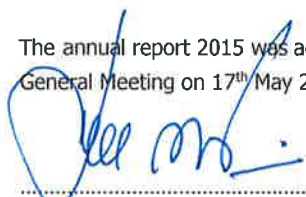


**A. Espersen A/S**  
**Fiskerivej 1, 3700 Rønne**  
**Annual report 2015**

The annual report 2015 was adopted by the Annual  
General Meeting on 17<sup>th</sup> May 2016



.....  
(chairman)

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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of A. Espersen A/S for the financial year 1 January – 31 December 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2015 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2015.

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


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

Rønne, 15 March 2016



Executive Board:



Klaus B. Nielsen  
CEO

  
Max Sørensen  
COO  
Ole Keilberg  
CFO

Board of Directors:

  
Vagn Thorup  
Chairman  
Lars Holm Jensen  
Preben Holm  
Diane Hughes  
Sven-Gunnar Schouh  
Christopher Thomas  
Klaus B. Nielsen

## **Independent auditors' report**

### **To the shareholders of A. Espersen A/S**

#### **Independent auditors' report on the consolidated financial statements and the parent company financial statements**

We have audited the consolidated financial statements and the parent company financial statements of A. Espersen A/S for the financial year 1 January – 31 December 2015 which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the parent company and consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

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

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

#### ***Auditors' responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

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

Our audit has not resulted in any qualification.

## **Independent auditors' report**

### ***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 2015 and of the results of the Group's and the parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

### **Statement on the Management's review**

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Aarhus, 15 March 2016

### **ERNST & YOUNG**

Godkendt Revisionspartnerselskab  
CVR. No. 30700228



Morten Friis  
State Authorised  
Public Accountant



Gert Foldager  
State Authorised  
Public Accountant

## **Management's review**

### **Company details**

A. Espersen A/S  
Fiskerivej 1  
DK-3700 Rønne  
Denmark

Telephone: +45 5690 6000  
Fax: +45 5690 6001  
Web site: [www.espersen.dk](http://www.espersen.dk)  
E-mail: [espersen@espersen.dk](mailto:espersen@espersen.dk)

Registration No.: 38389912  
Established: 23.02.1945  
Registered office: Bornholm, Denmark

### **Board of Directors**

Vagn Thorup (Chairman)  
Lars Holm Jensen (employee representative)  
Preben Holm (employee representative)  
Klaus B. Nielsen  
Sven-Gunnar Schough  
Christopher Thomas  
Diane Hughes

### **Executive Board**

Klaus B. Nielsen, CEO

Max Sørensen, COO

Ole Keilberg, CFO

### **Auditors**

ERNST & YOUNG, Godkendt Revisionspartnerselskab, CVR. No. 30700228  
Værkmestergade 25  
Postboks 330  
DK-8100 Aarhus C  
Denmark

### **Annual general meeting**

The annual general meeting is to be held on 17 May 2016.

## Management's review

### Financial highlights for the Group

DKK m	2015	2014	2013	2012	2011
<b>Key figures</b>					
Revenue	2,067	1,913	1,881	1,946	2,177
Ordinary operating profit	-52	6	39	12	41
Interest income and expenses	-29	-41	-21	-16	-35
Profit/loss before tax	-82	-34	19	-3	8
<b>Profit/loss for the year</b>	<b>-76</b>	<b>-23</b>	<b>16</b>	<b>-5</b>	<b>9</b>
Non-current assets	288	277	244	236	215
Current assets	1,048	924	796	859	869
<b>Total assets</b>	<b>1,336</b>	<b>1,201</b>	<b>1,040</b>	<b>1,095</b>	<b>1,083</b>
Share capital	30	30	30	30	30
<b>Equity</b>	<b>277</b>	<b>173</b>	<b>207</b>	<b>195</b>	<b>221</b>
Non-controlling shareholder's interest	0	0	0	0	37
Provisions	11	8	8	13	16
Non-current liabilities other than provisions	92	76	46	51	55
Current liabilities other than provisions	956	944	779	837	754
Cash flows from operating activities	20	-134	115	62	3
Cash flows from investing activities, net	-51	-82	-48	-43	-55
Hereof investing in tangible assets	-37	-35	-53	-31	-16
Cash flows from financing activities	34	207	-67	-5	5
<b>Total cash flows</b>	<b>3</b>	<b>-8</b>	<b>0</b>	<b>13</b>	<b>-17</b>
<b>Financial ratios</b>					
Solvency ratio	20,7	14,4	20,0	17,8	20,4
Return on equity	-33,8	-12,2	7,7	3,5	1,8
<b>Average number of full-time employees</b>					
	2.163	1.955	1.524	1.528	1.455

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definition, please see the accounting policies.

## **Management's review**

### **Principal activities of the Group**

Espersen's activities include production of frozen fish blocks and other white fish fillets and breeding of different fish species for retail and foodservice markets, primarily in Europe. The raw materials used are fresh cod from the Baltic Sea as well as imported frozen cod and other white fish species and semimanufactured products from other parts of the world.

#### **Customers**

Espersen exports 98 % of its production. The products are sold to a variety of major international customers with whom partnerships are made and new products are developed.

#### **Suppliers**

Espersen continuously works on strengthening its supplier relations. Our suppliers ensure a stable production in spite of considerable and often unpredictable fluctuations in the size of fishing quotas.

#### **Local engagement**

Through the Foundation of Director J.P.A. Espersen and wife, Mrs. Dagny Espersen, Espersen contributes to charities in a still increasing extent, especially to the local areas where Espersen operates.

## **Development in activities and financial position**

### **Profit/loss for the year**

In 2015, Espersen has realized an unsatisfactory result (after tax) of -81 mDKK which is 58 mDKK lower than in 2014.

This result is mainly influenced by Fillet division during first six months as raw materials kept increasing together with the US dollar exchange rate. The catch during the first six months was significantly lower than same period in 2014, which resulted in continued price increases of raw material. These increases cannot short term be implemented in sales prices, but the focus has been to ensure this as soon as possible; this has remained a challenge since August 2014 when the raw material price increased severely. This also influenced volume as customers are reluctant to plan long-term when raw material prices are not stable. Additionally, during the last six months the assortment was not optimal and the percentage of block production and sales was higher than same period in 2014.

Other initiatives are improvements in the company's fillet plants in Europe and closure of production capacity in Qingdao, China. Especially the new initiatives in Fillet with flat fish and chilled have, after the implementation phase, been performing on a fair level.

It is also worth mentioning the improved production performance in the Consumer part, which has continued the 2014 development and generated further value.



## **Management's review**

Continued

Unfortunately, Consumer has in the same period been negatively influenced by the domestic development in Russia, which has led to one of our major customers withdrawing from this market.

For Consumer the European markets have been good and we have seen a minor increase in volume compared to 2014.

Cash flow from the activities was positive, 20 mDKK, despite of the increased raw material prices and increase in US-dollar exchange rate. This is mainly due to the fact that we reduced capacity by terminating the sub-contracting agreement in Qingdao and reduced stocks in Europe of raw materials and finished goods.

In August 2015 we acquired new activities in Denmark from Norway Seafoods, but in general investments in operations are at a significantly lower level compared to last year.

Compared to 2014 the solvency ratio decreased by 6.3 %-point ending at 20.7 %, which primarily is due to Insepa A/S converting 163 mDKK from loan to share capital.

## **Outlook**

Espersen expects an improved result for 2016 compared to 2015 primarily driven by improved contribution performance. The increase is expected from improvement of activities especially in the Fillet division.

Focus will be maintained on improving performance in sales assortment and secure stable raw material price development based on closer co-operation with suppliers. Volumes in Fillet will be lower due to closure of the activities in China from February 2016.

Volume in Consumer will increase due to organic growth, improved performance in Russia and especially the acquisition of further volume in August 2015.

Finally, the company expects cash flow at a stable lower level as raw material prices seem to have stabilized during 2H-2015; however, the development in the US-dollar exchange rate may influence this development. An improved solvency ratio is also expected.

## **Particular risks**

### **General risks**

Espersen's main concern is its dependence on raw material procurement. Espersen depends on a good development of whitefish stocks, including especially cod, and is working both locally and globally to ensure sustainable fishing. A further risk could be an environmental disaster and its consequences for global fishing.

## **Management's review**

Continued

### **Currency and financial risks**

A considerable part of Espersen's purchases and sales are performed in foreign currency, and fluctuations in the rates of exchange may have a short-term effect on the Company's results; in the long-term, these fluctuations are, however, included in the market.

To ensure the expected profit on contracted orders, Espersen mainly uses foreign exchange contracts.

Changes in the interest rate only have limited influence on the results of the Company.

### **Credit risks**

The credit risks of the Company primarily relates to trade debtors. As a rule, an international credit insurance institution insures all debtors in order to minimise credit risks.

### **Intellectual capital**

Espersen's staff has a high seniority.

Espersen's main activities are processed on standard production equipment, and the high seniority of the staff is a contributing factor to higher yields and profits.

### **Environmental issues**

It is important for Espersen to act in an ethical correct way, to support and work for sustainable fishing and to have a good image towards our business partners and in the local communities.

### **Social responsibility**

The Company's CSR policy is published on its website:

<http://www.espersen.com/commitment/reports---awards>

### **Subsequent events**

No events have occurred after the year-end closing which could significantly affect the evaluation of the financial position of the Company.

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

### **Accounting policies**

The annual report of A. Espersen A/S for 2015 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of consolidated financial statement and the parent company financial statements are consistent with those of last year.

### **Recognition and measurement**

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the value of the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost implying the recognition of a constant effective interest rate to maturity.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

### **Consolidated financial statements**

The consolidated financial statements comprise the parent company, A. Espersen A/S, and group enterprises which are controlled by the parent company. The parent company is considered to exercise control when it directly or indirectly holds more than 50 % of the voting rights or it in some other way can exercise or actually does exercise controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates.

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

### **Accounting policies**

#### **Business combinations**

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated income statement until the date of disposal.

Gains or losses on disposal of subsidiaries and associates are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated disposal costs.

Acquisitions of enterprises are accounted for using the acquisitions method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprise. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, not exceeding 20 years. Any excess of the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition (negative goodwill), representing an anticipated adverse development in the acquired enterprises, is recognised in the balance sheet as deferred income and recognised in the income statement as the adverse development is realised.

#### **Intra-group business combinations**

In connection with business combinations such as acquisition and disposal of equity investments, mergers, demergers, addition of assets and exchange of shares, etc., involving enterprises controlled by the parent company, the uniting-of-interests method is used. Differences between the agreed consideration and the carrying amount of the acquired enterprise are recognised in equity. Moreover, comparative figures for previous financial years are restated.

#### **Non-controlling interests**

In the consolidated financial statements, the items of group enterprises are recognised in full. The non-controlling interests' proportionate shares of the results and net assets are recognised separately in the income statement and balance sheet.

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

### **Accounting policies**

#### **Foreign currency translation**

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries and associates are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of intra-group balances with independent foreign subsidiaries which are considered part of the investment in the subsidiary are recognised directly in equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

On recognition of foreign subsidiaries which are integral entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

#### **Derivative financial instruments**

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

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

### **Accounting policies**

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets and liabilities are recognised in other receivables or other payables and in equity.

### **Income statement**

#### **Revenue**

Income from the sale of goods for resale and finished goods, comprising sale of fish is recognised in the income statement when delivery and transfer of risk to the buyer have taken place and provided that the income can be reliably measured and is expected to be received. Revenue is measured ex. VAT and taxes charged on behalf of third parties.

#### **Raw materials and consumables**

Costs of raw materials and consumables comprise purchases for the year and the change in the inventory of raw materials and consumables.

#### **Other external costs**

Other external costs comprise all other costs, among these administration, bad debts and fixed costs.

#### **Staff costs**

Staff costs comprise wages and salaries, including holiday allowances and pensions, and other social security cost etc. for the Company's employees. Refund received from public authorities are deducted from staff costs.

#### **Other operating income**

Other operating income comprises items secondary to the activities of the Company, including gains on the disposal of intangible assets and property, plant and equipment.

#### **Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses which comprise depreciation, amortisation and impairment losses regarding goodwill, intangible assets and property and equipment are provided on a straight-line basis over the expected useful lives of the assets, based on the assessed useful lives.

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

### **Accounting policies**

#### **Profits/losses from investments in subsidiaries and associates**

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses.

The proportionate share of the results after tax of the associates is recognised in both the consolidated income statement and the parent company income statement after elimination of the proportionate share of intra-group profits/losses.

#### **Financial income and expenses**

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

#### **Tax on profit/loss for the year**

The Company is covered by the Danish rules on compulsory joint taxation of Insepa A/S Group's Danish subsidiaries. Subsidiaries form part of the joint taxation from the date when they are included in the consolidation of the consolidated financial statements and up to the date when they exit the consolidation.

The parent company Insepa A/S is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carry forwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises joint taxation contributions for the year and changes in deferred tax for the year – due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

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

### **Accounting policies**

#### **Balance sheet**

#### **Intangible assets**

#### **Acquired rights**

Acquired rights are measured at cost amortised over the remaining period and adjusted for impairment losses.

#### **Goodwill**

Goodwill is amortised over its estimated useful life determined on the basis of Management's experience of the specific business areas. Goodwill is amortised on a straight-line basis over a maximum amortisation period of 20 years, longest for strategically acquired enterprises with strong market positions and long-term earnings profiles.

#### **Property, plant and equipment**

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

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Buildings	5-50 years
Plant and machinery	3-10 years
Fixtures and fittings, other plant and equipment	3-10 years

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

#### **Investments in subsidiaries and associates**

Investments in subsidiaries and associates are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the parent company's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the acquisition method.



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

### **Accounting policies**

Investments in subsidiaries and associates with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable.

If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries and associates is recognised in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost.

### **Securities and investments**

Listed securities and investments are measured at fair value at the balance sheet date.

### **Impairment of non-current assets**

The carrying amount of intangible assets and property, plant and equipment and investments in subsidiaries and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by amortisation or depreciation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net cash flows from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

### **Inventories**

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

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

### **Accounting policies**

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads.

### **Receivables**

Receivables are measured at amortised cost. Write-down is made for expected bad debt losses.

### **Prepayments**

Prepayments comprise costs incurred in relation to subsequent financial years.

### **Equity**

#### **Reserve for net revaluation according to the equity method**

Net revaluation of investments in subsidiaries and associates is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

### **Dividends**

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

### **Corporation tax and deferred tax**

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

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

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

### **Accounting policies**

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

### **Liabilities**

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

### **Consolidated cash flow statement**

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

### **Cash flows from operating activities**

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

### **Cash flows from investing activities**

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

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

### **Accounting policies**

### **Cash flows from financing activities**

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and short-term marketable securities that are readily convertible to cash and are subject to an insignificant risk of changes in value.

### **Financial ratios**

Financial ratios are calculated in accordance with the Danish Finance society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Solvency ratio:  $\text{Equity at year end} \times 100 / \text{Total equity and liabilities at year end}$

Return on equity:  $\text{Profit for the year after tax} \times 100 / \text{Average equity}$

## INCOME STATEMENT

**DKK'000**

Note	CONSOLIDATED		PARENT	
	2015	2014	2015	2014
1 <b>Revenue</b>	2.067.594	1.912.672	1.785.950	1.594.361
Changes in inventories of finished goods	41.532	-10.619	21.807	-10.933
Other operating income	8.375	5.132	8.492	9.754
	2.117.501	1.907.185	1.816.249	1.593.182
Raw materials, consumables, etc.	-1.649.200	-1.399.136	-1.594.410	-1.346.575
Other external costs	-214.790	-213.044	-124.162	-130.544
<b>Gross profit</b>	253.511	295.005	97.677	116.063
2 Staff costs	-259.899	-245.608	-104.904	-106.290
3,4 Depreciation, amortisation and impairment losses of intangible assets and property, plant and equipment	-46.494	-43.791	-20.148	-20.381
<b>Operating profit/loss</b>	-52.882	5.606	-27.375	-10.608
5 Income from investments in subsidiaries	0	0	-41.664	-136
6 Income from investments in associates	501	1.503	501	1.503
7 Interest income and expenses	-29.221	-41.184	-16.572	-20.831
<b>Profit/loss before tax</b>	-81.602	-34.075	-85.110	-30.072
8 Corporation tax	6.116	10.780	9.540	6.716
<b>Profit/loss for the year</b>	-75.486	-23.295	-75.570	-23.356
Non-controlling interests' share of group enterprises' profit/loss	-84	-61	0	0
<b>Profit/loss for the year</b>	-75.570	-23.356	-75.570	-23.356
<b>Proposed profit appropriation/distribution of loss</b>				
Proposed dividends			3.000	3.000
Retained earnings			-78.570	-26.356
			-75.570	-23.356

## BALANCE SHEET

**DKK'000**

Note	CONSOLIDATED		PARENT		
	2015	2014	2015	2014	
<b>ASSETS</b>					
<b>Non-current assets</b>					
3	<b>Intangible fixed assets</b>				
	Acquired rights	3.479	6.958	3.479	6.959
	Goodwill	30.163	15.524	13.750	0
4		33.642	22.482	17.229	6.959
<b>Tangible fixed assets</b>					
	Buildings	131.300	127.671	54.669	57.715
	Plant and machinery	87.913	91.206	21.814	23.360
	Other fixtures and operating equipment	11.224	14.540	3.185	7.461
	Property, plant and equipment under construction	6.947	5.532	1.188	2.620
		237.384	238.949	80.856	91.156
<b>Investments</b>					
5	Investments in subsidiaries		0	257.173	274.979
6	Investments in associated	8.522	8.631	8.522	8.631
9	Other securities, investments	5.648	4.015	5.648	4.015
	Other receivables	3.167	2.475	3.167	2.475
		17.337	15.121	274.510	290.100
<b>Non-current assets</b>					
		288.363	276.552	372.595	388.215
<b>Current assets</b>					
<b>Inventories</b>					
	Raw materials and consumables	158.328	234.130	54.298	57.439
	Finished goods and goods for resale	320.041	278.596	151.209	129.402
		478.369	512.726	205.507	186.841
<b>Receivables</b>					
	Trade receivables	404.176	347.089	301.389	258.664
	Receivables from group enterprises	83.835	118	173.528	87.486
	Other receivables	56.551	42.326	48.416	36.385
	Deferred tax	6.266	5.416	0	0
	Prepayments	719	1.216	658	1.212
		551.547	396.165	523.991	383.747
<b>Securities</b>					
		492	578	492	578
<b>Cash at bank and in hand</b>					
		18.031	15.327	32	64
<b>Current assets</b>					
		1.048.439	924.796	730.022	571.231
<b>TOTAL ASSETS</b>					
		1.336.802	1.201.348	1.102.617	959.446

## BALANCE SHEET

**DKK'000**

Note	CONSOLIDATED		PARENT	
	2015	2014	2015	2014
<b><u>EQUITY AND LIABILITIES</u></b>				
<b>Egenkapital</b>				
Equity	30,000	30,000	30,000	30,000
Reserve for net revaluation under the equity method	4,089	-45,249	0	-45,249
Retained earnings	239,932	185,386	244,021	185,386
Proposed dividends	3,000	3,000	3,000	3,000
	<u>277,021</u>	<u>173,137</u>	<u>277,021</u>	<u>173,137</u>
<b>Non-controlling interests' share of equity</b>				
10	300	215	0	0
<b>Provisions</b>				
11 Deferred tax	11,449	7,629	10,593	7,545
	<u>11,449</u>	<u>7,629</u>	<u>10,593</u>	<u>7,545</u>
<b>Non-current liabilities</b>				
12 Mortgage debt	92,128	76,220	37,311	41,486
	<u>92,128</u>	<u>76,220</u>	<u>37,311</u>	<u>41,486</u>
<b>Current liabilities</b>				
Falling due in next financial year				
Employee bonds	0	520	0	504
Mortgage debt	4,142	4,110	4,142	4,110
Bank loans and overdrafts	651,659	567,949	441,015	366,248
Trade payables	163,589	105,085	77,785	40,515
Other payables	112,479	100,018	76,822	82,875
Payables to group enterprises	24,035	166,465	177,928	243,026
	<u>955,904</u>	<u>944,147</u>	<u>777,692</u>	<u>737,278</u>
<b>Total liabilities</b>	<u>1,048,032</u>	<u>1,020,367</u>	<u>815,003</u>	<u>778,763</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,336,802</u>	<u>1,201,348</u>	<u>1,102,617</u>	<u>959,445</u>
13 <b>Contingent liabilities and collateral</b>				
14 <b>Related parties</b>				
16 <b>Currency and interest rate risks and the use of derivative financial instruments</b>				

## CASH FLOW STATEMENT

DKK'000

	2015	2014
Operating profit/loss	-52.882	5.606
Depreciations	46.494	43.791
Adjustment from other non cash transactions	-12.305	-9.437
Cash flows from operations (operative activities) before changes in working capital	-18.693	39.960
Changes in inventories	35.805	-72.264
Changes in receivables	-59.674	-45.775
Changes in trade and other payables	75.071	-32.252
Cash flows from operations (operating activities)	32.509	-110.331
Interest income and expense	-22.080	-31.312
Corporation tax paid	9.086	7.547
<b>Cash flows from operating activities</b>	<b>19.515</b>	<b>-134.096</b>
Acquisition of subsidiaries	0	-29.414
Acquisition of property, plant and equipment	-37.328	-34.769
Disposal of property, plant and equipment	1.545	3.144
Acquisition of non-tangible assets	-15.000	-20.467
<b>Cash flow from investing activities</b>	<b>-50.783</b>	<b>-81.506</b>
External financing		
Mortgage	15.940	30.665
Group loans	-226.147	46.680
Bank loans and overdrafts	83.710	132.902
Shareholders	163.000	0
Dividends paid/recieved	-2.617	-3.000
<b>Cash flows from financing activities</b>	<b>33.886</b>	<b>207.247</b>
<b>Net cash flows for the year</b>	<b>2.618</b>	<b>-8.355</b>
Cash and cash equivalents at 1 January	15.905	24.260
<b>Cash and cash equivalents at 31 December</b>	<b>18.523</b>	<b>15.905</b>

Cash and cash equivalents represent the total of cash and securities.

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements and the parent company financial statements as exchange rate adjustment is included in the individual balance sheet components.



## STATEMENT OF CHANGES IN EQUITY

### Equity - Consolidated

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Dividend	Total
Equity at 1 January 2014	30,000	3,166	171,320	3,000	207,486
Dividends paid	0	0	0	-3,000	-3,000
Dividends proposed	0	0	0	3,000	3,000
Transferred from profit/loss for the year	0	1,503	-27,859	0	-26,356
Foreign exchange rate adjustments associated	0	-471	0	0	-471
Foreign exchange rate adjustments subsidiaries	0	0	-5,398	0	-5,398
Derivative financial instruments at 1 January	0	0	20,306	0	20,306
Derivative financial instruments at 31 December	0	0	-22,430	0	-22,430
<b>Equity at 1 January 2015</b>	<b>30,000</b>	<b>4,198</b>	<b>135,939</b>	<b>3,000</b>	<b>173,137</b>
Dividends paid	0	-383	383	-3,000	-3,000
Dividends proposed	0	0	0	3,000	3,000
Capital increase	0	0	163,000	0	163,000
Transferred from profit/loss for the year	0	501	-79,071	0	-78,570
Foreign exchange rate adjustments associated	0	-227	0	0	-227
Foreign exchange rate adjustments subsidiaries	0	0	8,858	0	8,858
Derivative financial instruments at 1 January	0	0	22,430	0	22,430
Derivative financial instruments at 31 December	0	0	-6,412	0	-6,412
Insurance net investment	0	0	-5,195	0	-5,195
<b>Equity at 31 December 2015</b>	<b>30,000</b>	<b>4,089</b>	<b>239,932</b>	<b>3,000</b>	<b>277,021</b>

The share capital is broken down as follows:

30.000 shares of DKK 1,000 each

Share capital during the latest 5 years:

Share capital until 2011	20,448
Increase of share capital in 2011	9,552
	<u>30,000</u>

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**DKK'000**

## NOTES

DKK'000

### Note

#### 1 Segment information

	Consoli- dated	Parent
Revenue in fish products to the domestic market	40.828	40.828
Revenue in fish products to the export market	2.026.766	1.745.122
	<u>2.067.594</u>	<u>1.785.950</u>

#### 2 Staff costs

	Consolidated		Parent	
	2015	2014	2015	2014
Wages and salaries	218.030	208.857	95.963	97.654
Pensions	27.049	23.345	7.251	6.869
Other social security costs	14.820	13.406	1.691	1.767
	<u>259.899</u>	<u>245.608</u>	<u>104.904</u>	<u>106.290</u>

During the year under review the Group had 2,163 full-time employees (1,955 in 2014) of which 223 were employed in the parent company (218 in 2014).

	Consolidated 2015	Consolidated 2014	Parent 2015	Parent 2014
Remuneration Executive Board	7.414	7.164	7.414	7.164
Remuneration Board of Directors	595	918	140	144
	<u>8.009</u>	<u>8.082</u>	<u>7.554</u>	<u>7.308</u>

A part of the remuneration for the Executive Board is covered by the ultimate parent company, Insepa A/S.

## NOTES

DKK'000

Note

### 3 Intangible fixed assets consolidated 2015

	Acquired rights	Goodwill
Cost at 1 January	21.773	16.270
Value adjustment in foreign companies	0	1.883
Additions	0	15.000
<b>Cost at 31 December</b>	<b>21.773</b>	<b>33.153</b>
Depreciation at 1 January	14.815	746
Value adjustment in foreign companies	0	95
Depreciation	3.479	2.149
<b>Depreciation at 31 December</b>	<b>18.294</b>	<b>2.990</b>
<b>Carrying amount at 31 December</b>	<b>3.479</b>	<b>30.163</b>

### 3 Intangible fixed assets parent 2015

	Acquired rights	Goodwill
Cost at 1 January	21.773	0
Additions	0	15.000
<b>Cost at 31 December</b>	<b>21.773</b>	<b>15.000</b>
Depreciation at 1 January	14.815	0
Depreciation	3.479	1.250
<b>Depreciation at 31 December</b>	<b>18.294</b>	<b>1.250</b>
<b>Carrying amount at 31 December</b>	<b>3.479</b>	<b>13.750</b>

## NOTES

DKK'000

Note

### 4 Tangible fixed assets consolidated 2015

	<b>Buildings</b>	<b>Plant and machinery</b>	<b>Operating equipment</b>	<b>In course of constru.</b>
Cost at 1 January	339.495	437.597	61.586	5.532
Value adjustment in foreign companies	3.002	3.147	496	33
Additions	10.774	13.753	4.712	8.089
Disposals	-525	-2.807	-1.241	0
Transfer to other assets	931	5.346	430	-6.707
<b>Total cost at 31 December</b>	<b>353.677</b>	<b>457.036</b>	<b>65.983</b>	<b>6.947</b>
Depreciation at 1 January	211.824	346.391	47.046	0
Value adjustment in foreign companies	671	2.199	288	0
Depreciation of disposed assets	-221	-2.191	-616	0
Depreciation of the year	10.103	22.724	8.041	0
<b>Total depreciation 31 December</b>	<b>222.377</b>	<b>369.123</b>	<b>54.759</b>	<b>0</b>
<b>Carrying amount 31 December</b>	<b>131.300</b>	<b>87.913</b>	<b>11.224</b>	<b>6.947</b>

### 4 Tangible fixed assets parent 2015

	<b>Buildings</b>	<b>Plant and machinery</b>	<b>Operating equipment</b>	<b>In course of constru.</b>
Cost at 1 January	202.220	242.379	41.354	2.620
Additions	0	0	0	5.274
Disposals	0	-474	-162	0
Transfer to/from other assets	887	5.346	473	-6.706
<b>Total cost at 31 December</b>	<b>203.107</b>	<b>247.251</b>	<b>41.665</b>	<b>1.188</b>
Depreciation 1 January	144.505	219.019	33.893	0
Depreciation disposed assets	0	-318	-162	0
Depreciation	3.933	6.736	4.749	0
<b>Total depreciation 31 December</b>	<b>148.438</b>	<b>225.437</b>	<b>38.480</b>	<b>0</b>
<b>Carrying amount 31 December</b>	<b>54.669</b>	<b>21.814</b>	<b>3.185</b>	<b>1.188</b>

## NOTES

DKK'000

Note

### 5 Investments in subsidiaries

	2015	2014
Cost at 1 January	324.426	261.896
Disposal	0	-8.185
Additions	0	70.715
Cost at 31 December	324.426	324.426
Value adjustments at 1 January	-49.447	-43.913
Negative equity offset against I/C loan	20.195	0
Adjustments exchange rates	8.858	-5.398
Profit/loss for the year after tax	-41.664	-136
Insurance net investment	-5.195	0
Value adjustments at 31 December	-67.253	-49.447
Carrying amount at 31 December	257.173	274.979

	Reg. Office	Stake %	Share Cap.	Part of equity	Profit/loss
A. Espersen LLC	Rusia	100%	TRUC 100	-19.717	-23.505
UAB Espersen Lietuva	Lithuania	100%	TLTL 12,700	50.877	8.053
Espersen Asia Ltd.	Hong Kong	100%	HKD 32,024	34.249	-30.937
Baltic Fish AB	Sweden	100%	TSEK 100	65	-9
Espersen Seafood S.A.	Spain	80%	TEUR 123	-4.581	-837
Espersen France	France	80%	TEUR 130	1.201	338
Espersen Polska Sp. z o.o.	Poland	100%	TPLN 65,500	176.799	3.130
				238.893	-43.767
Adjustment internal profit inventory				-1.669	1.838
Adjustment internal profit fixed assets				-246	265
Negative equity offset against I/C loan				20.195	0
				257.173	-41.664

## NOTES

DKK'000

Note

### 6 Investments in associates

	2015	2014
Cost at 1 January	4.433	4.433
Cost at 31 December	4.433	4.433
Value adjustments at 1 January	4.198	3.167
Adjustments exchange rates	-227	-472
Profit for the year	501	1.503
Dividend	-383	0
Value adjustments at 31 December	4.089	4.198
Carrying amount at 31 December	8.522	8.631

	Reg. Office	Stake %	Share capital	Part of Equity	Profit/loss
Scanfish AS	Norway	49%	TNOK 500	4.197	87
Bornholm Fisk A/S	Denmark	50%	TDKK 500	987	420
Sweryb International AB	Sweden	50%	TSEK 200	123	26
Espan Sp. z o.o.	Poland	50%	TPLN 4000	3.215	-32
				8.522	501

## NOTES

**DKK'000**

Note

### 7 Financial income and expenses

	<b>Consolidated</b>		<b>Parent</b>	
	2015	2014	2015	2014
<b>Financial income</b>				
Interest income	63	382	54	327
Interest income from group enterprises	2.416	1.768	2.126	1.790
Foreign exchange adjustments	29.711	40.149	209	325
Capital gains on securities and adjustments	2.478	491	2.248	491
	<u>34.668</u>	<u>42.790</u>	<u>4.637</u>	<u>2.933</u>
<b>Financial expenses</b>				
Interest expense	20.723	24.039	11.987	19.632
Interest expense to group enterprises	3.838	9.424	2.136	4.118
Foreign exchange adjustments	32.240	50.056	0	0
Capital losses on securities and adjustments	7.088	455	7.086	14
	<u>63.889</u>	<u>83.974</u>	<u>21.209</u>	<u>23.764</u>
	<u>-29.221</u>	<u>-41.184</u>	<u>-16.572</u>	<u>-20.831</u>

### 8 Tax on profit/loss for the year

The corporate tax for the year:

	<b>Consolidated</b>		<b>Parent</b>	
	2015	2014	2015	2014
Expected current tax for the year	-6.811	-7.568	-8.710	-7.044
Tax on equity entries	-1.718	662	-1.718	662
Adjustment in respect of deferred tax	2.040	-4.266	146	-726
Impact from changed taxation per cent	-9	41	135	41
Tax in respect of previous years.	382	351	607	351
Total tax for the year	<u>-6.116</u>	<u>-10.780</u>	<u>-9.540</u>	<u>-6.716</u>

#### Tax analysis

Profit/loss before tax	-86.797	-34.075	-90.305	-30.072
Adjustments previous years	3.142	0	3.142	0
Other	57.129	-8.422	205	4.028
Profit/loss subsidiaries/investments	501	-1.503	46.358	-1.368

<b>Profit/loss before tax, adjusted</b>	<u>-26.025</u>	<u>-44.000</u>	<u>-40.600</u>	<u>-27.412</u>
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**Tax on profit/loss for the year in % of the above**

	<u>23,5%</u>	<u>24,5%</u>	<u>23,5%</u>	<u>24,5%</u>
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**NOTES**

**DKK'000**

Note

**9 Investments - Consolidated**

**Other securities and investments**

	<b>2015</b>	<b>2014</b>
Cost at 1 January	481	481
<b>Total cost at 31 December</b>	<b>481</b>	<b>481</b>
Value adjustment for fair value at 1 January	3.534	3.195
Value adjustments for the year to fair value	1.633	339
<b>Value adjustments to fair value at 31 December</b>	<b>5.167</b>	<b>3.534</b>
<b>Carrying amount at 31 December</b>	<b>5.648</b>	<b>4.015</b>

**9 Investments - Parent**

**Other securities and investments**

	<b>2015</b>	<b>2014</b>
Cost at 1 January	481	481
<b>Total cost at 31 December</b>	<b>481</b>	<b>481</b>
Value adjustmetn to fair value at 1 January	3.534	3.195
Value adjustments for the year to fair value	1.633	339
<b>Value adjustments to fair value at 31 December</b>	<b>5.167</b>	<b>3.534</b>
<b>Carrying amount at 31 December</b>	<b>5.648</b>	<b>4.015</b>

**10 Non-controlling interests**

	<b>2015</b>	<b>2014</b>
Non-controlling interests at 1 January	215	155
Part of profit/loss for the year	85	60
<b>Non-controlling interests at 31 December</b>	<b>300</b>	<b>215</b>

## NOTES

**DKK'000**

Note

### 11 Provisions for deferred tax

The amount relating to debtors, foreign exchange contracts, properties, plant and machinery is provided at the expected tax rate for 2015.

The changes for the year are specified as follows:

	<b>Consolidated</b>		<b>Parent</b>	
	2015	2014	2015	2014
Deferred tax liabilities at 1 January	7.629	5.446	7.545	8.008
Deferred tax assets at 1 January	-5.416	0	0	0
Deferred tax net liability at 1 January	2.213	5.446	7.545	8.008
Adjustments in respect of previous years	-1.966	438	11	222
Opening adjustment, foreign exchange rates	511	0	0	0
Deferred tax, equity items	10.708	-182	3.098	-182
Adjustments for the year, income statement	-6.076	-3.509	146	-523
Impact of changed tax per cent, income statement	-207	20	-207	20
Deferred tax net at 31 December	<u>5.183</u>	<u>2.213</u>	<u>10.593</u>	<u>7.545</u>
Deferred tax liabilities at 31 December	11.449	7.629		
Deferred tax assets at 31 December	<u>-6.266</u>	<u>-5.416</u>		
	<u>5.183</u>	<u>2.213</u>		

### 12 Non-current liabilities

	<b>Consolidated</b>		<b>Parent</b>	
	2015	2014	2015	2014
Mortgage debt falling due between 2 and 5 years after expiry of the financial year	71.387	16.563	16.570	16.563
Mortgage debt falling due after more than 5 years after expiry of the financial year	<u>20.741</u>	<u>59.657</u>	<u>20.741</u>	<u>24.923</u>
	<u>92.128</u>	<u>76.220</u>	<u>37.311</u>	<u>41.486</u>

## NOTES

**DKK'000**

Note

### 13 Contingent liabilities and collateral

#### Contingent liabilities

##### Operational leasing - Consolidated

	Sites	Cars	Equipment	Total
Falling due within one year after expiry of the financial year	9.015	1.697	680	11.392
Falling due between 1-5 years after expiry of the financial year	5.241	1.717	480	7.438
Falling due after more than 5 year after expiry of the financial year	12.725	0	0	12.725
	<u>26.981</u>	<u>3.414</u>	<u>1.160</u>	<u>31.555</u>

#### Contingent liabilities

##### Operational leasing - Parent

	Sites	Cars	Equipment	Total
Falling due within one year after expiry of the financial year	2.830	1.616	680	5.126
Falling due between 1-5 years after expiry of the financial year	4.821	1.623	480	6.924
Falling due after more than 5 year after expiry of the financial year	12.238	0	0	12.238
	<u>19.889</u>	<u>3.239</u>	<u>1.160</u>	<u>24.288</u>

#### Contingent liabilities

A. Espersen A/S has provided a guarantee to Group's loans to credit institutions up to a credit max. totalling DKK 156,548 thousand. The subsidiaries' total bank loans, etc for which the Company has provided guarantee totalled DKK 103,008 thousand at 31 December 2015.

The company is unlimited and jointly liable with other group companies for corporate tax and withholding tax on dividends and interests within the jointly taxed group.

The subsidiary Espersen Asia Ltd. has pledged receivables worth TUSD 8,235 as security for its bank loan with at credit max. TUSD 12,000.

#### Collateral

	Consolidated	Parent
bank accounts	568	11
Credit institutions / Mortgage debt securities	<u>5.648</u>	<u>5.648</u>
	<u>6.216</u>	<u>5.659</u>

**NOTES**

**DKK'000**

**14 Related party disclosures**

A. Espersen A/S is a wholly-owned subsidiary of:

INSEPA A/S  
Kalvebod Brygge 39-41  
1560 København V

Insepa A/S' related parties exercising significant influence comprise group enterprises and associates and the companies' Board of Directors, Executive Boards, executive employees and their family members.

Further, related parties comprise companies in which the above persons have substantial interests.

Related party transactions are entered into and settled on an arm's length basis.

**15 Fees paid to the auditors appointed at the general meeting**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>ERNST &amp; YOUNG</b>				
Audit fees	970	1.093	650	750
Opinions with security	75	32	75	32
Tax consultancy	50	47	35	36
Non-audit fees	71	112	87	94
	<u>1.166</u>	<u>1.284</u>	<u>847</u>	<u>912</u>
<b>Others</b>				
Audit fees	669	434	0	0
	<u>669</u>	<u>434</u>	<u>0</u>	<u>0</u>
<b>Total fees</b>	<u><u>1.835</u></u>	<u><u>1.718</u></u>	<u><u>847</u></u>	<u><u>912</u></u>

## NOTES

**DKK'000**

Note

### 16 **Currency and interest rate risks and the use of derivative financial instruments**

More than 2/3 of revenue is invoiced in foreign currencies, primarily in GBP, EUR and USD. A significant part of raw material purchases is made in USD and NOK and in the local currency in which the subsidiaries are located. In addition, the Company also has trading in EUR and SEK. Fluctuations in these currencies vis-à-vis Danish kroner have affected the Company's income statement.

<b>Currency</b>		<b>Principal</b>	<b>Months</b>	<b>Fair value</b>
Sale	GBP	24.874	0-12	5.092
Purchase	NOK	66.660	0-6	-3.907
Sale	USD	7.965	0-9	-149
Purchase	USD	60.541	0-24	32.021
<b>Options</b>				
Purchase	NOK	97.320	0-6	-4.451
Sale	USD	8.300	0-7	-985
Purchase	USD	11.550	0-6	1.986
Purchase	PLN	42.000	0-6	309
<b>Total</b>				29.916

Hedging is made in accordance with the Company's finance policy.

Interest rate risks primarily relate to interest-bearing liabilities.

To control the interest rate risk, the Company uses interest instruments such as interest swaps as well as receivables carrying fixed and variable interest rates.

Drawing rights in credit institutions are based on variable interest rates, which means that interest changes are rapidly reflected in the income statement. On the other hand, interest rate changes will not result in any significant changes in the fair value of interest-bearing debt.

As regards drawings on credit institutions, interest-rate hedging has been made for: DKK 50 million with expiry December 2023 at 2.10 % p.a. The market value at 31 December 2015 totalled at DKK 4,669 thousand which has been recognised in equity.

DKK 52.1 million with expiry April 2020 at 3.07 % p.a. The market value at 31 December 2015 totalled a negative DKK 6,425 thousand which has been recognised in equity.

**NOTES**

**DKK'000**

Note

**16 Currency and interest rate risks and the use of derivative financial instruments**  
(continued)

DKK 50 million with expiry December 2023 at 2.229 % p.a. The market value at 31 December 2015 totalled a negative DKK 5,258 thousand which has been recognised in equity.

DKK 100 million with expiry December 2023 at 2.62 % p.a. The market value at 31 December 2015 totalled a negative DKK 15,804 thousand which has been recognised in equity.

As regards mortgage debts, interest swap has been made on  
DKK 19,3 million with expiry end of December 2023 at 5.43 % p.a. The market value at 31 December 2015 totalled a negative DKK 3,840 thousand which has been recognised in equity.

DKK 3 million with expiry December 2020 at 2.53 % p.a. The market value at 31 December 2015 totalled a negative DKK 176 thousand which has been recognised in equity.

DKK 21 million with expiry December 2030 at 3.10 % p.a. The marked value at 31 December 2015 totalled a negative DKK 3,005 thousand which has been recognised in equity.