cash equivalents)	1,454	-	37
Financial liabilities measured at amortised cost	10,050	-	10,050

	Group		Company
USD'000	2015 Level 2	2015 Level 3	2015 Level 2
Loans and receivables (including cash and cash equivalents)	1,720	-	60
Financial liabilities measured at amortised cost	10,208	-	10,208

The table above analyses financial instruments, into a fair value hierarchy based on the valuation technique used to determine fair value.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

11 Financial instruments (continued)

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

Loans and receivables which are level 3 represent royalty receivables from related parties, see note 7 for a description of the valuation technique and the unobservable inputs used.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from related parties and cash held at financial institutions.

Exposure to credit risk

	Group		Parent company	
USD'000	2016	2015	2016	2015
Receivables from related parties	1,253	1,442	-	-
Other receivables	101	72	25	-
Cash and cash equivalents	100	206	12	60
	1,454	1,720	37	60

Royalty receivables from related parties

See note 7 for an analysis of the credit risk related to these amounts owed.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The liquidity risk is managed, for both the Group and Company, by maintaining sufficient cash balances and credit facilities to meet working capital requirements.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

11 Financial instruments (continued)

Contractual maturities of non-derivative financial liabilities

USD'000	Group 2016	Group 2015	Parent company 2016	Parent company 2015
Current liabilities				
Other payables	293	268	576	541
Non-current liabilities				
Interest-bearing loans	10,050	10,208	10,050	10,208

Trade and other payables shown as current liabilities are expected to mature within six months of the balance sheet date.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. Exposure to interest and currency risks arises in the normal course of the Group's business.

Interest rate risk

USD'000	Group 2016	Group 2015	Parent company 2016	Parent company 2015
Cash and cash equivalents	100	206	12	60
Interest-bearing loans	10,050	10,208	10,050	10,208
	10,150	11,056	10,062	10,268

Sensitivity to interest rate risk

If Euribor had been 100 basis points higher/lower throughout the period, the finance expense for the Group and the Company would have increased/decreased by USD 101 thousand. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

11 Financial instruments (continued)

Foreign currency risk

The Group's exposure to foreign currency risk is as follows:

Group 2016

USD'000	USD	EUR	DKK	VEF	Total
Cash and cash equivalents	-	7	93	-	100
Other receivables	1,279	-	75	-	1,354
Other payables	(225)	-	(68)	-	(293)
Interest-bearing loans > 1 year	-	(10,050)	0	-	(10,050)
	1,054	(10,043)	100	0	(8,889)

Company 2016

USD'000	USD	EUR	DKK	VEF	Total
Cash and cash equivalents	-	3	9	-	12
Other receivables	25	-	0	-	25
Other payables	(532)	-	(44)	-	(576)
Interest-bearing loans > 1 year	-	(10,050)	-	-	(10,050)
	(507)	(10,047)	(35)	0	(10,614)

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

11 Financial instruments (continued)

Group 2015

USD'000	USD	EUR	DKK	VEF	Total
Cash and cash equivalents		44	162		206
Other receivables	1,432	-	82	-	1,514
Other payables	(67)	-	(201)	-	(268)
Interest-bearing loans > 1 year	-	(10,208)	-	-	(10,208)
	1,365	(10,164)	43	-	(8,756)

Company 2015

USD'000	USD	EUR	DKK	VEF	Total
Cash and cash equivalents	-	40	20	-	60
Other payables	(65)	-	(476)	-	(541)
Interest-bearing loans > 1 year	-	(10.208)	-	-	(10,208)
	(65)	(10,168)	(456)	-	(10,689)

Sensitivity to foreign exchange rates

If USD had been 10% stronger/weaker at 31 December 2016, the Group's equity would have increased/decreased by USD 105 thousand (2015: USD 137 thousand) and the Company's equity would have increased/decreased by USD 51 thousand (2014: USD 7 thousand). This calculation assumes that the change occurred at the Balance Sheet date and had been applied to risk exposures existing at that date.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

12 Contingent liabilities

The Company is jointly taxed with other Danish companies in the Latam Foods Holding Group. As the parent company for the Group the Company is jointly and severally liable for all taxes due by the other companies in the joint taxation. Any subsequent corrections of the taxable income in the joint taxation or withholding taxes could lead to the company's tax liabilities increasing.

13 Related party disclosures

The parent company's related parties include its subsidiaries, its direct parent and ultimate owner, FHI Food Holdings International Fund, which is the sole owner of the share capital of the parent company, and FHI Food Holdings International Funds other investments.

14 Disclosure of events after the balance sheet date

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

15 New standards and interpretations not yet adopted

The IASB has issued new accounting standards (IFRS and IAS) and interpretations (IFRICs) which are not mandatory for Latam Foods Holding ApS in the preparation of the consolidated financial statements and parent company financial statements for 2014.

The Group and parent company expects to adopt the new accounting standards and interpretations when they become mandatory according to the effective dates adopted by the EU.

None of the new standards or interpretations are expected to have a significant effect on the financial reporting of Latam Foods Holding ApS.