Mejerigaarden A/S

Sennelsvej 1, DK-7700 Thisted

Consolidated financial statements for the financial year 1 January - 31 December 2018 ended 31 December 2018

CVR-no. 37 31 73 14

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 7 / 6 2019

Kim Gade Pedersen
Chairman

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Managements statement

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Mejerigaarden A/S for the financial year 1 January – 31 December 2018.

The Consolidated Financial Statements and the Parent Company Financial Statement have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act. Management's Review has been prepared in accordance with 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 financial position at 31 December 2018 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 January - 31 December 2018.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

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

Thisted, 7 / 6 2019

Executive Board

Christian Brink	Kim Gade Pedersen
CCO	CFO

Board of Directors

Andrei Beskhmelnitskii	Normunds Stanevics	Nodir Normatov
Chairman		

Information on the Parent company

The Company	Mejerigaarden A/S CVR No. 37 31 73 14
Address	Sennelsvej 1, DK-7700 Thisted Municipality of re. office: Thisted
Board of Directors	Andrei Beskhmelnitskii (Chairman of the Board) Normunds Staņēvičs (Member of the Board) Nodir Normatov (Member of the Board)
Executive Board	Christian Brink Kim Gade Pedersen
Group's direct subsidiary	Hjem-Is Danmark A/S (100%) Kokholm 1 B,6000 Kolding, Denmark
Financial period	1 January 2018 – 31 December 2018
Name and address of the certified audit company and certified auditor in charge	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Resenvej 81 Postboks 19 DK-7800 Skive CVR No. 33 77 12 31
Bankers	Danske Bank A/S Finanscenter Jylland Nord Prinsensgade 22 DK-9000 Aalborg

Report of the Management

Principal activities and nature of operations of the Group

The Annual Report of Mejerigaarden A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

Key activities
Mejerigaarden carries on production, sale and distribution of ice-cream products primarily for the Danish market.

Principal activities

The principal activities of the Group, which are unchanged from the previous year, are those of ice - cream production, and wholesale of ice-cream and deep-frozen goods.

The group

The Group belongs to a dairy industry group known as Food Union (hereinafter the FU Group) that includes in its production and sales network several enterprises in Baltic countries, Nordic countries, Russia, CIS countries, Southeast Asian and Central European enterprises.

Changes in the Group structure

In 2018 and 2017 there were no changes in the structure of Mejerigaarden A/s Group:

- On 30 June 2017 as a result of executed share purchase agreement Mejerigaarden A/S acquired 100% shareholding in a group of entities in Denmark, Hjem-Is Danmark A/S and Hjem-Is Distribution Aps;
- On 16 January 2018 (effective 1 January 2017) Hjem-Is Distribution ApS was merged to Hjem-Is Danmark A/S and ceased to exist without liquidation process;
- On 30 March 2018 (effective 1 January 2018) Mejerigaarden Investment AS was merged into Mejerigaarden AS and ceased to exist without liquidation process;

The following further reorganizations are expected to be completed in 2019:
- Merger of Mejerigaarden AS and Hjem-Is Denmark ApS.

Market overview
The overall market in Denmark for Mejerigaarden's products is generally stable but showed an increase in 2018 due to, among other things, nicer summer weather than we normally have. The market remains subject to some difficult general conditions and is still a very competitive market with much focus on price.

Development in the year
Financial year 2018 was characterised by good operating conditions as the summer of 2018 offered nicer summer weather than we normally have. Over an extended period of time, the demand for the Company's products exceeded its capacity maximum and, therefore, resulted in a hectic and not optimal execution of production and distribution. Also the price level of important raw materials such as cream and natural vanilla saw a record-high level in 2018. In 2018, the Company concluded trading agreements with a large number of new customers and invested to a higher degree than previously in marketing activities.
Overall, the above is reflected in the financial development; the income statement shows a profit of DKK 4,877k and equity amounts to DKK 94,302k.
The results largely met Management's expectations for 2018.

Special risks
Operations
The Company's earnings may to a significant extent be affected by the weather in the summer months in Denmark. Moreover, the Company's activities are affected by the price level of basic raw materials such as cream, proteins, sugar, etc.

Financial risks

The Company is not exposed to changes in exchange rates and interest-rate levels to any material extent.

Exchange rate and interest-rate risks

The Company's activities in foreign currencies are limited; consequently, changes in exchange rates and interest rates will not affect results, cash flows and equity to any material extent. The Company's interest-bearing debt consists primarily of intercompany payables or is based on a fixed interest rate and, therefore, changes in interest rates will have a limited effect on earnings.

Research and development activities

The Company applies considerable resources on product development. Product development costs are treated for accounting purposes as part of the production costs.

External environment

The Company makes targeted efforts to reduce its consumption of resources and environmental impact.

The climate and environmental policy adopted is based on financially and environmentally sound operations and is a natural and important element of Management's target of optimising both production conditions and product quality.

Corporate social responsibility report

The Group's business model

Mejerigaarden A/S carries on production, sale and distribution of ice-cream products primarily for the Danish market.

The production of ice-cream products takes place primarily at the Company's plant in Thisted. The Company also imports ice-cream products. The products are sold under the trademarks Premier Is, Polar Is, Gammeldags, Mejerigaarden, Underground and Rønbjerg.

The distribution of the Company's own products is operated partly through our own sales vans to retailers and partly through central warehouses to wholesalers.

The Company has minor exports to the Scandinavian markets and to Germany.

Mejerigaarden is part of the Food Union Group.

Mejerigaarden A/S wants to contribute to social responsibility throughout its value chain and has a size that requires but not least entitles the Company to take active social responsibility. Mejerigaarden A/S wants to work with CSR as an integrated part of its strategy and operations with focus on internal and external responsibility including impact on the environment, requirements for sub-suppliers, working conditions and training. Based on the already existing policies and results, CSR will therefore continue to form a natural part of the day-to-day work of Mejerigaarden A/S and comprises all activities carried out by Mejerigaarden A/S as defined in policies for the Company's environmental impact, public health, working conditions, gender composition of Management, welfare to work programmes and training, human rights, child labour and anti-corruption.

Mejerigaarden A/S will continue to relate to its surroundings and further develop its CSR strategy to take into account not only CSR but all that CSR means to the entire Mejerigaarden A/S.

Ethical trading and anti-corruption rules

It is an unconditional requirement that our suppliers declare to meet an internally defined code of conduct, which contains CSR requirements defined by, among others, the UN, OECD and the Danish Ministry of Business, Industry and Financial Affairs.

The purpose of the internal code of conduct is, among other things, to ensure that Mejerigaarden actively aims at complying with laws, regulations and generally accepted practice to avoid any form of corruption, including bribery and money laundering.

Employees and working environment

Also in 2018, Mejerigaarden A/S saw good results from its focus on an improved working environment, including measures to prevent accidents as well as a number of tools to support development, training and job satisfaction.

The Company actively works on setting up action plans based on APVs (workplace assessments) for the purpose of taking action in the areas that will contribute the most to improving the working environment.

Together with the job centre, the Company forms part of a project called code of care which aims at helping disadvantaged citizens out of unemployment and into jobs.

Environment and climate
Mejerigaarden A/S produces ice-cream products, which requires a significant consumption of energy. The energy consumption is mainly used for cooling, heating and freezing.
The actual energy consumption varies compared to the production volume and product mix and, consequently, the determination of gross production target figures is less relevant for the Company.
The energy consumption has developed as follows:

	Electricity		Natural gas	
	2018	**2017**	**2018**	**2017**
KWH	5 735 649	4 718 747		
M3			250 404	244 507
Per production hourly wage	51.44	61.54	2.25	3.19

The target for 2019 is to maintain the same energy efficiency as achieved in 2018 through ongoing energy optimisation of the production by investing in more energy efficient equipment etc.
Mejerigaarden A/S continuously works on minimising its indirect environmental impact by selecting packaging types with the least possible impact on the environment.
A few years ago, the Company entered into a climate partnership with Dong (Ørsted) and implemented an energy savings project under which feasible energy efficiency measures were introduced.
The Company's waste water is monitored and neutralised before it is released to a purification plant, and waste from the production is sold for biogas production to the extent possible.

Statement on gender representation
Gender representation in Management
At Mejerigaarden A/S, we emphasise the development of our organisation and employees. We see diversity among our employees as a strength and make an active effort to avoid negative discrimination of employees based on gender, ethnicity or religious beliefs.

Presently, the gender representation at management levels is as follows:

	Women	Targets for women	Men
Board of Directors	0%	25%	100%
Other managers	50%	30%	50%

The Board of Directors consists of two representatives of the Company's foreign owners and a representative of Group Management. As a first step in the direction of an equal gender representation, the Executive Board of Mejerigaarden A/S will actively seek to influence the owners to increase the Board of Directors to four members elected at the General Meeting in order thus to open up for the possibility of having women represented on the Company's Board of Directors.
The gender representation among the Company's other managers is satisfactory compared to the Company targets.

Human rights
Mejerigaarden A/S obtains its raw materials and packaging worldwide. Through supply agreements and supplier cooperation as well as the use of certified ingredients (UTZ, RSPO), we place specific requirements for suppliers' compliance with human rights as per UN conventions and the ILO as well as for not using child labour.

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

Financial Highlights

Seen over a five-year period, the development of the group is described by the following financial highlights	2018	2017	2016	2015	2014
	TDKK	TDKK	TDKK	TDKK	TDKK
Profit/loss					
Revenue	468 046	342 209	294 785	198 066	311 806
Gross profit/loss	226 169	109 856	124 070	73 991	122 178
Operating profit/loss	19 397	4 155	31 994	14 269	30 755
Profitt/loss before financial income and expenses	19 397	4 155	30 730	13 693	28 936
Net financials	-13 112	-5 710	-1 681	-1 119	-3 140
Net profit/loss for the year	4 877	-84	22 660	8 540	19 895
Balance sheet					
Balance sheet total	360 525	335 827	141 491	136 135	211 397
Equity	94 302	89 425	61 388	38 728	30 188
Cash flows					
Cash flows from:					
- operating activities	47 172	5 254	38 780	34 769	42 056
- investing activities	-23 931	-127 783	-12 474	-7 106	-13 915
- *including investment in property, plant and equipment*	-31 069	-27 235	-*8 938*	-*5 102*	-*12 766*
- financing activities	-*15 480*	*129 440*	-677	-1 105	3 140
Change in cash and cash equivalents for the year	7 760	6 911	25 629	26 558	31 281
Number of employees	306	240	142	150	151
Ratios					
Gross margin	48.3%	32.1%	42.1%	37.4%	39.2%
Profit margin	4.1%	1.2%	10.4%	6.9%	9.3%
Return on assets	18.6%	80.8%	21.7%	10.1%	13.7%
Solvency ratio	26.2%	26.6%	43.4%	28.4%	14.3%
Return on equity	5.3%	0.1%	45.3%	24.8%	98.3%

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

In 2015 Mejerigaarden A/S changed its financial year from 1 May – 30 April to the calendar year. Financial highlights for financial year 2015 comprise the period 1 May – 31 December 2015 (8 months). Other comparative figures comprise 12 months.

In 2016 Mejerigaarden A/S changed accounting policy for the measurement of revenue. Previously, the Company set off direct marketing contributions against revenue as the Company considered the contributions to be payment for additional sales. The Company has decided to present direct marketing contributions under distribution costs. The comparative figures for 2015 have been restated. Other comparative figures before 2015 have not been restated.

In 2017 Mejerigaarden A/S acquires the Hjem-IS Group. The comparative figures for 2017 have been restated. Other comparative figures before 2017 have not been restated.

In 2018, with effect from 1 January 2017, the Group has chosen to submit annual financial statements in accordance with IFRS. The Group has previously prepared annual financial statements in accordance with the Danish Financial Statements Act. The comparative figures for 2017 have been restated. Other comparative figures before 2017 have not been restated.

Consolidated statement of comprehensive income

	Note	Consolidated 2018 DKK	Consolidated 2017 DKK	Parent 2018 DKK	Parent 2017 DKK
Revenue	5	468 045 696	342 209 396	359 575 046	283 889 936
Cost of goods sold	6	(241 876 221)	(232 353 080)	(239 662 508)	(184 039 433)
Gross profit		**226 169 475**	**109 856 316**	**119 912 538**	**99 850 503**
Selling expenses	7	(168 412 673)	(81 391 759)	(84 159 788)	(70 057 112)
Administrative expenses	8	(43 803 056)	(26 966 200)	(28 521 795)	(24 317 306)
Other operating income	9 a	5 040 647	2 553 610	5 371 757	3 220 221
Other gains/ (losses), net	9 b	723 943	102 679	319 757	25 558
Other operating expenses	9 c	(321 180)	-	(202 746)	-
Operating profit/ (loss)		**19 397 156**	**4 154 646**	**12 719 723**	**8 721 864**
Finance costs	10 a	(12 378 975)	(6 520 449)	(11 982 599)	(6 441 008)
Net gain/ (loss) on foreign exchange	10 b	(733 059)	810 065	(799 646)	810 063
Profit/ (loss) before income tax		**6 285 122**	**1 555 738**	**(62 522)**	**3 090 919**
Income tax expense	14	(1 408 299)	1 471 450	(73 777)	(602 215)
Profit/ (loss) for the year		**4 876 823**	**84 288**	**(136 299)**	**2 488 704**
Other comprehensive income/ (expenses)		-	-	-	-
Total comprehensive profit/ (loss) for the reporting year		**4 876 823**	**84 288**	**(136 299)**	**2 488 704**
Profit/ (loss) attributable to:					
Equity holders of the parent		4 876 823	84 288	(136 299)	2 488 704
Non-controlling interests		-	-	-	-

Notes on pages from 13 to 53 form an integral part of these consolidated financial statements.

Consolidated statement of financial position

Assets	Note	Consolidated 31.12.2018. DKK	Consolidated 31.12.2017. DKK	Consolidated 1.1.2017. DKK	Parent 31.12.2018. DKK	Parent 31.12.2017. DKK	Parent 1.1.2017. DKK
Non-current assets							
Intangible assets	17	167 502 128	153 172 453	40 669 081	38 294 975	12 539 629	14 175 645
Property, plant and equipment	18	54 307 088	56 109 109	38 425 677	45 277 679	44 186 022	38 425 677
Loans receivable	20	548 942	900 276	1 050 548	548 942	900 276	1 050 548
Other financial assets	19	-	-	-	99 756 174	103 724 496	-
Total non-current assets:		**222 358 158**	**210 181 838**	**80 145 306**	**183 877 770**	**161 350 423**	**53 651 870**
Current assets							
Inventories	21	78 738 804	62 281 134	43 525 000	62 176 968	52 169 000	43 525 000
Trade and other receivables	22	44 275 788	55 972 142	44 216 000	49 214 896	53 972 579	44 199 571
Loans receivable	20	-	-	-	-	29 955 902	1 907
Cash and cash equivalents	23	15 151 962	7 392 067	481 000	7 716 763	5 676 110	348 085
Total current assets:		**138 166 554**	**125 645 343**	**88 222 000**	**119 108 627**	**141 773 836**	**88 074 563**
Total assets		**360 524 712**	**335 827 181**	**168 367 306**	**302 986 397**	**303 124 259**	**141 726 433**
Liabilities							
Share capital		1 100 000	1 395 000	1 395 000	1 100 000	1 100 000	1 100 000
Other reserves:		1 372 083	868 384	-	617 488	-	-
Retained earnings		92 333 459	87 161 636	88 114 307	91 110 137	63 013 373	60 524 669
Total equity attributable to owners of the parent:	24	**94 301 843**	**89 425 020**	**89 509 307**	**92 210 137**	**64 113 373**	**61 624 669**
Liabilities:							
Non-current liabilities:							
Borrowings	25	107 720 531	170 563 765	14 190 000	107 160 329	169 591 222	14 190 000
Deferred tax liability	26	23 232 864	2 990 000	3 365 000	2 663 021	3 265 000	3 365 000
Total non-current liabilities:		**130 953 395**	**173 553 765**	**17 555 000**	**109 823 349**	**172 856 222**	**17 555 000**
Current liabilities:							
Borrowings	25	73 784 479	11 805 348	12 433 000	48 703 403	11 428 092	12 433 000
Current income tax		-	-	9 351 000	-	-	9 350 910
Trade and other payables	27	61 484 995	61 043 048	39 519 000	52 249 508	54 726 572	40 762 854
Total current liabilities:		**135 269 474**	**72 848 396**	**61 302 999**	**100 952 911**	**66 154 664**	**62 546 764**
Total liabilities:		**266 222 869**	**246 402 161**	**78 857 999**	**210 776 261**	**239 010 886**	**80 101 764**
Total equity and liabilities:		**360 524 712**	**335 827 181**	**168 367 306**	**302 986 397**	**303 124 259**	**141 726 433**

Notes on pages from 13 to 53 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

Consolidated:	Share capital	Other Reserves	Retained earnings	Total
	DKK	DKK	DKK	DKK
Balance as at 01.01.2017	**1 395 000**	**-**	**88 114 307**	**89 509 307**
Total comprehensive loss for the reporting year	-	-	(84 288)	**(84 288)**
Other reserves movement	-	868 384	(868 384)	-
Balance as at 31.12.2017	**1 395 000**	**868 384**	**87 161 636**	**89 425 020**
Merge of companies	-295.000	0	295.000	0
Total comprehensive income for the reporting year	-	503.699	4 373 124	**4 876 823**
Balance as at 31.12.2018	**1 100 000**	**1.372.083**	**92 333 458**	**94 301 843**

Parent:	Share capital	Other Reserves	Retained earnings	Total
	DKK	DKK	DKK	DKK
Balance as at 01.01.2017	**1 100 000**	**-**	**60 524 669**	**61 624 669**
Total comprehensive income for the reporting year	-	-	2 488 704	**2 488 704**
Balance as at 31.12.2017	**1 100 000**	**-**	**63 013 373**	**64 113 373**
Total comprehensive income for the reporting year	-	-	(136 299)	**(136 299)**
Acquired in business combination*		617 488	27 615 574	**28 233 062**
Balance as at 31.12.2018	**1 100 000**	**617 488**	**90 492 649**	**92 210 137**

* On 30 March 2018 (effective 1 January 2018) Mejerigaarden Investment AS was merged into Mejerigaarden AS and ceased to exist without liquidation process Mejerigaarden Investment AS

Notes on pages from 13 to 53 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

	Note	2018 DKK	2017 DKK	2018 DKK	2017 DKK
Cash flows from operating activities					
Loss before tax		6 285 122	(1 555 738)	(62 522)	3 090 919
Adjustments for:					
Depreciation of property, plant and equipment	18	22 901 770	14 986 269	19 410 702	12 532 772
Amortization of intangible asset amortisation	17	11 633 859	7 251 082	7 173 431	7 100 908
Interest income	9 (a)	(155 581)	-	(490 195)	(345 902)
Interest expenses	10 (a)	12 283 702	6 181 645	11 917 847	6 074 623
Impairment of receivables and inventory		(50 748)	439 770	(50 748)	124 064
Accrued liabilities		6 116 563	(22 323)	5 158 544	(22 321)
Impairment of loans	20	75 000	-	75 000	-
(Gain) on disposal of non-current assets	17, 18	(723 943)	(102 679)	(319 757)	(25 558)
		58 365 744	**27 178 026**	**42 812 302**	**28 529 505**
Adjustments for:					
Increase in inventories		(16 457 670)	(18 756 134)	(10 007 968)	(8 644 000)
(Increase)/ decrease in trade and other receivables		11 747 102	(12 195 912)	4 808 431	(9 897 072)
(Increase)/ decrease in trade and other payables		(6 483 536)	19 861 620	(4 398 436)	4 187 384
Cash (used in)/ generated from operations		**47 171 640**	**16 087 600**	**33 214 329**	**14 175 817**
Corporate income tax paid		-	(10 834 000)	-	(10 834 000)
Net cash (used in)/ generated from operating activities		**47 171 640**	**5 253 600**	**33 214 329**	**3 341 817**
Cash flows from investing activities					
Acquisition of tangible and intangible assets		(31 068 644)	(27 235 171)	(28 764 957)	(16 841 051)
Acquisition of subsidiaries		-	(102 163 945)	3 968 322	(103 724 496)
Acquisition of subsidiaries/ (release of escrow), net		3 968 322	(587 060)	(135 755)	-
Proceeds from sale of tangible assets and intangible assets	17, 18	2 737 014	2 052 942	2 147 014	1 588 911
Loans issued	20, 30 (iii)	(284 000)	(421 591)	(284 000)	(30 330 852)
Received repayment of the issued loans	20, 30 (iii)	560 334	571 863	30 516 236	873 031
Interest received	20, 30 (iii)	155 580	-	490 195	-
Net cash used in investing activities		**(23 931 394)**	**(127 782 962)**	**7 937 055**	**(148 434 457)**
Cash flows from financing activities					
Borrowings received	25 (viii); 25 (ix)	95 722 502	285 989 708	70 934 235	285 943 010
Repayments of borrowings	25 (viii); 25 (ix)	(98 021 473)	(153 421 650)	(98 021 473)	(132 703 857)
Interest paid	25 (viii); 25 (ix)	(8 480 507)	(2 972 584)	(8 167 065)	(2 818 243)
Finance lease payments	25 (viii)	(4 405 874)	(1 023 429)	(3 856 673)	-
Changes in share capital		(294 999)	868 384	-	-
Net cash generated from financing activities		**(15 480 351)**	**129 440 429**	**(39 110 976)**	**150 420 910**
Net increase in cash and cash equivalents		**7 759 895**	**6 911 067**	**2 040 408**	**5 328 270**
Cash and cash equivalents at beginning of the year	23	7 392 067	481 000	5 676 355	348 085
Cash and cash equivalents at end of the year	23	**15 151 962**	**7 392 067**	**7 716 763**	**5 676 355**

Notes on pages from 13 to 53 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. General information

These consolidated financial statements were approved by the Management Board. The Annual Report is approved by the Supervisory Board of the Group's parent company and the General Meeting of Shareholders authorises it for issue.

Country of incorporation

Mejerigaarden A/s and its subsidiaries (hereinafter jointly "the Group") are entities involved in production and wholesale of ice - cream and frozen food products. The only shareholder of the Group is Food Union Holding (CY) Public Company Limited (registered in Cyprus). Food Union Holding (CY) Public Company Limited prepares consolidated financial statements for the group that are available on the company's registered address.

From October 2015, the Group belongs to the dairy industry group that is known under the name of Food Union (hereinafter "the FU Group"). As at 31 December 2018 and 31 December 2017, Food Union Holding (CY) Public Company Limited group is controlled by Food Union (EE) Limited, incorporated in British Virgin Islands, which owns 99,77% of the shares. The remaining 0,23% of the shares are owned by six different companies incorporated in British Virgin Islands. The Group's ultimate shareholders are Thyrenos Holdings Ltd, incorporated in British Virgin Islands and Meridian Capital CIS Fund, incorporated in Cayman Islands.

As at 31 December 2017 one of the four ultimate beneficial owners, Andrei Beskhmelnitskii, owned 50% of the Company. Other three ultimate beneficial owners owned less than 25% of the Company each.

As at 31 December 2018 three ultimate beneficial owners hold the shares as follows - Askar Alshinbayev 29.47%, Yevgeniy Feld 25.87%, and Andrei Beskhmelnitskii 20.3%. Other shareholders owned less than 20% of the shares each.

Principal activities

The principal activities of the Group, which are unchanged from the previous year, are those of ice - cream production, and wholesale of ice-cream and deep-frozen goods.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements of the Group represent the first annual consolidated financial statements of the Group prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by European Union (EU) and additional requirements in the Danish Financial Statements Act.

For all periods up to and including the period ended 31 December 2017, the Group prepared its consolidated financial statements in accordance with the Danish Financial Statements Act. The Group has adopted IFRS in accordance with IFRS 1, *First time adoption of International Financial Reporting Standards.* The date of transition to IFRS is January 1, 2017. See also Note 32.

In accordance with IFRS, the Group has:

- Applied the same accounting policies throughout all periods presented;
- Retrospectively applied all effective IFRS standards as of December 31, 2018, as required; and
- Applied certain optional exemptions and certain mandatory exceptions as applicable for the first time IFRS adopters.

The consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the IFRS accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Notes to the consolidated financial statements *(continued)*

2. Summary of significant accounting policies *(continued)*

Basis of preparation *(continued)*

The consolidated financial statements are presented in euros (DKK). Certain monetary amounts, percentages and other figures included in this report are subject to rounding adjustments. On occasion, therefore, amounts shown in tables may not be the arithmetic accumulation of the figures that precede them, and figures expressed as percentages in the text and in tables may not total 100 percent. Changes for periods between monetary amounts are calculated based on the amounts in euro cents and then rounded to the nearest euro.

The reporting period for the consolidated financial statements is from 1 January 2018 until 31 December 2018.

First time adoption of IFRS, New and revised IFRSs and interpretations for 2018

The following new and revised IFRSs and interpretations became effective from 1 January 2018, and had an impact on the operations of the Group and these consolidated financial statements:

- IFRS 15 "Revenue from Contracts with Customers"

  The new standard introduces the core principle that revenue must be recognized when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognized, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognized if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalized and amortized over the period when the benefits of the contract are consumed.

  In accordance with the transition provisions in IFRS 15 the Group has elected simplified transition method with the effect of transition to be recognized as at 1 January 2018 in the consolidated financial statements for the year ending 31 December 2018 which is the first year when the Group applies IFRS 15.

  Due to structure of the Group's revenues, implementation of IFRS 15 has not had any significant impact on the revenue recognition timing, transaction price and recognition of discounts, rebates and bonuses.

  The Group has assessed that relevant accounting policy change concerns recognition and measurement of costs incurred to secure contracts, which, if any, previously were expensed immediately, while under IFRS 15 will be capitalized and amortized over the period when the benefits of the contract are consumed. No such significant costs have been incurred during 2018.

  The Group has not changed presentation of assets and liabilities related to contracts with customers and continues to present them as Trade and other receivables and Trade and other payables.

  Additional disclosures on timing of revenue recognition, as required by IFRS 15, are presented in Note 5.

- IFRS 9 "Financial instruments"

  IFRS 9 replaces the provisions of IAS 39 that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

  Key features of the new standard are:

  - Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortized cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL).
  - Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss.

Notes to the consolidated financial statements *(continued)*

2. Summary of significant accounting policies *(continued)*

- Classification for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). If a debt instrument is held to collect, it may be carried at amortized cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets' cash flows and sells assets may be classified as FVOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives). Embedded derivatives are no longer separated from financial assets but will be included in assessing the SPPI condition.
- Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income.
- IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stages' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities will have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for lease and trade receivables.
- Hedge accounting requirements were amended to align accounting more closely with risk management. The standard provides entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 and continuing to apply IAS 39 to all hedges because the standard currently does not address accounting for macro hedging.

Classification and measurement

IFRS 9 impact on the classification of financial assets and liabilities is presented in Note 15.

Impairment of financial assets

The Group has two types of financial assets that are subject to IFRS 9's new expected credit loss model – trade receivables and debt investments carried at amortized cost. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Implementation of expected credit loss model had no significant impact on the Groups financial performance / position. Please refer to Note 16.

<u>Trade receivables</u>

The Group applies IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, as grouped based on shared credit characteristics and the days past due.

The expected credit loss rates are based on the payment profiles of sales over a period of 2 years prior to 31 December 2018 and the historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information.

Trade receivables from related parties are considered as a separate group, with no historical credit losses over the relevant assessment period. Accordingly, no lifetime expected credit losses are recognised in respect of trade receivables from related parties.

<u>Debt investments carried at amortized cost</u>

All the Group's loans receivable from related parties (debt investments at amortised cost) are considered as a separate group, with no historical credit losses over the relevant assessment period.

Loans receivable from related parties are considered to have low credit risk, and the loss allowance assessed during the period was therefore limited to 12 months expected losses.

All other standards, revisions and interpretations that became effective from 1 January 2018 have no material impact on the financial statements.

Certain new or revised standards and interpretations have been issued that are mandatory for the Group's annual periods beginning on or after 1 January 2019 and which the Group has not early adopted:

Notes to the consolidated financial statements *(continued)*

2. Summary of significant accounting policies *(continued)*

- IFRS 16 "Leases"

  The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees will be required to recognize: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

  The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply simplified transitional approach and will not restate comparative amounts for the year prior to first adoption. Right-to-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

  The Group has estimated, that as a result of IFRS 16 adoption, around DKK 9.5 million will be presented as annual amortization / depreciation charge instead of lease expense in the income statement and around DKK 82.8 million will be recognized as additional lease liability and right-to-use asset.

- The Group anticipates that the adoption of all other standards, revisions and interpretations will have no material impact on the financial statements of the Group in the period of initial application.

All other standards, revisions and interpretations are not adapted in advance or have no material impact on the financial statements.

Consolidation principles

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owner of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition by acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re measured to fair value at the acquisition date; any gains or losses arising from such re measurement are recognized in profit or loss.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform to the group's accounting policies.
In the parent company's separate financial statements, the investment in subsidiaries is recognised at cost less any potential accumulated impairment losses related to impairment of assets. Cost is adjusted to reflect the changes arising from the changes in contingent consideration. Dividends payment are recognized in the profit and loss statement.

Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions

Notes to the consolidated financial statements *(continued)*

2. Summary of significant accounting policies *(continued)*

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is premeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Euro (€), which is the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the sale of goods and services in the ordinary course of the Group's activities, net of value added taxes, volume rebates granted, returns and discounts.

The Group recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Group does not expect to have any contracts where the period between the transfer of the goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Revenues earned by the Group are recognized on the following bases:

(i) Sales of goods

Sales of goods are recognized at the point of transfer of control, which in all material aspects corresponds to, that the transfer of risks and rewards of ownership of the goods have been transferred to the customer, which is usually when the Group has sold or delivered goods to the customer, the customer has accepted the goods and collectability of the related receivable is reasonably assured.

A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Major part of services relates to sale of goods and accordingly service revenues are recognized at a point in time in the same patter as the revenue from sale of goods is recognized.

Timing of revenue recognition for other services, if provided for prolonged time periods, is "Over time".

(ii) Interest income

Interest income is recognized on time-proportion basis using the effective interest rate method.

Notes to the consolidated financial statements *(continued)*

2. Summary of significant accounting policies *(continued)*

(iii) Rental income

Rental income arising on operating leases is recognized as Other operating income on a straight-line basis over the lease term.

(iv) Dividend income

Dividend income is recognized when the right to receive payment is established.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in Denmark. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit / loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. Refer to Note 14 and Note 26.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values, over their estimated useful lives. The annual depreciation rates are as follows:

Buildings	10-20 years
Equipment and machinery	6-15 years
Other fixed assets and motor vehicles	5-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Fixed assets under construction represents costs of fixed assets and fixed assets under construction, thereby the initial cost is maintained. The initial cost includes construction costs and other direct costs. Depreciation of fixed assets is not calculated until the assets are completed and put into operations. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Borrowing costs attributable to the construction of property, plant and equipment are added to the cost of the assets during the period that is required to complete and prepare the asset for its intended use.

Notes to the consolidated financial statements *(continued)*

2. Summary of significant accounting policies *(continued)*

Expenditure for repairs and maintenance of property, plant and equipment is charged to the profit or loss of the year in which they were incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Items of property, plant and equipment are derecognized on disposal or when no future economic benefits are expected from their use or disposal. Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are recognized in "other gains/(losses) – net" in profit or loss.

Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated on a straight-line basis over the shorter of the lease term and their useful economic life, unless there is reasonable certainty that the Group will obtain ownership by the end of the lease term, in which case the assets are depreciated over their estimated useful lives.

When reasonable foundation exists that at the end of the lease period the respective object of a lease will be transferred to lessee, it is assumed that the prospective utilization life of the asset will equal to the useful life of the asset. In all other cases depreciation of the capitalized leased assets is calculated using the straight – line method during the shortest of useful life of the asset or period of the lease.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Starting 1 January 2019 leases will be accounted under IFRS 16 (see changes in accounting policies).

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed. See also principles for "Impairment of non-financial assets".

Trademarks, licenses, patents

Separately acquired trademarks and licenses are shown at historical cost. Trademarks and licenses acquired in a business combination are recognized at fair value at the acquisition date.

Trademarks and licenses with a finite useful life are carried at cost less accumulated amortization and they are tested for impairment where there is an indication of impairment.

Amortization is calculated using the straight-line method to allocate the cost of trademarks, brands, licenses (other than software) over their estimated useful lives as follows:

Trademarks and brands	10 years
Licenses and patents (other than software)	3-10 years

Notes to the consolidated financial statements *(continued)*

2. Summary of significant accounting policies *(continued)*

The useful lives of trademarks have been determined on the basis of management estimates of the expected length of the cash generating period by these assets. Useful lives of software license have been determined on the basis of duration of right of use of assets.
The management estimates that umbrella brands have indefinite useful lives since the cash flows generated by these intangible fixed assets have indefinite future. See also principles for "Impairment of non-financial assets".

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognized as intangible assets. Subsequently computer software is carried at cost less any accumulated amortization and any accumulated impairment losses. Expenditure, which enhances or extends the performance of computer software programs beyond their original specifications is recognized as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are charged to the profit or loss of the year in which they were incurred.

Computer software costs are amortized using the straight-line method over their estimated useful lives, not exceeding a period of five years. Amortization commences when the computer software is available for use and is included within administrative expenses.

Impairment of non-financial assets

Assets that have an indefinite useful life or intangible assets not ready to use, are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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 value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Transactions with equity owners/subsidiaries

The Group enters into transactions with shareholders and subsidiaries. When consistent with the nature of the transaction, the Group's accounting policy is to recognize (a) any gains or losses with equity holders and other entities which are under the control of the ultimate shareholder, directly through equity and consider these transactions as the receipt of additional capital contributions or the payment of dividends; and (b) any losses with subsidiaries as cost of investment in subsidiaries. Similar transactions with non-equity holders or subsidiaries, are recognized through the profit or loss in accordance with IFRS 9, 'Financial Instruments Recognition and Measurement'.

In relation to combination of entities under common control, the Group has chosen to apply the following accounting policy:

- where the direct legal ownership of involved entities is changed outside the Group (e.g. entity is bought from the Group's shareholders), the Group accounts for the change as business combination under IFRS 3;
- where the direct legal ownership of involved entities is changed within the Group (e.g. entity is bought from the other subsidiary of the Group), the Group accounts for the change under pooling-of-interest method;
- where the direct legal ownership of involved entities does not change (for example, legal merger), the Group accounts for the change under pooling-of-interest method.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first in, first out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

When the net realizable value of inventories is lower than its cost, provisions are created to reduce the value of inventories to its net realizable value.

Notes to the consolidated financial statements *(continued)*

2. Summary of significant accounting policies *(continued)*

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost. Refer to accounting policy on Financial assets for further details.

Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks with original maturity of three months or less. Bank overdrafts which are used as financing tools, are presented under financing cash flows and do not comprise part of cash and cash equivalents.

Cash pool accounts

Cash pool account is a centralized cash management solution for certain companies of Food Union Holding (Cyprus) Public company limited group ("FUN Group"), provided by SEB Bank AS. The main function of the cash pool account is the notional pooling of funds from participating current accounts of several FUN Group companies that are part of the Cash pool agreement. This allows provision of liquidity for cash pool participants and reduce need for external financing. According to the Cash pool agreement, SEB Bank AS provides an overdraft facility of up to EUR 2 000 000 to cash pool members to cover the negative balances of the FUN Group cash pool account.

According to the agreement with SEB Bank AS and other cash pool participants, the Group can borrow funds from cash pool (negative balance on the Group's cash pool accounts) or lend funds to the cash pool (positive balance on the Group's cash pool accounts). The negative balances of the Company's cash pool accounts are included in the balance sheet position "Other borrowings from related parties", while positive balances of the Company's cash pool accounts are included in the balance sheet position "Other loans to related parties".

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends.

Statutory reserve capital

Reserve capital

Other reserves include accumulates profit/loss and reserves for development cost according to national GAAP.

Dividend

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

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Employee benefits

Employee benefits include payroll payments, holiday and pension reservation and provisions. The are no pensions obligations to employees when paid to local authorities.

Notes to the consolidated financial statements *(continued)*

2. Summary of significant accounting policies *(continued)*

Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalized as part of the cost of that asset.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment (for liquidity services) and amortized over the period of the facility to which it relates.

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds, including interest on borrowings, amortization of discounts or premium relating to borrowings, amortization of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Group and the costs can be measured reliably.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Financial assets *(accounting policy applied starting 1 January 2018)*

Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories: those to be measured at amortized cost and those at fair value through profit and loss.

The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Group may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Group commits to deliver a financial instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference

Notes to the consolidated financial statements *(continued)*

2. Summary of significant accounting policies *(continued)*

Financial assets *(accounting policy applied starting 1 January 2018) (continued)*

between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the entity's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statement. Financial assets measured at amortized cost comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade and other receivables and financial assets at amortized cost.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the income statement.
- FVTPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

Impairment – credit loss allowance for expected credit losses (ECL)

From 1 January 2018, the Group assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortized cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group measures ECL and recognizes credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognized in the income statement within "net impairment losses on financial assets".

Debt instruments measured at amortized cost are presented in the balance sheet net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognized as a liability in the balance sheet.

For debt instruments at FVOCI, an allowance for ECL is recognized in profit or loss and it affects fair value gains or losses recognized in OCI rather than the carrying amount of those instruments.

Expected losses are recognized and measured according to one of two approaches: general approach or simplified approach.

For trade receivables including trade receivables with a significant financing component and contract assets the Group applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognized from initial recognition of the financial assets.

For all other financial asset that are subject to impairment under IFRS 9, the Group applies general approach – three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Additionally, the Group has decided to use the low credit risk assessment exemption for investment grade financial assets.

Notes to the consolidated financial statements *(continued)*

2. Summary of significant accounting policies *(continued)*

Financial assets *(accounting policy applied starting 1 January 2018) (continued)*

Modification

The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Group derecognizes the original financial asset and recognizes a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Group also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognized and fair value of the new substantially modified asset is recognized in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Group compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Group recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognizes a modification gain or loss in profit or loss.

Financial assets at amortized cost

These amounts generally arise from transactions outside the usual operating activities of the Group. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortized cost using the effective interest method, less provision for impairment. Financial assets at amortized cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Financial assets *(accounting policy applied until 31 December 2017)*

(i) Classification

The Group classifies its financial assets in the following categories: loans and receivables, held-to-maturity investments and available for sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise "non-current and current loans receivable ", "trade and other receivables" and "cash and bank balances" in the balance sheet.

(ii) Recognition and measurement

Regular way purchases and sales of financial assets are recognized on the trade date which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analyzed between translation differences resulting from changes in amortized cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognized in profit or loss, while translation differences on non-monetary securities are recognized in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in other comprehensive income are included in profit or loss as "gains and losses on available for sale financial assets".

Notes to the consolidated financial statements *(continued)*

2. Summary of significant accounting policies *(continued)*

Financial assets *(accounting policy applied until 31 December 2017) (continued)*

Interest on available for sale securities calculated using the effective interest method is recognized in the profit or loss as part of other income. Dividends on available for sale equity instruments are recognized in profit or loss as part of other income when the Group's right to receive payments is established.

(iii) Impairment of financial assets

The Group assesses at the balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the profit or loss.

If a loan or held to maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the consolidated profit or loss.

In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in profit or loss.

Impairment losses recognized in the consolidated profit or loss on equity instruments are not reversed through the consolidated profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the consolidated profit or loss.

Financial liabilities

All financial liabilities (trade payables, other short and long-term liabilities, borrowings) are initially recognised at their fair value, less any transaction costs. They are subsequently recognised at amortised cost, using the effective interest rate method.

3. Financial risk management

(i) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Market risk

Currency/Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the functional currency of each of the Group's entities.

Notes to the consolidated financial statements *(continued)*

3. Financial risk management *(continued)*

Market risk *(continued)*

Majority of all Group's financial assets and liabilities, including borrowings, are in DKK.

The Group has not used financial instruments to protect itself against possible currency risks that may occur in the future in business transactions, assets and liabilities in foreign currencies. Income and expenses from transactions made in foreign currencies are recognised under other operating income/expense or financial income/expense in "Gain/loss from change of exchange rate".

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings are not issued at fixed rates; therefore, the Group has no exposure to fair value interest rate risk.

The Group's borrowings to/from related parties have variable interest rate, which consist of 3M Euribor plus fixed margin. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

As at 31 December 2018 and 31 December 2017 the effect of changes in interest rate was not significant, since 3M Euribor rate remain to stay below zero and according to respective financing agreements were equalled zero.

Refer also to Note 20 and 25.

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

The Group's cash and cash equivalents have been invested in secure financial institutions. The Group manages its credit risk by continuously assessing the credit history of its customers and setting credit terms individually for each client. Individual risk limits are set based on internal ratings in accordance with limits set by the management. The utilization of credit limits is regularly monitored. In addition, the Group continuously monitors accounts receivable balances to minimize appearance of bad debts.

Refer to Note 16 for further disclosure on credit risk.

To minimize credit risk, solvency of a potential contractual partner is assessed. Contracts for purchase and sale of products are concluded with all contractual partners, and a payment is granted only to reliable partners. If possible, the Group uses factoring, without recourse as an additional measure to manage credit risk.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Liquidity risk

The table below analyses the group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows for borrowings.

Borrowings, DKK (ex. Lease)	**Less than 3 months**	**Less than 1 year**	**Between 1 and 5 years**	**Over 5 years**	**Total**
At 31 December 2017	1 917 561	5 201 989	74 578 324	54 193 334	135 711 209
At 31 December 2018	1 220 389	12 545 249	115 393 465	-	129 159 103

All trade and other payables are current and their carrying balances approximate fair values as impact of discounting is insignificant.

The Group manages its liquidity risk by monitoring the changes in working capital and by ensuring adequate funding. Based on the Group's cash management principle, the Group's cash is accumulated in dedicated bank accounts and managed on a Group level. To ensure daily liquidity requirements, the Group's management determines minimum cash balances to be maintained on Group's bank accounts.

Notes to the consolidated financial statements *(continued)*

3. Financial risk management *(continued)*

Risk analysis and designing of risk management plans are conducted at the top management level. The Group's liquidity risk policy is based on a conservative approach whose main objective is to secure the safeguarding of the cash flows generated from the operations to ensure sufficient liquidity enabling timely settlement of the liabilities undertaken.

Refer to Note 25 for further disclosure on credit risk.

(ii) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital as defined by management at 31 December 2018 and 2017 consists of total equity of the Group plus net debt of the Group, as shown on the face of the consolidated balance sheet.

As at 31 December 2018 as a result of the refinancing process (refer to Note 25) the Group has one partner providing non-current and current financing to operational entities through central treasury company.

The gearing ratios at 31 December 2018 and 2018 and 2017 were as follows:

	31.12.2018. DKK	31.12.2017. DKK
Total borrowings (Note 25)	181 505 010	182 369 113
Less: Cash and cash equivalents (Note 23)	(15 151 962)	(7 392 067)
Net debt	**166 353 048**	**174 977 046**
Total equity	94 301 843	89 425 020
Total capital as defined by management	**260 654 891**	**264 402 066**
Gearing ratio	**64%**	**66%**

The Group has repaid considerable part of its non-current borrowings and as a result the gearing ratio has decreased during 2018.

Under the terms of the Group's borrowing facilities, the Group is required to comply to certain financial and non-financial covenants. Please refer to Note 25.

(iii) Fair value estimation

The different levels of fair value valuation methods have been defined as follows:

• Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

• Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

• Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value of financial instruments that are not traded in an active market (for example, unlisted equity securities) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The Group's management estimates that the carrying amounts of financial assets and liabilities carried at amortised cost are not significantly different from their fair values at 31 December 2018 and 31 December 2017.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available for similar financial instruments.

Notes to the consolidated financial statements *(continued)*

4. Critical accounting estimates, judgements and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Evaluation of inventories**

For evaluation of inventories, the management uses known information, considering historical experience, general background information, and potential assumptions and conditions of potential events in future periods. To determine impairment losses for finished goods, the sales potential and net realisable value is used as the basis. For raw materials and materials, it is done by using their potential use in the process of making finished goods and generating income.

- **Assessment of useful economic lives of property, plant and equipment and intangible assets with definite lifetime**

Management is required to assess the useful economic lives and residual value of the assets so that depreciation and amortization is charged on a systematic basis up to the residual value. Estimates of useful economic life of property, plant and equipment and intangible assets with definite lifetime are based on management's experience by comparison to similar assets in the industry. However, the actual life of respective assets may be different. Changes to estimates to useful lives and residual values may affect the annual depreciation and amortization charge and thereby the results for the year significantly.

- **Estimated impairment of goodwill**

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2. The recoverable amount of cash generating units has been determined based on value in use calculations. These calculations require the use of estimates as disclosed in Note 17. As at 31 December 2018 and 2017 the management concluded that no impairment charge is required.

Notes to the consolidated financial statements *(continued)*

5 Revenue

	Consolidated		Parent	
	2018 DKK	**2017 DKK**	**2018 DKK**	**2017 DKK**
Revenue by operating activities				
Sales of goods	466 934 643	340 508 925	358 289 588	282 283 090
Other services	1 111 052	1 700 471	1 285 457	1 606 846
	468 045 696	**342 209 396**	**359 575 046**	**283 889 936**
Sales of goods by product type				
Ice - cream	464 266 946	338 895 519	358 289 588	282 283 090
Frozen food	2 667 698	1 613 406	-	-
	466 934 643	**340 508 925**	**358 289 588**	**282 283 090**
Revenue by geographical area				
Denmark	454 547 576	326 681 953	346 076 926	268 870 495
Norway	8 548 072	8 997 636	8 548 072	8 771 639
Sweden	3 509 251	4 140 657	3 509 251	4 140 657
Germany	1 246 533	1 199 946	1 246 533	1 199 946
Latvia	194 264	456 132	194 264	456 132
Other countries	-	733 073		451 067
	468 045 696	**342 209 396**	**359 575 046**	**283 889 936**

6 Cost of goods sold

Materials and goods for sale	213 749 822	187 628 947	212 030 601	161 115 975
Depreciation (Note 18)	5 088 087	3 806 783	5 088 087	3 806 783
Salary expenses	8 232 698	13 560 695	8 232 698	7 355 974
Social and Pensions contributions	1 022 660	9 122 193	1 022 660	1 289 083
Machinery repair and maintenance	9 393 390	10 624 911	9 393 390	7 753 425
Other production costs	4 389 565	7 609 551	3 895 073	2 718 193
	241 876 222	**232 353 080**	**239 662 509**	**184 039 433**

7 Selling expenses

Transport, logistics and material expenses	27 292 164	10 111 733	13 018 075	10 111 733
Salary expenses	75 269 081	30 323 625	31 970 610	29 592 132
Social and Pensions contributions	7 309 266	2 422 858	1 505 057	1 499 389
Marketing and promotion expenses	21 818 779	15 738 301	13 322 106	9 115 856
Depreciation (Note 18)	10 508 140	3 623 852	9 045 921	1 170 355
Amortization (Note 17)	10 190 533	7 251 080	5 819 057	7 100 906
Repair and maintenance	7 698 080	5 220 385	3 230 419	5 220 385
Receivables written off	563 376	1 230 346	511 133	835 356
Other selling and marketing expenses	7 763 254	5 469 577	5 737 410	5 410 999
	168 412 673	**81 391 759**	**84 159 788**	**70 057 112**

Notes to the consolidated financial statements *(continued)*

8 Administrative expenses

	Consolidated		Parent	
	2018 DKK	2017 DKK	2018 DKK	2017 DKK
Salary expenses	20 796 525	9 491 960	13 672 087	9 195 415
State compulsory social insurance contributions	2 323 096	966 513	1 008 545	592 141
Professional fees and services	745 519	995 412	519 669	683 002
Depreciation (Note 18)	7 305 544	7 555 634	6 887 203	7 555 634
Amortization (Note 17)	1 443 325	-	5 276 695	-
Other administrative costs	11 189 046	7 956 682	1 157 597	6 291 115
	43 803 056	**26 966 200**	**28 521 795**	**24 317 306**

The professional fees stated above includes DKK 375 00 (2017: DKK 335 000) auditors' remuneration. In addition, it includes DKK 65 000 (2017: DKK 323 000) for tax consultancy and other services charged by the Group's statutory audit firm. The professional fees stated above includes business acquisitions and other merger and acquisition related services.

9 Other operating income and expenses

	Consolidated		Parent	
9 (a) Other operating income	2018 DKK	2017 DKK	2018 DKK	2017 DKK
Interest income:				
- Loans to related (Note 20)	155 581	-	490 195	345 902
- Other finance income	77 125	-	76 925	-
	232 706	-	**567 120**	**345 902**
Other operating income	4 807 941	2 553 610	4 804 637	2 874 319
	5 040 647	**2 553 610**	**5 371 757**	**3 220 221**
9 (b) Other gains/ (losses), net				
(Loss) / gain from disposal of property, plant and equipment (Note 18)	764 357	166 990	360 171	89 869
(Loss)/gain from disposal of intangible assets (Note 17)	(40 414)	(64 311)	(40 414)	(64 311)
	723 943	**102 679**	**319 757**	**25 558**
9 (c) Other operating expenses				
Impairment of non current assets	75 000	-	75 000	-
Property tax	246 180	-	127 746	-
	321 180	**-**	**202 746**	**-**

10 Finance costs

	Consolidated		Parent	
10 (a) Interest expenses:	2018 DKK	2017 DKK	2018 DKK	2017 DKK
-Bank borrowings (Note 25 (ix))	115 250	1 817 656	104 527	1 817 656
-Loans from the related parties (Note 25 (ix))	7 882 832	3 319 284	7 591 680	3 319 284
-Finance leases (Note 25 (viii))	220 650	406 977	156 670	299 955
-Loans to third parties (Note 25 (ix))	-	637 728	-	637 728
Other finance costs	95 272	338 804	64 753	366 385
Amortization of deferred refinancing costs	4 064 970	-	4 064 970	-
	12 378 975	**6 520 449**	**11 982 599**	**6 441 008**

Notes to the consolidated financial statements *(continued)*

10 (b) Foreign exchange gain/ (loss):	**Consolidated 2018 DKK**	**Consolidated 2017 DKK**	**Parent 2018 DKK**	**Parent 2017 DKK**
Foreign exchange gain/ (loss) on financing activities:				
- Borrowings from the banks	(733 029)	686 735	(799 617)	686 735
- Other	(29)	123 329	(29)	123 329
	(733 059)	**810 065**	**(799 646)**	**810 063**

11 Expenses by nature

	Consolidated 2018 DKK	**Consolidated 2017 DKK**	**Parent 2018 DKK**	**Parent 2017 DKK**
Cost of materials and goods used	213 749 819	187 628 947	212 030 599	161 115 975
Salary expenses incl. directors' remuneration and fees	114 953 327	65 887 845	57 411 657	49 524 134
Transportation, logistics and materials cost	27 292 164	12 983 219	13 018 075	10 111 733
Depreciation, amortization and impairment (Note 17, 18)	34 535 628	22 237 349	26 584 133	19 633 678
Marketing, promotion and similar costs	26 826 988	18 135 267	16 896 818	11 454 245
Fuel, power, machinery maintenance and repairs	17 091 469	12 973 810	12 623 809	12 973 810
Other administrative costs	11 004 249	7 815 658	6 617 878	6 150 091
Other production costs	4 305 443	7 563 579	3 810 950	2 672 222
Operating lease rentals	1 184 563	1 640 025	778 147	1 640 025
Professional fees and services	745 519	995 412	519 669	683 002
Impairment and write off of receivables	563 376	1 230 346	511 133	835 356
Traveling expenses	1 839 405	1 619 582	1 541 223	1 619 580
Total cost of sales, selling and administrative costs	**454 091 950**	**340 711 039**	**352 344 091**	**278 413 851**

12 Average number of employees in the Group

	Consolidated 2018 DKK	**Consolidated 2017 DKK**	**Parent 2018 DKK**	**Parent 2017 DKK**
Average number of employees during the reporting period in the Group	306	240	183	163

13 Staff costs

	Consolidated 2018 DKK	**Consolidated 2017 DKK**	**Parent 2018 DKK**	**Parent 2017 DKK**
- Salary expenses	93 046 212	47 747 414	44 099 002	41 039 654
- Social and Pensions contributions	10 636 995	12 490 372	3 518 234	3 359 422
- Director's remuneration and fees (Note 30 (i.iii)	11 252 092	5 628 866	9 776 392	5 103 866
- Social and Pensions contributions on director's remuneration (Note 30 (i.iii)	18 028	21 192	18 028	21 192
	114 953 327	**65 887 845**	**57 411 657**	**49 524 134**

Notes to the consolidated financial statements *(continued)*

14 Income tax

	Consolidated		Parent	
	2018 DKK	2017 DKK	2018 DKK	2017 DKK
Current tax:				
Income tax charge for the reporting year	508 082	(736 450)	508 082	226 043
Under / (over) provision of prior years' taxes	25 608	-	25 068	476 172
Total current income tax for the reporting year:	**533 150**	**(736 450)**	**533 150**	**702 215**
Deferred tax:				
Origination and reversal of temporary differences	1 126 090	(735 000)	(359 373)	(100 000)
Under/ (over) provision of prior years' deferred taxes	(250 941)	-	(100 000)	-
Total deferred income tax for the reporting year:	**875 149**	**(735 000)**	**(459 373)**	**(100 000)**
Total income tax charged/(credited) for the year:	**1 408 299**	**(1 471 450)**	**73 777**	**602 215**

The Group's total income tax charge/(credit) for the reporting year differs from the theoretically calculated tax amount that would arise using the applicable tax rate as follows:

	Consolidated		Stand-alone	
	2018 DKK	2017 DKK	2018 DKK	2017 DKK
Profit before tax	**6 285 122**	**(1 555 738)**	**(62 523)**	**3 090 919**
Tax calculated at domestic tax rates applicable to profits in the respective countries	1 382 727	(342 262)	(13 755)	680 002
Under / (over) provision of prior periods	(225 873)	-	(225 873)	-
Non-taxable income/ non-deductible expense	6 091	-	4 165	-
Other	245 354	(1 129 188)	158 299	(77 787)
Corporate income tax (charge)/ credit	**1 408 299**	**(1 471 450)**	**73 777**	**602 215**

Applicable tax rate for Mejerigaarden A/S is 22%.

15 Financial instruments by category

	Consolidated			Parent		
Assets as per balance sheet	**31.12.2018. DKK**	**31.12.2017. DKK**	**01.01.2017. DKK**	**31.12.2018. DKK**	**31.12.2017. DKK**	**01.01.2017. DKK**
Financial assets at amortized cost:						
Loans receivable (Note 20)	548 942	900 276	1 050 548	548 842	30 856 178	1 052 455
Trade and other receivables, excl. prepayments (Note 22)	33 337 845	43 535 711	41 509 118	38 797 590	46 242 598	41 492 689
Cash and cash equivalents (Note 23)	15 151 962	7 392 067	481 000	7 716 763	5 676 355	348 085
Total	**49 038 749**	**51 828 054**	**43 040 666**	**47 063 295**	**82 775 131**	**42 893 229**
Liabilities as per balance sheet						
Borrowings including finance lease (Note 25)	181 505 010	182 369 113	26 623 000	155 863 732	181 019 314	26 623 000
Trade and other payables (excluding tax liabilities) (Note 27)	53 264 110	52 826 444	33 955 907	46 053 561	47 771 077	35 226 409
Total	**234 769 120**	**235 195 557**	**60 578 907**	**201 917 293**	**228 790 391**	**61 849 409**

Notes to the consolidated financial statements *(continued)*

16 Credit quality of financial assets

The Group has two types of financial assets that are subject to IFRS 9 new expected credit loss model:

- Trade receivables;
- Debt investments carried at amortized cost (loans).

Trade receivables

The Group applies simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, as grouped based on shared credit characteristics and the days past due.

The expected credit loss rates are based on the payment profiles of sales over a period of 2 years prior to 31 December 2018 and the historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information.

Other tax receivables are considered as a separate, low default risk group, with no expected credit losses.

Trade receivables from related parties are considered as a separate group, with no historical credit losses over the relevant assessment period. Accordingly, no lifetime expected credit losses are recognized in respect of trade receivables from related parties.

On that basis, the loss allowance as at 31 December 2018 and 2017 was determined as follows:

	Consolidated			**Parent**		
Trade receivables	**31.12.2018. DKK**	**31.12.2017. DKK**	**01.01.2017. DKK**	**31.12.2018. DKK**	**31.12.2017. DKK**	**01.01.2017. DKK**
Gross trade receivables, excl. related parties	29 817 003	36 252 379	30 971 830	29 188 340	35 404 112	30 971 830
Loss allowance	(1 245 710)	(1 296 458)	(856 688)	(930 004)	(980 752)	(856 688)
Expected loss rate, %	4.18%	3.58%	2.77%	3.19%	2.77%	2.77%
Gross trade receivables from related parties	1 326 141	2 902 085	-	9 104 462	6 198 385	-
Loss allowance	-	-	-	-	-	-
Expected loss rate, %						
Other receivables						
Other tax receivables	7 765 423	7 006 770	-	7 437 810	4 091 654	-
Loss allowance	-	-	-	-	-	-
Expected loss rate, %						

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery, include, amongst others, the failure of debtor to engage in a repayment plan with the Group as well as declared insolvency or liquidation of debtor.

Debt investments carried at amortized cost

All the Group's loans receivable from related parties (debt investments at amortized cost) are considered as a separate group, with no historical credit losses over the relevant assessment period.

Loans receivable from related parties are considered to have low credit risk, based on the assumption of these parties having low risk of default and demonstrating strong capacity to meet its contractual cash flow obligations. Loans to shareholders are considered to be, in substance, secured by possibility to net it versus future distribution of dividends. Accordingly, the loss allowance assessed during the period was limited to 12 months expected losses.

Notes to the consolidated financial statements *(continued)*

16 Credit quality of financial assets *(continued)*

	Consolidated			Parent		
	31.12.2018. DKK	**31.12.2017. DKK**	**01.01.2017. DKK**	**31.12.2018. DKK**	**31.12.2017. DKK**	**01.01.2017. DKK**
Loans to other related parties, including management (Note 21, 35 (iv))	-	-	-	-	29 955 902	1 907
Loss allowance	-	-	-	-	-	-
Expected loss rate, %						
Loans to third parties (note 21)	548 942	900 276	1 050 548	548 942	900 276	1 050 548
Loss allowance	-	-	-	-	-	-
Expected loss rate, %						
Not overdue	27 863 274	35 166 702	27 564 929	35 082 085	37 708 045	27 564 929
Overdue, but not impaired	2 034 160	2 691 304	2 550 213	2 280 713	2 913 700	2 550 213
Over 1 year past due and impaired	1 245 710	1 296 458	856 688	930 004	980 752	856 688

Cash and cash equivalents

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, since cash at bank are held in Range A banks, there are no impairments.

Cash at bank (as per Moody's rating) at the date of approval of these consolidated financial statements:

	Consolidated			Parent		
	31.12.2018. DKK	**31.12.2017. DKK**	**01.01.2017. DKK**	**31.12.2018. DKK**	**31.12.2017. DKK**	**01.01.2017. DKK**
Range A	14 928 143	7 368 259	466 753	7 700 120	5 652 547	333 838
Unrated or not specified	223 819	23 808	14 246	16 643	23 808	14 246
	15 151 962	**7 392 067**	**481 000**	**7 716 763**	**5 676 355**	**348 085**

Notes to the consolidated financial statements *(continued)*

17 Intangible assets

(i) consolidated

	Goodwill	Trademarks and brands	Other intangible assets*	Licences, patents and software	Total
Period 01.01.2017-31.12.2017					
Opening net book amount	**26 493 436**	**1 583 569**	**9 721 429**	**2 870 647**	**40 669 081**
Acquired in business combination	112 769 951	-	-	381 295	**113 151 246**
Additions	-	-	5 830 927	1 701 886	**7 532 813**
Disposals	-	-	(3 588 418)	-	**(3 588 418)**
Accumulated amortization on disposals	-	-	2 126 821	-	**2 126 821**
Reclassification net book amount	-	(458 569)	-	990 559	**531 990**
Amortization charge	-	(500 000)	(5 150 141)	(1 600 942)	**(7 251 082)**
Closing net book amount	**139 263 387**	**625 000**	**8 940 619**	**4 343 445**	**153 172 453**
As at 31 December 2017:					
Cost	139 263 387	5 000 000	27 573 474	11 554 033	**183 390 894**
Accumulated depreciation	-	(4 375 000)	(18 632 855)	(7 210 588)	**(30 218 443)**
Net book amount	**139 263 387**	**625 000**	**8 940 619**	**4 343 445**	**153 172 453**
Period 01.01.2018-31.12.2018					
Opening net book amount	**139 263 387**	**625 000**	**8 940 619**	**4 343 445**	**153 172 453**
Acquired in business combination	18 674 110	-	-	(412 100)	**18 262 010**
Additions	-	-	6 247 319	2 347 480	**8 594 799**
Disposals	-	-	(2 516 802)	-	**(2 516 802)**
Accumulated amortization on disposals			1 623 527		**1 623 528**
Reclassification net book amount	(99 900 000)	99 900 000	-	-	-
Amortization charge	-	(3 996 000)	(5 819 057)	(1 818 802)	**(11 633 859)**
Closing net book amount	**58 037 497**	**96 529 000**	**8 475 607**	**4 460 024**	**167 502 128**
As at 31 December 2018:					
Cost	58 037 497	104 900 000	31 303 992	13 197 069	**207 438 557**
Accumulated depreciation	-	(8 371 000)	(22 828 385)	(8 737 045)	**(39 936 430)**
Net book amount	**58 037 497**	**96 529 000**	**8 475 607**	**4 460 024**	**167 502 128**

Trademarks- and brands include “Hjem-Is” etc.

*Other intangible assets are recognized at their fair value at the date of acquisition and are subsequently amortized on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful live.

Impairment test of non- current assets

During 2017 Food Union Scandinavia ApS sold its investment in Mejerigaarden Investments A/S to Food Union Holding (CY) Public company limited. The transaction was treated as common control transaction, not changing previously assessed goodwill and fair value assessments of Mejerigaarden Investments A/S and Mejerigaarden A/S and not resulting in any reporting year gain/loss on share transfer. During 2018 Mejerigaarden Investments A/S was merged into Mejerigaarden A/S and ceased to exist without liquidation process. The merger had no impact on previously recognized goodwill.

During 2017 the Group recognized goodwill of DKK 112 769 951 on acquisition of Hjem-Is Danmark A/S group. Purchase price allocation exercise was not completed as at 31 December 2017, therefore value of acquired assets and liabilities and resulting goodwill presented were provisional.

Notes to the consolidated financial statements *(continued)*
17 Intangible assets *(continued)*

During year 2018, negotiations regarding purchase price adjustments were completed and purchase price allocation exercise was finalized. As a result, DKK 1 200 000 was withheld from the escrow account in favor of the Buyer to settle identified dispute and additional DKK 1 794 169 were received as refund from the Seller. The purchase price and recognized goodwill were reduced accordingly. Besides, value of acquired net assets was reduced by DKK 664 432 in respect of Intangible assets and Property, plant and equipment. Additionally, brands of DKK 99 900 000 and related deferred tax liability of DKK 21 978 000 were recognized based on experts' report and recognized goodwill was adjusted accordingly.

During 2018 (effective 1 January 2017) Hjem-Is Distribution ApS was merged to Hjem-Is Danmark A/S and ceased to exist without liquidation process. The merger had no impact on previously recognized goodwill.

Accordingly, total goodwill recognized in respect of acquisition of Hjem-IS Danmark A/S and its subsidiaries was DKK 31 544 061.

During 2018 the management of the Group has prepared long term plan, aggregating operations of the subsidiaries of the group bases on country of incorporation, which, to a large extent, represents key market operated by respective entity.

Respective long-term plans constitute a basis for future cash flows used in annual impairment tests. Accordingly, impairment test on the Group's subsidiaries operating in Denmark includes Hjem-Is Denmark A/s and Mejerigaarden A/s.

Management reviews the business performance of the Company's taken as a whole. The recoverable amount of the assets, including goodwill, has been determined based on value-in-use calculation. This calculation uses pre-tax cash flow projections based on financial budget for the next reporting year approved by the management and further long-term plan based on the forecast covering a five-year period in total.

The key assumptions used for value-in-use calculations in 2018 are as follows:
- EBITDA %: 13.58% in 2019, 14.71% in 2020 and gradually increasing to 15.26 % till 2023 and afterwards;
- Capital investments: EUR 7 200 000 in 2019, EUR 1 700 000 in 2020 and afterwards;
- Discount rate (WACC): 8.92%.

The key assumptions used for value-in-use calculations in 2017 were as follows:
- EBITDA: 12.02% increasing to 13.46% during period 2018 to 2022;
- Capital investments: EUR 2 000 000 in 2018, 2019 and 2020, EUR 1 900 000 in 2021 and afterwards;
- Discount rate (WACC): 8.92%.

As a result, there was no indication for impairing the carrying amount of the goodwill, as at 31 December 2018 and 31 December 2017.

The following individual change in each of the key assumptions would make recoverable amount approximate its carrying amount as of 31 December 2018:
- Decrease of EBITDA by 3% in each year during period 2019-2023;
- Increase in discount rate (WACC) to 9.26%.

Total net carrying value of assets of Mejerigaarden A/S group tested for impairment is DKK 275 593 431 (only for Mejerigaarden A/S as at 31.12.2017.: DKK 323 539 000), which included non-current assets (incl. goodwill) and net working capital. Based on the management assessment, the recoverable amount calculated based on value in use exceeded the above-mentioned carrying value by DKK 254 858 019 (only for Mejerigaarden A/S as at 31.12.2017.: DKK 68 927 000).

As a result, there was no indication for impairing the carrying amount of the intangible assets as at 31 December 2018 and 31 December 2017.

Amortisation charge is included in 'selling expenses and in 'administrative expenses' in the consolidated statement of comprehensive income. Please see Notes 7 and 8.

In the consolidated cash flow statement, proceeds from sale of investment property comprise:

	Consolidated		**Parent**	
	2018 DKK	**2017 DKK**	**2018 DKK**	**2017 DKK**
Net book amount	(893 274)	(1 461 597)	(893 274)	(1 461 597)
(Loss) on disposal of investment properties (Note 9 (a))	(40 414)	(64 311)	(40 414)	(64 311)
Proceeds from disposal of intangible assets	**(852 860)**	**(1 397 286)**	**(852 860)**	**(1 397 286)**

Notes to the consolidated financial statements *(continued)*

17 Intangible assets *(continued)*

(ii) Stand alone

	Goodwill	Trademarks and brands	Other intangible assets	Licences, patents and software	Total
Period 01.01.2017-31.12.2017					
Opening net book amount	**-**	**1 583 569**	**9 721 429**	**2 870 647**	**14 175 645**
Additions	-	-	5 830 927	563 572	**6 394 499**
Disposals	-	-	(3 588 418)	-	**(3 588 418)**
Accumulated amortization on disposals	-	-	2 126 821	-	**2 126 821**
Reclassification net book amount	-	(458 569)	-	990 559	**531 990**
Amortization charge	-	(500 000)	(5 150 141)	(1 450 768)	**(7 100 908)**
Closing net book amount	**-**	**625 000**	**8 940 619**	**2 974 010**	**12 539 629**
As at 31 December 2017:					
Cost	-	5 000 000	27 573 474	10 034 424	**42 607 898**
Accumulated depreciation	-	(4 375 000)	(18 632 855)	(7 060 414)	**(30 068 268)**
Net book amount	**-**	**625 000**	**8 940 619**	**2 974 010**	**12 539 629**
Period 01.01.2018-31.12.2018					
Opening net book amount	**-**	**625 000**	**8 940 619**	**2 974 010**	**12 539 629**
Acquired in business combination	26 493 436	-	-	-	**26 493 436**
Additions	-	-	6 247 319	1 081 296	**7 328 615**
Disposals	-	-	(2 516 802)	-	**(2 516 802)**
Accumulated amortization on disposals	-	-	1 623 527	-	**1 623 527**
Amortization charge	-	-	(5 819 057)	(1 354 374)	**(7 173 431)**
Closing net book amount	**26 493 436**	**625 000**	**8 475 607**	**2 700 932**	**38 294 975**
As at 31 December 2018:					
Cost	26 493 436	5 000 000	31 303 992	11 115 720	**73 913 148**
Accumulated depreciation	-	(4 375 000)	(22 828 385)	(8 414 788)	**(35 618 173)**
Net book amount	**26 493 436**	**625 000**	**8 475 607**	**2 700 932**	**38 294 975**

Notes to the consolidated financial statements *(continued)*

18 Property, plant and equipment and investment properties

(i) consolidated

	Land and buildings	Equipment and machinery	Other fixed assets	Total
Period 01.01.2017-31.12.2017	**DKK**	**DKK**	**DKK**	**DKK**
Opening net book amount	**18 058 600**	**11 531 516**	**8 835 561**	**38 425 677**
Acquired in business combination	2 325 001	-	11 662 998	**13 987 999**
Additions	184 019	6 203 827	13 314 512	**19 702 358**
Disposals	-	-	(1 419 132)	**(1 419 132)**
Accumulated depreciation on disposals	-	-	930 466	**930 466**
Reclassification net book amount	-	-	(531 990)	**(531 990)**
Depreciation charge	(1 525 893)	(3 646 879)	(9 813 496)	**(14 986 269)**
Closing net book amount	**19 041 727**	**14 088 464**	**22 978 919**	**56 109 109**
As at 31 December 2017:				
Cost	36 882 269	87 597 712	76 135 025	**200 615 006**
Accumulated depreciation	(17 840 542)	(73 509 248)	(53 156 108)	**(144 505 898)**
Net book amount	**19 041 727**	**14 088 464**	**22 978 919**	**56 109 109**
Period 01.01.2018-31.12.2018				
Opening net book amount	**19 041 727**	**14 088 464**	**22 978 919**	**56 109 109**
Acquired in business combination	-	-	(252 332)	**(252 332)**
Additions	311 200	5 230 356	16 932 289	**22 473 845**
Disposals			(9 636 885)	**(9 636 885)**
Accumulated depreciation on disposals	-	-	8 517 088	**8 517 088**
Reclassification net book amount	-	-	(1 967)	**(1 967)**
Depreciation charge	(1 582 543)	(3 921 675)	(17 397 552)	**(22 901 770)**
Closing net book amount	**17 770 384**	**15 397 146**	**21 139 559**	**54 307 088**
As at 31 December 2018:				
Cost	37 168 468	92 828 069	81 379 761	**211 376 298**
Accumulated depreciation	(19 398 084)	(77 430 922)	(60 240 203)	**(157 069 209)**
Net book amount	**17 770 384**	**15 397 146**	**21 139 558**	**54 307 088**

Notes to the consolidated financial statements *(continued)*

18 Property, plant and equipment and investment properties *(continued)*

The gross carrying amount of fully depreciated intangible assets and property, plant and equipment that is still in use is DKK 100 925 288 as at 31 December 2018 (31.12.2017.: DKK 89 650 867).
For information on pledged property, plant and equipment and capital commitments please refer to Note 25 (vi) and 28..
Depreciation expense has been charged in 'cost of sales', 'selling and marketing expenses' and 'administrative expenses' (Notes 6, 7, 8 and 11).
In 2018 and 2017 the Group has no capitalized borrowing costs on qualifying assets.

In the consolidated cash flow statement, proceeds from sale of property, plant and equipment comprise:

	Consolidated		Parent	
	2018	**2017**	**2018**	**2017**
	DKK	**DKK**	**DKK**	**DKK**
Net book amount	(1 119 797)	(488 666)	(933 983)	(101 756)
(Loss) on disposal of investment properties (Note 9 (a))	764 357	166 990	360 171	89 869
Proceeds from disposal of property, plant and equipment	**(1 884 154)**	**321 676**	**(1 294 154)**	**(191 625)**

Vehicles and machinery includes the following amounts where the group is a lessee under a finance lease:

	Consolidated			Parent		
	31.12.2018.	**31.12.2017.**	**01.01.2017.**	**31.12.2018.**	**31.12.2017.**	**01.01.2017.**
	DKK	**DKK**	**DKK**	**DKK**	**DKK**	**DKK**
Other fixed assets and motor vehicles	2 529 121	5 597 751	-	2 170 958	5 597 751	-
	2 529 121	5 597 751	-	2 170 958	5 597 751	-

Leased assets are pledged for the finance lease liabilities (Note 25 (vi)). The rights to the leased assets revert to the lessor in the event of default.

(ii) Stand alone

	Land and buildings	**Equipment and machinery**	**Other fixed assets**	**Total**
Period 01.01.2017-31.12.2017	**DKK**	**DKK**	**DKK**	**DKK**
Opening net book amount	**18 058 600**	**11 531 516**	**8 835 561**	**38 425 677**
Additions	184 019	6 203 827	12 539 016	**18 926 862**
Disposals	-	-	(950 767)	**(950 767)**
Accumulated depreciation on disposals	-	-	849 011	**849 011**
Reclassification net book amount	-	-	(531 990)	**(531 990)**
Depreciation charge	(1 500 892)	(3 646 879)	(7 385 000)	**(12 532 772)**
Closing net book amount	**16 741 727**	**14 088 464**	**13 355 831**	**44 186 022**
As at 31 December 2017:				
Cost	34 557 268	87 597 712	64 164 897	**186 319 878**
Accumulated depreciation	(17 815 541)	(73 509 248)	(50 809 066)	**(142 133 855)**
Net book amount	**16 741 727**	**14 088 464**	**13 355 831**	**44 186 022**
Period 01.01.2018-31.12.2018				
Opening net book amount	**16 741 727**	**14 088 464**	**13 355 831**	44 186 022
Additions	283 251	5 230 356	15 922 734	**21 436 342**
Disposals	-	-	(9 406 519)	**(9 406 519)**
Accumulated depreciation on disposals	-	-	8 472 536	**8 472 536**
Depreciation charge	(1 528 347)	(3 921 675)	(13 960 680)	**(19 410 702)**
Closing net book amount	**15 496 631**	**15 397 146**	**14 383 902**	45 277 679
As at 31 December 2018:				
Cost	34 840 519	92 828 069	70 681 112	**198 349 700**
Accumulated depreciation	**(19 343 888)**	**(77 430 922)**	**(56 297 211)**	(153 072 021)
Net book amount	**15 496 631**	**15 397 146**	**14 383 902**	45 277 679

Notes to the consolidated financial statements *(continued)*

19 Investments in subsidiaries

Name	**Principal activity**	**Country of incorporation**	**2018**	**2017**
Hjem-Is Denmark A/S	Ice cream production, sale of ice cream	Denmark	100%	100%
Hjem-Is Distribution ApS (2)	Ice cream distribution	Denmark	-	100%
Hjem-Is International Shop ApS	Ice cream distribution	Denmark	-	100%
Mejerigaarden Investments A/S	Investment holding	Denmark	-	100%

On 16 January 2018 (effective 1 January 2017) Hjem-Is Distribution ApS was merged to Hjem-Is Danmark A/S and ceased to exist without liquidation process.

On 30 March 2018 (effective 1 January 2018) Mejerigaarden Investment AS was merged into Mejerigaarden AS and ceased to exist without liquidation process.

20 Loan receivable

	Consolidated			**Parent**		
	31.12.2018.	**31.12.2017.**	**01.01.2017.**	**31.12.2018.**	**31.12.2017.**	**01.01.2017.**
	DKK	**DKK**	**DKK**	**DKK**	**DKK**	**DKK**
Loan to third party	548 942	900 276	1 050 548	548 942	900 276	1 050 548
Total non-current loans	**548 942**	**900 276**	**1 050 548**	**548 942**	**900 276**	**1 050 548**
Loans to related parties (Note 30(iii)	-	-	-	-	29 955 902	1 907
Total current loans	**-**	**-**	**-**	**-**	**29 955 902**	**1 907**
	548 942	**900 276**	**1 050 548**	**548 942**	**30 856 178**	**1 052 455**

All non-current loans receivable are due within five years from the balance sheet date.

The management considers that the carrying value of loans receivable as at 31 December 2018 and 2017 approximates their fair value.

The carrying value of loans receivable is considered fully performing and neither past due nor impaired.

The carrying amounts of the Group's loans receivable are denominated in the following currencies:

	Consolidated			**Parent**		
	31.12.2018.	**31.12.2017.**	**01.01.2017.**	**31.12.2018.**	**31.12.2017.**	**01.01.2017.**
	DKK	**DKK**	**DKK**	**DKK**	**DKK**	**DKK**
DKK	548 942	900 276	1 050 548	548 942	30 856 178	1 052 455

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of loans receivable mentioned above. Mejerigaarden A/S does not hold any collateral as security.

Movement in Loans receivable from related party see in Note 30 (iii).

Movement in Loans receivable from third party can be presented as follows:

	Consolidated			**Parent**		
	31.12.2018.	**31.12.2017.**	**01.01.2017.**	**31.12.2018.**	**31.12.2017.**	**01.01.2017.**
	DKK	**DKK**	**DKK**	**DKK**	**DKK**	**DKK**
At the beginning of the year	900 276	1 050 548	1 784 249	30 856 178	1 052 455	1 784 249
Loans issued during the year	284 000	421 591	-	284 000	30 330 852	1 907
Loans repaid during the year	(560 334)	(571 863)	(733 701)	(30 516 236)	(873 031)	(733 701)
Interest charged (Note 9 (a))	155 581	-	-	490 195	345 902	-
Interest repaid	(155 581)	-	-	(490 195)	-	-
Impairment provision	(75 000)	-	-	(75 000)	-	-
At the end of the year	**548 942**	**900 276**	**1 050 548**	**548 942**	**30 856 178**	**1 052 455**

Notes to the consolidated financial statements *(continued)*

21 Inventories

	Consolidated			Parent		
	31.12.2018.	**31.12.2017.**	**01.01.2017.**	**31.12.2018.**	**31.12.2017.**	**01.01.2017.**
	DKK	**DKK**	**DKK**	**DKK**	**DKK**	**DKK**
Raw materials	20 385 172	15 468 739	13 853 000	20 385 172	15 472 104	13 853 000
Goods for sale	58 353 632	46 170 199	29 672 000	41 791 796	36 054 700	29 672 000
Work in progress	-	405 300	-	-	405 300	-
On- the-way cargo	-	236 896	-		236 896	-
	78 738 804	**62 281 134**	**43 525 000**	**62 176 968**	**52 169 000**	**43 525 000**

As at 31 December 2018 all inventory items are stated at cost (inventory provision as at 31 December 2017: 0 DKK).

22 Trade and other receivables

	Consolidated			Parent		
	31.12.2018.	**31.12.2017.**	**01.01.2017.**	**31.12.2018.**	**31.12.2017.**	**01.01.2017.**
Current Trade receivables:	**DKK**	**DKK**	**DKK**	**DKK**	**DKK**	**DKK**
Trade receivables	29 817 003	36 252 379	30 971 830	29 188 340	35 404 112	30 971 830
Receivables from related parties (Note 30 (ii.i))	1 326 141	2 902 085	-	9 104 462	6 198 385	-
Provisions for bad and doubtful debts	(1 245 710)	(1 296 458)	(856 688)	(930 004)	(980 752)	(856 688)
Total trade receivables	**29 897 434**	**37 858 006**	**30 115 142**	**37 362 798**	**40 621 745**	**30 115 142**
Overpaid corporate income tax	-	3 217 962	-	-	782 000	-
Value added tax recoverable	227 613	479 154	-	-	-	-
Excise taxes refundable	3 289 885	3 309 654	-	3 289 885	3 309 654	-
Other taxes	-	-	-	-	-	-
Ice – cream tax	4 247 925	-	-	4 247 925	-	-
Other receivables	3 440 411	5 677 705	11 393 976	1 434 792	5 620 853	11 377 547
Prepayments and advance payments	3 172 520	5 429 662	2 706 882	2 879 496	3 638 327	2 706 882
	44 275 788	**55 972 143**	**44 216 000**	**49 214 896**	**53 972 579**	**44 199 571**

The carrying value of trade and other receivables as at 31.12.2018 and 31.12.2017 approximates their fair value.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

For information on pledged assets refer to Note 25 (vi).

As at 31 December, the carrying amounts of the group's trade and other receivables are denominated in the following currencies:

	Consolidated			Parent		
	31.12.2018.	**31.12.2017.**	**01.01.2017.**	**31.12.2018.**	**31.12.2017.**	**01.01.2017.**
	DKK	**DKK**	**DKK**	**DKK**	**DKK**	**DKK**
DKK	42 859 851	53 070 057	44 216 000	47 798 959	51 070 494	44 199 571
EUR	1 415 937	2 902 085	-	1 415 937	2 902 085	-
	44 275 788	**55 972 143**	**44 216 000**	**49 214 897**	**53 972 579**	**44 199 571**

It was assessed that a portion of the impaired receivables is expected to be recovered.

Notes to the consolidated financial statements *(continued)*

22 Trade and other receivables *(continued)*

Movements on the group provision for impairment of trade receivables are as follows:

	Consolidated			Parent		
	31.12.2018.	31.12.2017.	01.01.2017.	31.12.2018.	31.12.2017.	01.01.2017.
	DKK	DKK	DKK	DKK	DKK	DKK
As at 1 January	1 296 458	856 688	845 024	980 752	856 688	845 024
Provision for receivables impairment	771 081	349 705	401 844	472 978	349 705	401 844
Receivables written off uncollectable	(706 069)	(153 456)	(390 180)	(407 966)	(153 456)	(390 180)
Doubtful receivables collected	(115 760)	(72 185)	-	(115 760)	(72 185)	-
Additions through business combinations	-	315 706	-	-	-	-
	1 245 710	**1 296 458**	**856 688**	**930 004**	**980 752**	**856 688**

See also Note 16 Credit quality of financial assets.

Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

23 Cash and bank

	Consolidated			Parent		
	31.12.2018.	31.12.2017.	01.01.2017.	31.12.2018.	31.12.2017.	01.01.2017.
	DKK	DKK	DKK	DKK	DKK	DKK
Cash at bank	14 928 143	7 368 259	466 753	7 700 120	5 652 547	333 838
Cash on hand	223 819	23 808	14 246	16 643	23 808	14 246
	15 151 962	**7 392 067**	**481 000**	**7 716 763**	**5 676 355**	**348 085**

As at 31 December, the cash and cash equivalents are denominated in the following currencies:

	Consolidated			Parent		
	31.12.2018.	31.12.2017.	01.01.2017.	31.12.2018.	31.12.2017.	01.01.2017.
	DKK	DKK	DKK	DKK	DKK	DKK
DKK	15 096 167	6 703 363	481 000	7 660 341	4 987 651	348 085
EUR	54 856	686 507	-	55 483	686 507	-
GBP	-	303	-	-	303	-
NOK	939	949	-	939	949	-
SEK	-	945	-	-	945	-
	15 151 962	**7 392 067**	**481 000**	**7 716 763**	**5 676 355**	**348 085**

Of the total cash in bank at December 31, 2018 at TDKK TDKK 9.958 was deposited for purchase price of business acquisitions.

24 Share capital and reserves

(a) Share capital

Equity

The company share capital consists of:

	Number	*Nominal value*
A-shares	*89*	*890*
B-shares	*102*	*102*
C-shares	*16*	*8*
D-shares	*1*	*100*
Total	***208***	***1.100***

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

Notes to the consolidated financial statements *(continued)*

25 Borrowings

	Consolidated			Parent		
	31.12.2018.	31.12.2017.	01.01.2017.	31.12.2018.	31.12.2017.	01.01.2017.
	DKK	DKK	DKK	DKK	DKK	DKK
Non-current borrowings:						
Borrowings from related parties (Note 30 (iv))	111 627 321	175 321 445	-	111 627 321	175 321 445	-
Deferred refinancing costs to related (Note 30 (iv))	(2 132 210)	(5 490 883)	-	(4 466 993)	(9 990 883)	-
Deferred refinancing costs to third parties	(2 334 783	(4 500 000)				
Other borrowings	-	-	14 190 000	-	-	14 190 000
Finance lease	560 202	5 233 203	-	-	4 260 660	-
Total non -current borrowings:	**107 720 531**	**170 563 765**	**14 190 000**	**107 160 329**	**169 591 222**	**14 190 000**
Current borrowings:						
Bank overdrafts used for financing activities	-		11 740 606	-	-	11 740 606
Borrowings from related parties (Note 30 (iv))	-	9 680 864	-	-	9 680 864	-
Current cash pool overdraft (Note 30 (iv))	71 392 868	-	-	46 552 187	-	-
Other borrowings	-		692 394	-	-	692 394
Finance lease	2 391 611	2 124 484	-	2 151 216	1 747 228	-
Total current borrowings:	**73 784 479**	**11 805 348**	**12 433 000**	**48 703 403**	**11 428 092**	**12 433 000**
	181 505 010	**182 369 113**	**26 622 999**	**155 863 732**	**181 019 315**	**26 622 999**

(1) On 18 December 2017 the FU Group switched to centralized liquidity management and carried out debt refinancing process. During the refinancing process external as well as internal borrowings of the FU Group's entities were repaid and replaced with the loans from SIA Food Union Management – the company which acts as a Treasury of the FU Group.

To refinance the operating entities within the FU Group, SIA Food Union Management obtained a term loan from VTB Bank (Europe) SE (formerly VTB Bank (Deutschland) AG) in the amount of EUR 125 000 000, maturing in 2023, and secured an overdraft facility with the limit of EUR 20 000 000.

Accrued interest in respect of the term loan is presented as current bank borrowings.

(2) To approximate effective interest rate method, refinancing costs in relation to term loan have been deferred and will be amortized as finance costs over the useful life of the term loan from VTB Bank (Europe) SE.

(i) Fair values

The carrying amounts of borrowings and finance lease liabilities as at 31 December 2018 and 2017 approximates their fair value.

(ii) Denomination in foreign currencies

As at 31 December, the carrying amounts of the Group's borrowings are denominated in the following currencies:

	Consolidated			Parent		
	31.12.2018.	31.12.2017.	01.01.2017.	31.12.2018.	31.12.2017.	01.01.2017.
	DKK	DKK	DKK	DKK	DKK	DKK
EUR	109 498 239	179 511 426	3 713 829	46 365 493	179 511 426	3 713 829
DKK	72 006 771	2 857 687	22 909 171	109 498 239	1 507 889	22 909 171
	181 505 010	**182 369 113**	**26 622 999**	**155 863 732**	**181 019 315**	**26 622 999**

(iii) Maturity of non-current borrowings (excl. finance lease)

	Consolidated			Parent		
	31.12.2018.	31.12.2017.	01.01.2017.	31.12.2018.	31.12.2017.	01.01.2017.
	DKK	DKK	DKK	DKK	DKK	DKK
Between 1 and 2 years	-	-	709 023	-	-	709 023
Between 2 and 5 years	107 160 329	-	2 230 889	107 160 329	-	2 230 889
After 5 years	-	165 330 562	11 250 088	-	165 330 562	11 250 088
	107 160 329	**165 330 562**	**14 190 000**	**107 160 329**	**165 330 562**	**14 190 000**

As at 31 December 2018 and 2017 the lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Notes to the consolidated financial statements *(continued)*

25 Borrowings *(continued)*

(v) Interest rates and exposure to interest rate changes

The Group's borrowings to/from related parties have variable interest rate, which consist of 3M Euribor plus fixed margin. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

As at 31 December 2018 and 31 December 2017 the effect of changes in interest rate was not significant, since 3M Euribor rate remain to stay below zero and according to respective financing agreements were equalled zero.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates as at 31 December 2017 and 31 December 2016 are as follows:

	Consolidated			Parent		
	31.12.2018.	31.12.2017.	01.01.2017.	31.12.2018.	31.12.2017.	01.01.2017.
	DKK	DKK	DKK	DKK	DKK	DKK
3 months or less	179 327 286	176 715 340	11 741 769	153 712 516	175 365 542	11 741 769
Fixed interest rate	2 177 724	5 653 773	14 881 231	2 151 216	5 653 773	14 881 231
	181 505 010	182 369 113	26 622 999	155 863 732	181 019 315	26 622 999

(iv) Undrawn balances

Undrawn financing balances as at 31 December 2018 and 31 December 2017 are DKK 0:

(vi) Pledges, collaterals and loan covenants

Due to refinancing project realized by the Group in 2017, all previously entered pledges have been released and transferred to VTB Bank (Europe) SE (formerly VTB Bank (Deutschland) AG) (Note 27 (1)).

All non-current and current assets of the Group have been pledged under respective financial, commercial, mortgage etc. agreements to secure all present and future liabilities and obligations of the Group arising in relation to EUR 145 000 000 Senior Facility Agreement and Revolving Facility Agreement, dated 11 December 2017, Subordinated and Security Agency agreement, Mandate Letter and / or any other Finance Document resulting from the mentioned agreements.

Senior Facility Agreement requires compliance to certain financial covenants, based on consolidated financial statements of the Group. Reporting on financial covenants compliance is required quarterly, starting 31 March 2018. December 2018 the Food Union Holding (CY) Public Company Limited, including Mejerigaarden A/s group, is in compliance with the above-mentioned financial covenants.

The Parent company is charged of EUR 39,3 million mortgage registered as security for the Group's debts to a favor of VTB.

As security for lease of kiosk, security has been provided by account held as collateral with bank of DKK 318k

The Parent company's assets are subject to a covenant against encumbrances.

(vii) Borrowings movement during the year

Borrowings from related movement see in Note 30 (iv).

(viii) Finance lease movement

	Consolidated			Parent		
	31.12.2018.	31.12.2017.	01.01.2017.	31.12.2018.	31.12.2017.	01.01.2017.
	DKK	DKK	DKK	DKK	DKK	DKK
At the beginning of the year	7 357 687	-	-	6 007 889	-	-
Acquired in business combination	-	2 349 340	-	-	-	-
Finance lease received		-	-	-	-	-
Finance lease repaid	(4 405 874)	(1 023 429)	-	(3 856 673)	-	-
Recognition of finance lease (reclassification)	-	6 007 889	-	-	6 007 889	-
Interest charged (Note 10 (a))	220 650	406 977	-	156 670	299 955	-
Interest paid	(220 650)	(383 090)	-	(156 670)	(299 955)	-
At the end of the year	**2 951 813**	**7 357 687**	**-**	**2 151 216**	**6 007 889**	**-**

As at 31 December 2018 and 2017 the lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Notes to the consolidated financial statements *(continued)*

25 Borrowings *(continued)*

(ix) Borrowing movement (excl. finance lease):

	Consolidated			Parent		
	31.12.2018.	**31.12.2017.**	**01.01.2017.**	**31.12.2018.**	**31.12.2017.**	**01.01.2017.**
	DKK	**DKK**	**DKK**	**DKK**	**DKK**	**DKK**
At the beginning of the year	175 011 426	26 623 000	52 928 349	175 011 426	26 623 000	52 928 349
Acquired in business combination	-	20 716 009	-	-	-	-
Received during the period	95 722 502	285 989 708	-	70 934 235	285 943 010	-
Paid during the period	(98 021 473)	(153 421 650)	(26 305 348)	(98 021 473)	(132 703 857)	(26 305 348)
(Addition)/ reclassification of deferred refinancing costs	1 462 036	(9 990 883)	-	1 462 036	(9 990 883)	-
Amortization of deferred refinancing fees charged	4 064 970	-	-	4 064 970	-	-
Interest charged (Note 10 (a))	7 998 082	5 774 669	1 497 468	7 696 207	5 774 669	1 497 468
Interest paid	(8 259 857)	(2 589 494)	(1 497 468)	(8 010 395)	(2 518 288)	(1 497 468)
Exchange rate differences	575 510	1 910 067	-	575 510	1 883 774	-
At the end of the year	**178 553 197**	**175 011 426**	**26 623 000**	**153 712 516**	**175 011 425**	**26 623 000**

26 Deferred corporate income tax

In accordance with Danish tax legislation current corporate income tax is applied at the rate of 22% (2017: 22%) on taxable income generated by the Parent company and its subsidiaries during the taxation period ending 31 December 2018.

	Consolidated			Parent		
	31.12.2018.	**31.12.2017.**	**01.01.2017.**	**31.12.2018.**	**31.12.201.**	**01.01.2017.**
	DKK	**DKK**	**DKK**	**DKK**	**DKK**	**DKK**
Deferred income tax assets:						
- Tax losses	(1 846 115)	(275 000)	-	(242 200)	-	-
- Other temporary changes of assests	(142 070)	-	-	-	-	-
Deferred income tax liabilities	25 221 049	3 265 000	3 365 000	2 905 221	3 265 000	3 365 000
At the end of the reporting year, net	**23 232 864**	**2 990 000**	**3 365 000**	**2 663 021**	**3 265 000**	**3 365 000**

Deferred income tax (net) movement in the reporting year:

	Consolidated			Parent		
	31.12.2018.	**31.12.2017.**	**01.01.2017.**	**31.12.2018.**	**31.12.201.**	**01.01.2017.**
	DKK	**DKK**	**DKK**	**DKK**	**DKK**	**DKK**
Deferred income tax liability/ (asset), net:						
At the beginning of the reporting year	2 990 000	3 365 000	3 365 000	3 265 000	3 365 000	3 365 000
(Credited) to income statement (Note 14)	875 149	(735 000)	-	(459 373)	(100 000)	-
Reclassification	(2 610 285)	635 000	-	(142 606)		-
Acquired in business combination (Note 29)	21 978 000	-275 000	-		-	-
At the end of the reporting year	**23 232 864**	**2 990 000**	**3 365 000**	**2 663 021**	**3 265 000**	**3 365 000**

Notes to the consolidated financial statements *(continued)*

26 Deferred corporate income tax *(continued)*

	Consolidated			Parent		
	31.12.2018.	**31.12.2017.**	**01.01.2017.**	**31.12.2018.**	**31.12.201.**	**01.01.2017.**
	DKK	**DKK**	**DKK**	**DKK**	**DKK**	**DKK**
Deferred income tax assets, gross:						
Deferred tax assets to be received within 12 months	(142 070)		-	-	-	-
Deferred tax assets to be received after more than 12 months	(1 846 115)	(275 000)	-	(242 200)	-	-
	(1 988 185)	**(275 000)**	**-**	**(242 200)**	**-**	**-**
Deferred income tax liabilities, gross:						
Deferred tax liabilities to be settled within 12 months	23 664 238		-	1 169 814	-	-
Deferred tax liabilities to be settled after more than 12 months	1 556 811	3 265 000	3 365 000	1 735 407	3 265 000	3 365 000
	25 221 049	**3 265 000**	**3 365 000**	**2 905 221**	**3 265 000**	**3 365 000**
Deferred income tax assets, gross:	**23 232 864**	**2 990 000**	**3 365 000**	**2 663 021**	**3 265 000**	**3 365 000**

27 Trade and other payables

	Consolidated			Parent		
	31.12.2018.	**31.12.2017.**	**01.01.2017.**	**31.12.2018.**	**31.12.201.**	**01.01.2017.**
	DKK	**DKK**	**DKK**	**DKK**	**DKK**	**DKK**
Current trade and other payables:						
Trade and other payables	30 601 996	31 973 494	19 797 873	28 636 108	29 568 223	21 083 374
Trade payables to related parties (Note 30 (ii.i))	1 541 377	4 786 960	1 285 501	899 359	4 786 960	1 285 501
Social insurance and similar contributions	2 134 771	1 124 442	918 285	1 167 261	1 124 442	918 285
Value added tax	764 004	850 838	501 932	764 004	823 818	475 285
Ice-cream tax	3 904 535	4 210 599	3 916 022	3 710 926	4 210 599	3 916 022
Excise tax	553 756	796 635	226 853	553 756	796 635	226 853
Other payables*	14 778 297	15 840 111	12 624 334	11 133 671	13 190 015	12 609 334
Advance payments	863 819	1 234 090	-	-	-	-
Accrued liabilities	6 342 440	225 879	248 200	5 384 423	225 879	248 200
	61 484 995	**61 043 048**	**39 518 999**	**52 249 508**	**54 726 572**	**40 762 854**

Including salary payables and other payables.

The fair value of trade and other payables which are due within one year approximates their carrying amount at the balance sheet date.

As at 31 December 2018 and 2017, the carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	Consolidated			Parent		
	31.12.2018.	**31.12.2017.**	**01.01.2017.**	**31.12.2018.**	**31.12.201.**	**01.01.2017.**
	DKK	**DKK**	**DKK**	**DKK**	**DKK**	**DKK**
DKK	53 327 062	56 351 189	33 138 250	45 049 849	50 096 407	34 247 463
EUR	7 708 990	4 614 294	6 163 055	7 191 370	4 552 598	6 163 055
NOK	448 944	-		8 289	-	-
SEK	-	-	69 259	-	-	69 259
CHF	-	77 567	148 435	-	77 567	283 077
	61 484 995	**61 043 048**	**39 518 999**	**52 249 508**	**54 726 572**	**40 762 854**

Notes to the consolidated financial statements *(continued)*

28 Contingent liabilities

(i) (ii) Pledged assets

For information on pledged assets in relation to the Group's borrowings and financial lease liabilities refer to Note 25.

(iii) Transfer pricing

The Group is involved in trading and other transactions with related parties. Management believes that it is taking the appropriate measures to comply with applicable transfer pricing legislation in all countries where the Group operates.

Depending on the jurisdiction of each entity within the Group, local legislation provides the possibility for tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of controlled transactions (transactions with related parties and some types of transactions with unrelated parties), provided that the transaction price is not arm's length. Tax liabilities arising from transactions between companies are determined using actual transaction prices. It is possible, with the evolution of the interpretation of the transfer pricing rules, that such transfer prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

(v) Contingencies (contingent consideration) resulting from share-purchase agreements

Share purchase agreement of Hjem-Is Danmark A/S group, from 2017, provides for DKK 22 316 100 Retention money, being part of the total purchase price of subsidiaries shares, which is not transferred to the sellers immediately, but rather is released in accordance with the terms of the agreement. In February 2018 first part of escrow, DKK 11 158 050, was released to sellers. Final deadline for fulfilling required conditions from seller and release of remaining escrow account from buyer is February 2019.

Capital commitments

Capital expenditure in respect of property, plant and equipment contracted for at the end of the reporting year, but not yet incurred amounted to DKK 33 536 234 (31.12.2017.: DKK 22 000 000).

Taxation commitments

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Operating lease commitments – where the Group is the lessee

The Group leases motor vehicles, warehouse premises, office premises, software and equipment. Total operating lease expense recognized in 2018 is DKK 1 184 563.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Consolidated		**Parent**	
	2018 DKK	**2017 DKK**	**2018 DKK**	**2017 DKK**
No later than 1 year	6 819 729	5 751 806	6 740 581	5 751 806
Later than 1 year and no later than 5 years	2 282 192	3 396 899	1 721 990	3 396 899
Later than 5 years	1 540 848	399 929	1 540 848	399 929
	10 642 769	**9 548 635**	**10 003 419**	**9 548 635**

29 Business combinations

Acquisition of Hjem-Is Danmark A/S group

On 30 June 2017 as a result of executed share purchase agreement Mejerigaarden A/S acquired 100% shareholding in a group of entities in Denmark, which included 2 investment entities – Hjem-Is Danmark A/S and Hjem-Is Distribution Aps, as well as 100% subsidiary of Hjem-Is Danmark A/S – Hjem-Is International Shop ApS. Hjem-Is Danmark A/S group operates in the Danish market as a sales and marketing entities with direct consumer sales via a fleet of 130 ice cream trucks. Hjem-Is is a strong brand in Denmark with a 40-year history.

As at 31 December 2017 certain part of purchase consideration, DKK 22 316 100, was retained on escrow account until fulfillment of certain conditions as stipulated in Share Purchase Agreement. During 2018, the first part of escrow, DKK 11 158 050, was released to the Sellers, while DKK 1 200 000 was withheld in favor of the Buyer to settle identified dispute and DKK 1 794 169 was received as refund from the Sellers. The purchase price and recognized goodwill were reduced accordingly.

Notes to the consolidated financial statements *(continued)*

29 Business combinations *(continued)*

Besides, value of acquired net assets was reduced by DKK 664 432 in respect of Intangible assets and Property, plant and equipment. Additionally, brands of DKK 99 900 000 and related deferred tax liability of DKK 21 978 000 were recognized based on experts' report and recognized goodwill was adjusted accordingly.

The assets and liabilities recognized as a result of the acquisition and resulting goodwill were adjusted, in EUR, as follows:

	DKK
Purchase considerations:	
Estimated enterprise value	124 934 888
- Net debt	(21 210 392)
Total purchase consideration	***103 724 496***
Adjustment to net debt subsequent to 30 June 2017	(974 145)
Total purchase consideration, adjusted	**102 750 351**
-	
- Less cash and bank balances acquired	(586 406)
Net outflow of cash – investing activities	**102 163 945**

	Reported 31.12.2017 DKK	Adjusted 12m 2018 DKK	Final 31.12.2018 DKK
Cash and bank	587 060	-	587 060
Trade and other receivables, including income tax	-	10 233 566	10 233 566
Inventories	14 138 289	-	14 138 289
Intangible assets, including brands	381 295	99 412 100	99 793 395
Property, plant and equipment	13 987 999	(252 332)	13 735 667
Trade and other payables	(25 066 889)	-	(25 066 889)
Borrowings	(23 065 349)	-	(23 065 349)
Deferred tax liability	(275 000)	(21 978 000)	(22 253 000)
Net identifiable assets acquired	**(19 312 595)**	**87 415 334**	**68 102 739**
Add: Goodwill	112 769 951	(81 225 890)	31 544 061
Total purchase consideration	**93 457 356**	**6 189 444**	**99 646 800**

The goodwill is attributable to the workforce and the profitability of the acquired business. It will not be deductible for tax purposes.

The fair value of acquired trade receivables is DKK 10 233 566 which equals the gross contractual amount.

These amounts have been calculated using the subsidiary's results and adjusting them for differences in the accounting policies between the group and the subsidiary, and the additional depreciation and amortization that would have been charged assuming the fair value adjustments had applied from 1 January 2017, together with the consequential tax effects.

Notes to the consolidated financial statements *(continued)*

30 Related party transactions

The parties are considered related when one party has the possibility to control the other one or has significant influence over the other party in making financial and operating decisions.

The Group is engaged in the following transactions with the related parties:

(i) Sales and other services and key management remuneration

(i.i.) Sale of goods and rendering of services

	Consolidated		Parent	
	2018 DKK	2017 DKK	2018 DKK	2017 DKK
Revenue	1 678 094	2 305 827	51 962 561	3 835 773
Other services	61 215	50 768	235 620	65 223
	1 739 309	**2 356 595**	**52 198 181**	**3 900 996**
Sales of goods to non-controlling interest by product type				
Ice-cream	1 678 094	2 305 827	51 962 561	3 835 773
Revenue to related parties by geographical area				
Denmark	-	-	50 458 873	1 544 401
Latvia	194 331	456 225	194 331	456 225
Norway	1 544 978	1 897 320	1 544 978	1 897 320
Estonia	-	3 050	-	3 050
	1 739 309	**2 356 595**	**52 198 181**	**3 900 996**
(i.ii) Purchase of goods and services				
Purchases of goods	6 497 942	4 463 076	4 733 493	4 463 076
Received services (Selling and marketing expenses)	3 812	878	633 115	878
Received services (Administrative expenses)	1 822 333	569 345	1 271 610	569 345
	8 324 087	**5 033 299**	**6 638 217**	**5 033 299**
(i.iii) Key management remuneration				
Remuneration to key management personnel (Note 13) i.e.				
Management fee	5 221 000	4 433 000	5 221 000	4 433 000
Director's remuneration	6 049 120	1 217 058	4 573 420	692 058
	11 270 120	**5 650 058**	**9 794 420**	**5 125 058**

(ii) Year-end balances

(ii.i) Accounts receivable arising from transactions with related parties

	Consolidated			Parent		
	31.12.2018. DKK	31.12.2017. DKK	01.01.2017. DKK	31.12.2018. DKK	31.12.2017. DKK	01.01.2017. DKK
Receivables from related parties **(Note 22)**						
Hjem-IS Danmark A/S	-	-	-	7 778 321	3 296 300	-
Food Union Management SIA	1 326 141	2 902 085	-	1 326 141	2 902 085	-
	1 326 141	**2 902 085**	**-**	**9 104 462**	**6 198 385**	**-**
Payables to related parties **(Note 27)**						
Isbjorn Is AS	397 900	-	-	11 071	-	-
Rigas Piena Kombinats AS	297 945	236 897	1 285 501	297 945	236 897	1 285 501
Food Union Management SIA	845 532	-	-	590 343	-	-
Food Union Holding (CY) Public Company Limited	-	4 550 063	-	-	4 550 063	-
	1 541 377	**4 786 960**	**1 285 501**	**899 359**	**4 786 960**	**1 285 501**

The receivables from related parties arise mainly from sales of goods and services. The receivables are unsecured in nature and bear no interest. No provisions are held against receivables from related parties (31.12.2018.: nil and 31.12.2017.: nil).

Notes to the consolidated financial statements *(continued)*

30 Related party transactions *(continued)*

(iii) Loans to related parties

	Consolidated			Parent		
	31.12.2018. DKK	31.12.2017. DKK	01.01.2017. DKK	31.12.2018. DKK	31.12.2017. DKK	01.01.2017. DKK
At the beginning of the year	-	-	-	29 955 902	1 907	-
Loans issued during the year	-	-	-	-	29 909 261	1 907
Loans repaid during the year	-	-	-	(29 955 902)	(301 168)	-
Interest charged (Note 9 (a))	155 581	-	-	490 195	345 902	-
Interest paid	(155 581)	-	-	(490 195)	-	-
At the end of the year (Note 20)	-	-	-	-	**29 955 902**	**1 907**

Interest income on all loans is recognized on the fair value of the loans using the effective interest method. No impairment provision was required in 2018 for the loans made to related parties.

(iv) Borrowings from the related parties

	Consolidated			Parent		
	31.12.2018. DKK	31.12.2017. DKK	01.01.2017. DKK	31.12.2018. DKK	31.12.2017. DKK	01.01.2017. DKK
At the beginning of the year	179 511 426	-	-	179 511 426	-	-
Borrowings advanced during the year	95 722 502	232 987 653	-	70 934 235	232 987 653	-
Borrowings repaid during the year	(98 021 473)	(52 417 011)	-	(98 021 473)	(52 417 011)	-
Interest charged (Note 10 (a))	7 882 832	3 319 284	-	7 591 680	3 319 284	-
Interest paid	(8 144 607)	(88 676)	-	(7 905 868)	(88 676)	-
Addition/ reclassification of deferred refinancing fees	1 462 036	(549 0883)		1 462 036	(549 0883)	
Amortization of deferred refinancing fees (Note 10)	1 899 752	-		1 899 752	-	
Foreign exchange differences	575 510	1 201 059	-	575 510	1 201 059	-
At the end of the year (Note 25)	**180 887 979**	**179 511 426**	-	**156 047 298**	**179 511 426**	-
Non-current part	109 495 111	169 830 562	-	109 495 111	169 830 562	-
Current part	71 392 868	9 680 864	-	46 552 187	9 680 864	-
At the end of the year (Note 25)	**180 887 979**	**179 511 426**	-	**156 047 298**	**179 511 426**	-

Borrowings from the parent company are unsecured in nature. Borrowings bear interest at market rates.

31 Events after the reporting period

As disclosed in Note 19 and Note 29, following business acquisitions, the Group is continuously working on its legal structure, as to make it consistent and transparent. Legal reorganizations continue also in 2019. There have been no other events requiring adjustment of or disclosure in the consolidated financial statements or notes thereto.

Notes to the consolidated financial statements *(continued)*

32 First-time adoption of IFRS

These financial statements, for the year ended 31 December 2018, are the first the Group has prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by European Union (EU).

The Group adopted IFRS in accordance with IFRS 1, First-time Adoption of the International Financial Reporting Standards.

The Group has prepared financial statements which comply with IFRS applicable for year ending on 31 December 2018, together with the comparative period data as at and for the year ended 31 December 2017, as described below. In preparing these financial statements, the Group's opening statement of financial position was prepared as at 1 January 2017, the Group's date of transition to IFRS.

For periods up to and including the year ended 31 December 2017, the Group prepared its financial statements in accordance with Danish Financial Statements Act.

This note explains the principal adjustments made by the Group in restating its Danish Financial Statements Act, including the statement of financial position as at 1 January 2017 and the financial statements as at and for the year ended 31 December 2017.

In accordance with IFRS, the Group has:

- Applied the same accounting policies throughout all periods presented;
- Retrospectively applied all effective IFRS standards as of 31 December 2018, as required; and
- Applied certain optional exemptions and certain mandatory exceptions as applicable for the first time IFRS adopters.

(a) Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Group has not applied any of these exemptions.

(b) Estimates

The estimates at 1 January 2017 and at 31 December 2017 are consistent with those made for the same dates in accordance with Danish Financial Statements Act. The estimates used by the Group to present these amounts in accordance with IFRS reflect conditions at 1 January 2017, the date of transition to IFRS and as of 31 December 2017.

Notes to the consolidated financial statements *(continued)*

33 First-time adoption of IFRS *(continued)*

Group reconciliation of total comprehensive income for the year ended 31 December 2017

Different comprehensive income classification has been used therefore line by line reconciliation can not be easily presented.

	2017 DKK	
Net profit/ (loss) for the year	**(17 735 591)**	As per consolidated financial statements by Danish Financial Statements Act
	13 854 329	Recognized amortization of goodwill
	3 746 061	Acquired net loss of Hjem-Is Denmark A/s Group for the period 1.07.2017-31.12.2017
	50 914	Other difference
	1 329 566	As per consolidated financial statements by IFRS

Cash flow statement for the year ended 31 December 2017

There are no material differences between the previous Danish GAAP accounting policies and current IFRS policies applied by the Group in respect of the statement of cash flows.

Group reconciliation of equity as at 1 January 2017 (date of transition to IFRS) and 31 December 2017

Differences in equity as at 1 January 2017 and 31 December 2017 as prepared and presented under Danish GAAP and IFRS are summarized in below disclosed Consolidated statement of financial position table.

Summary of IFRS corrections:

Reclassification adjustments:

1) Deposit residuals in Hjem-Is Danmark A/S reclassified to trade receivables position;
2) Mejerigaarden A/S Other intangible assets (customer list) residuals reclassified to intangible assets;
3) Other fixed assets reclassified between tangible and intangible positions;
4) Reclassification of Loans receivable residual amounts to separate position.
5) Borrowings to related company's reclassified from Trade payables to Borrowings position;
6) Reclassification of Hjem-Is Danmark A/S escrow account to liability's side;
7) Rounding adjustments.

Adjustments to IFRS statements:

8) Hjem-Is Danmark A/S acquisition balance corrections according to accounting systems data;
9) Reversal of goodwill revaluation/ amortization adjustment.

	By Danish Financial Statements Act **Cons. 31.12.2017. DKK**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**	**(9)**	By IFRS **Consolidated 31.12.2017. DKK**
Assets											
Non-current assets											
Intangible assets	112 504 664		8 940 619	2 974 010					412 100	28 341 059	153 172 453
Property, plant and equipment	58 830 787			(2 974 010)					252 332		56 109 109
Loans receivable					900 276						900 276
Other financial assets	11 617 769	(1 776 360)	(8 940 619)		(900 276)			(514)			-
Total non-current assets:	**182 953 220**	**(1 776 360)**	-	-	-	-	-	**(514)**	**664 432**	**28 341 059**	**210 181 837**
Current assets											
Inventories	62 281 135										62 281 134
Trade and other receivables	54 195 783	1 776 360									55 972 142
Cash and cash equivalents	29 645 956						(22 253 890)				7 392 067
Total current assets:	**146 122 874**	**1 776 360**					**(22 253 890)**				**125 645 344**
Total assets	**329 076 094**	**-**					**(22 253 890)**	**(514)**	**664 432**	**28 341 059**	**335 827 181**
Liabilities											
Share capital	1 395 000										1 395 000
Other reserves:	868 384										868 384
Accumulated loss	58 156 665							(521)	664 432	28 341 059	87 161 635
Total equity attributable to owners of the parent:	**60 420 049**							**(521)**	**664 432**	**28 341 059**	**89 425 019**
Liabilities:											
Non-current liabilities:											
Borrowings	192 879 540						(22 316 100)	325			170 563 765
Deferred tax liability	2 990 000										2 990 000
Total non-current liabilities:	**195 869 540**						**(22 316 100)**	**325**			**173 553 765**
Current liabilities:											
Borrowings	2 124 258					9 680 864		226			11 805 348
Trade and other payables	70 662 247					(9 680 864)	62 210	(544)			61 043 049
Total current liabilities:	**72 786 505**					**-**	**62 210**	**(318)**			**72 848 397**
Total liabilities:	**268 656 045**						**(22 253 890)**	**7**			**246 402 162**
Total equity and liabilities:	**329 076 094**						**(22 253 890)**	**(514)**	**664 432**	**28 341 059**	**335 827 181**

Independent Auditors' report

To the Shareholders of Mejerigaarden A/S.

Opinion

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 financial position at 31 December 2018 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2018 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Mejerigaarden A/S Group for the financial year 1 January - 31 December 2018, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for both the Group and the Parent Company ("financial statements").

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

Statement on Management's Review

Management is responsible for Management's Review.

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

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the 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 further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 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 Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the 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.

Skive, 7 / 6 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Allan Christensen	Martin Furbo
State Authorised Public Accountant	State Authorised Public Accountant
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