RICOH
imagine. change.

Delta Park 37
DK-2665 Vallensbæk Strand

Ricoh Danmark A/S

Annual report 2015/16

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

on 12-09 2016

chairman

CVR no. 56 47 04 17

RICOH
imagine. change.

Ricoh Danmark A/S
Annual report 2015/16
CVR no. 56 47 04 17

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Ricoh Danmark A/S for the financial year 1 April 2015 – 31 March 2016.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements applying to reporting class C large entities under 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 Parent Company's assets, liabilities and financial position at 31 March 2016 and of the results of the Group's and the Parent Company's operations and the Group's cash flows for the financial year 1 April 2015 – 31 March 2016.

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

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

Vallensbæk Strand, 12 September 2016
Executive Board:

Søren Krogh-Nielsen

Board of Directors:

Enrique Calabuig Chairman	Søren Krogh-Nielsen	Søren Boserup
Per Guido Sørensen employee representative	Jørgen Henrik Norup employee representative	

Independent auditor's report

To the shareholder of Ricoh Danmark A/S

Independent auditor's 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 Ricoh Danmark A/S for the financial year 1 April 2015 – 31 March 2016, which comprise income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as for the parent company

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

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

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the 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 the 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 auditor's 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 auditor considers 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.

Independent auditor's report

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

Our audit has not resulted in any qualification.

Conclusion

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

Statement on the Management commentary

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

Copenhagen, 12 September 2016
KPMG
Statsautoriseret Revisionspartnerselskab
Cvr. No 25 57 81 98

Jacob Lehman
State Authorised
Public Accountant

Management commentary

Company details

Ricoh Danmark A/S
Delta Park 37
2665 Vallensbæk Strand

Telephone:	+45 70 10 67 68
Website:	www.ricoh.dk
E-mail:	info@ricoh.dk
CVR no.:	56 47 04 17
Established:	8 July 1976
Registered office:	Vallensbæk
Financial year:	1 April 2015 – 31 March 2016

Board of Directors

Enrique Calabuig, chairman
Søren Krogh-Nielsen
Søren Boserup
Per Guido Sørensen
Jørgen Henrik Norup

Executive Board

Søren Krogh-Nielsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Annual general meeting

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

Management commentary

Financial highlights for the Group

DKKm	2015/16	2014/15	2013/14[1]	2012/13[1]	2011/12[1]
Revenue	319	357	380	365	327
Gross profit	103	103	116	160	150
Profit from ordinary activities	7	5	9	6	5
Net financial	0	0	0	0	1
Tax	3	-2	-3	-5	2
Profit for the year	10	2	**6**	**1**	**7**
Total assets	237	216	153	175	161
Investment in property, plant and equipment	3	2	2	1	1
Equity	107	97	94	76	72
Gross margin	32,4%	28,8%	30,4%	43,8%	45,8%
Profit margin	3,1%	0,6%	2,3%	1,7%	1,5%
Solvency ratio	45,1%	44,9%	53,1%	43,3%	46,5%
Return on equity	9,8%	2,2%	7,1%	1,0%	10,0%
Average number of employees	157	169	176	174	172

[1] Financial highlights for 2015/16 and 2014/15 are prepared in accordance with International Financial Reporting Standards as adopted by the EU Act; see note 25. The comparative figures for 2011/12 – 2013/14 have not been restated to reflect the change in accounting policies but have been prepared in accordance with the previous accounting policies based on the provisions of the Danish Financial Statements Act.

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

Management commentary

Operating review

Principal activities

The principal activities of Ricoh Danmark A/S are to provide services and technologies to large and small businesses that will transform their business transactions and document processes. The Company does this through its core capabilities in Managed Document, Services, Production Printing, Office Solutions and IT Services. This can be offer to the customers via leasing contracts in the subsidiary (Ricoh Capital Danmark A/S) if financing is requested.

Results for the year

The consolidated financial statements made a profit for the financial year of DKK 9,940 thousand (2014/15: DKK 2,141 thousand) and the parent company financial made a profit for the financial year of DKK 5,280 thousand (2014/15: DKK 3,745 thousand) has been transferred to reserves. The result is satisfactory considering the market situation. The result for 2016/17 is expected to be in same range.

Outlook

The Group made an operating profit before interest and tax of DKK 7.264 thousand (2014/15: DKK 4.616 thousand).

The Group has introduced innovative and environmentally responsible products in the high-end office category and launched well-received products in the production printing market.

The Group's objective is to grow sales and profitability by offering first class, high quality products and services for the business environment, clearly differentiating and pre-empting the competition with total document solutions offerings, while making customers' businesses more productive, efficient and ultimately more profitable.

- The key strategies employed by the Group to support this objective include:
- To become a relations-based group, seen as a partner of customers, offering tailored hardware and software solutions to add value to their business.
- To have the right people, with the right skills to sell, service and support the Group's products.
- To draw on support from the Group's internal partners within the Ricoh Group in areas of research and development, manufacturing, supply chain management and central service support to help achieve the objective.
- To strengthen the corporate brand and position of the Group to support the introduction of new products to new market segments.

Management commentary

Operating review

Future trends and developments:

The Group expects to continue to develop relationships with significant customers, maintain and enhance its competitive product range, leverage strategic relationships with other business partners and develop revenue and profit opportunities.

Ricoh clients, partners and employees can stay up-to-date with the latest views from Ricoh at:

— Facebook: www.facebook.com/ricoheurope

— Twitter: www.twitter.com/ricoheurope

— You Tube: www.youtube.com/ricoheurope

Risks and uncertainties

The key risks and uncertainties facing the Group are:

Competitor risk: Failure to compete with competitors on areas including price, product range, quality and service could have an adverse effect on the Group's financial results.

People risk: Failure to attract, retain and motivate the best people with the right capabilities at all levels of the operation would be detrimental to the success of the Group.

Material events after the reporting date

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

Social Corporate Responsibility (CSR)

In 200, Ricoh Group signed UN's Global Compact (UNGC) and in 2004, the "Ricoh Group CSR Charter" was established as well as the "Ricoh Group Code of Conduct", which both reflects the UNGC's 10 principles and applies to all entities within the Group. All 10 base principles (in the areas of human rights, labour, the environment and anti-corruption), are therefore fully integrated in all of our daily activities via our policies and key values.

As the activity for the Danish Company comprise of trade and service of document related information technology on behalf of the Ricoh Group, the Danish Company only have policies in respect of environment and employees, which are described below.

Management commentary

Operating review

Climate:

Group policies

In line with the Group's commitment to the environment, it has established an Environmental Policy, which sees it making constant efforts to reduce the environmental impact of the Group's operations. The Group continually seeks out and investigates alternative methods of performing its services. When more environmentally sound methods are identified, we will move promptly, when economic circumstances allow, adopting these practices.

The Group meets and exceeds key current European regulations and guidance standards, which complement our long-term objectives for:

- Energy Conservation and the Prevention of Global Warming - (Energy Star, Blue Angel, EuP directive)
- Resource Conservation and Recycling (WEEE regulations, Battery Directive)
- Pollution Prevention (RoHS, REACH, Hazardous waste regulations)

On our national website http://www.ricoh.dk it is possible to view in details our environmental policy, read about our ISO14001 international environmental certification and our implementation of WEEE / RoHS regulations on the environment recycling area.

Local group policies

Based on the overall Ricoh Group policies, the Danish Group has in 2015/16 initiated various activities to reduce Co2 emission. Visual Communication to reduce travel cost, default eco power saving mode on all sold units, and company cars are continuously being exchanged to more efficient diesel engines when leasing car contracts are renewed.

Furthermore, the Company has now moved to its new HQ which is a certified Green House with great Co2 savings compared to former HQ build in 1970´s. Compared to 2014/15 the usage of natural gas has dropped significantly in 2015/16. The use of electricity has dropped 9.2% in 2015/16.

Use of paper has also dropped significantly in 2015/16 and we expect that this improvement will continue due to our New Ways Of Working (NWOW) concept.

Employees:

Ricoh is an equal opportunities employer and all applications are treated on merit, regardless of sex, disability, religious belief, marital status, colour, race or ethnic origins. In the event of members of staff becoming disabled every effort is made to ensure that their employment within the Group continues and that appropriate training is arranged.

Management commentary

Operating review

The training, career development and promotion of disabled persons are, as far as possible, consistent with that of other employees.

As the female gender currently is underrepresented in Ricoh Danmark's management, we have developed policies and goals for the future in an attempt to equalize the gender composition in the future.

At the end of the financial period 2015/16, women occupied 15% of management positions in Ricoh Danmark A/S, which comprises the three top levels of management (Board of Directors/senior management (directors) and middle managers), this current composition Ricoh would like rise to 33.3% within a 4 year period, so one third of all management positions in 2018 is occupied by a female employee, and that this increase ultimately could contribute to the same composition in the company's Board of Directors in 2018. By achievement of this goal the Board of Directors, which today is three male members, elected at the annual general meeting, could be one female and two male members in 2018.

Besides the above quantitative goals, we have for many years have gender equality build in our CSR policies and have established the following qualitative targets on this background:

— Our employees should feel that Ricoh have an open and unbiased culture in which the individual can use his skills best possible, regardless of gender.

— Ricoh's female employees should feel that they have same opportunities for career and leadership positions as their male colleagues.

Ricoh has implemented specific actions to ensure that the above-mentioned target is achieved by 2018, including that both genders are represented in the candidate selection phase for management positions (where there are qualified applicants of both genders) and that as many women as possible participate in our internal management training program.

Implementation of "policy on the gender composition of management" with associated targets are developed and adopted so late in the fiscal year that no changes in our gender composition are reported yet.

The Danish Group does not have any specific policies around human rights.

IFRS Transition

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

Management commentary

Operating review

The transition has been based on the internal group reporting package used within the Ricoh Group for consolidation purposes and has resulted in a number of reclassifications. The internal group-reporting package has been adopted as the transition balance, which has resulted in recognition of Goodwill of DKK 12,637 thousand, which had been wholly depreciated in the previous statutory financial statements according to the Danish Financial Statements Act.

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

Reference is made to note 25.

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Statement of comprehensive income

		Group		Parent Company	
DKK'000	Note	2015/16	2014/15	2015/16	2014/15
Revenue	4	319,437	356,752	316,329	356,506
Costs of sales	5	-170,341	-208,791	-170,341	-208,791
Other external expenses		-45,136	-45,366	-44,239	-44,132
Gross profit		103,960	102,595	101,749	103,583
Staff costs	6	-95,255	-97,432	-95,255	-97,432
Depreciation and impairment	7	-1,441	-547	-1,441	-547
Operating profit		7,264	4,616	5,053	5,604
Financial income	10	98	0	98	0
Financial expenses	11	-176	-179	-160	-180
Profit before tax		7,186	4,437	4,991	5,424
Tax on profit for the year	12	2,753	-2,297	289	-1,679
Profit for the year/total comprehensive income		9,939	2,140	5,280	3,745

RICOH
imagine. change.

Ricoh Danmark A/S
Annual report 2015/16
CVR no. 56 47 04 17

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Statement of financial position

		Group			Parent Company		
DKK'000	Note	2015/16	2014/15	1/4 2014	2015/16	2014/15	1/4 2014
ASSETS							
Goodwill	13	12,637	12,637	12,637	12,637	12,637	12,637
Finance lease receivables	15	55,475	32,220	5,710	0	0	0
Fixtures and fittings, tools and equipment	14	2,995	1,555	2,336	2,995	1,555	2,336
Equity investments in subsidiary		0	0	0	500	500	500
Deferred tax	17	2,655	1,211	1,557	1,809	1,211	1,470
Deposits		1,018	1,215	0	1,018	1,215	0
Non-current assets		74,780	48,838	22,240	18,959	17,118	16,943
Inventories		11,008	7,993	9,529	11,008	7,993	9,529
Trade receivables	15	78,329	80,796	93,907	73,253	74,730	93,639
Finance lease receivables	15	19,520	12,434	4,101	0	0	0
Receivables from group entities	15	47,901	61,203	38,766	58,207	69,098	46,278
Other receivables	15	84	740	0	84	713	0
Tax receivable		1,638	696	0	557	662	0
Prepayments		3,261	2,594	3,222	2,636	2,469	3,222
Cash at hand and in bank		69	245	5	69	245	5
Current assets		161,810	166,701	149,530	145,814	155,910	152,673
TOTAL ASSETS		236,590	215,539	171,770	164,773	173,028	169,616

RICOH
imagine. change.

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Statement of financial position

		Group			Parent Company		
DKK'000	Note	2015/16	2014/15	1/4 2014	2015/16	2014/15	1/4 2014
Equity	16						
Share capital		23,501	23,501	23,501	23,501	23,501	23,501
Retained earnings		83,156	73,216	71,075	79,997	74,716	70,971
Total equity		106,657	96,717	94,576	103,498	98,217	94,472
Liabilities							
Provisions for pension liabilities	18	943	1.096	1,250	943	1.096	1,250
Non-current liabilities		943	1.096	1,250	943	1.096	1,250
Trade payables		22,234	23,587	7,170	22,212	23,462	7,170
Payables to group entities		80,637	68,422	25,039	14,626	26,195	23,016
Other payables		22,829	22,586	39,089	20,438	21,681	39,073
Deferred income		3,290	2,560	4,322	3,056	2,377	4,322
Current joint tax payable		0	571	324	0	0	313
Current liabilities		128,990	117,726	75,944	60,333	73,715	73,894
Total liabilities		129,933	118,822	77,194	61,276	74,811	75,144
TOTAL EQUITY AND LIABILITIES		236,590	215,539	171,770	164,773	173,028	169,616

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Statement of changes in equity

	Group			
DKK'000	Share capital	Share premium	Transfer-red compre-hensive income	Total
Equity at 1 April 2015	23,501	22,902	50,314	96,717
Comprehensive income in 2015/16				
Profit for the year	0	0	9,940	9,940
Total comprehensive income for the period	0	0	9,940	9,940
Equity at 31 March 2016	23,501	22,902	60,254	106,657
Equity at 1 April 2014	23,501	22,902	48,173	94,576
Comprehensive income in 2014/15				
Profit for the year	0	0	2,141	2,141
Total comprehensive income for the period	0	0	2,141	2,141
Equity at 31 March 2015	23,501	22,902	50,314	96,717

	Parent Company			
DKK'000	Share capital	Share premium	Transfer-red compre-hensive income	Total
Equity at 1 April 2015	23,501	22,902	51,814	98,217
Comprehensive income in 2015/16				
Profit for the year	0	0	5,280	5,280
Total comprehensive income for the period	0	0	5,280	5,280
Equity at 31 March 2016	23,501	22,902	57,094	103,497
Equity at 1 April 2014	23,501	22,902	48,069	94,472
Comprehensive income in 2014/15				
Profit for the year	0	0	3,745	3,745
Total comprehensive income for the period	0	0	3,745	3,745
Equity at 31 March 2015	23,501	22,902	51,814	98,217

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Cash flow statement

		Group		Parent Company	
DKK'000	Note	2015/16	2014/15	2015/16	2014/15
Operating profit for the year		7,264	4,616	5,053	5,604
Depreciation, amortisation and impairment losses		824	547	824	547
Other adjustments of non-cash operating items		-153	-154	-153	-154
Cash flow from operating activities before changes in working capital		7,935	5,009	5,724	5,997
Changes in working capital	20	-29,692	-41,498	-3,712	-2,281
Cash flow from operating activities		-21,757	-36,489	2,012	3,716
Interest income received		98	0	98	0
Interest expense paid		-176	-179	-160	-180
Corporation tax paid		-59	-2,315	-59	-2,315
Cash flow from operating activities		-21,894	-38,983	1,891	1,221
Acquisition of fixtures and fittings, tools and equipment		0	234	0	234
Disposal of fixtures and fittings, tools and equipment		-2,264	0	-2,264	0
Cash flow from investing activities		-2,264	234	-2,264	234
External financing:		197	-1,215	197	-1,215
Loans from Group Enterprises		23,785	40,204	0	0
Cash flow from financing activities		23,982	38,989	197	-1,215
Cash flows for the year		-176	240	-176	240
Cash and cash equivalents at the beginning of the year		245	5	245	5
Cash and cash equivalents at year end*		69	245	69	245

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

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Overview of notes

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

1 Accounting policies

General information

Ricoh Danmark A/S is a limited liability company incorporated and domiciled in Denmark. The annual report comprises both consolidated financial statements and separate parent company financial statements.

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

This annual report is the Company's first annual report presented in accordance with IFRS. For the transition, IFRS 1 on first-time adoption of IFRS has been applied. The accounting effect of the transition to IFRS is described in note 25, including a description of the changes in accounting policies compared to previous years.

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

Basis of preparation

The financial statements are presented in DKK thousands.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Ricoh Danmark A/S and subsidiaries over which Ricoh Danmark A/S exercises control. Ricoh Danmark A/S is considered to exercise control over another entity when the Company has the voting power in the subsidiary, the possibility or right to receive dividends from the subsidiary and possibility to use the voting power to influence the rate of dividends.

The consolidated financial statements have been prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements prepared in accordance with the group accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains on intra-group transactions are eliminated. Unrealised losses are eliminated in the same way as unrealised gains to the extent that impairment has not taken place.

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

1 **Accounting policies (continued)**

Transactions and balances

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

Income statement

Revenue

All revenues are recognised in the income statement as earned based on the following criteria:

— Delivery has taken place before year end.

— A binding sales agreement has been entered into.

— The sales price has been determined.

— Payment has been received at the time of sale or is with reasonable certainty expected to be received.

Income from the sale of goods is included in the income statement provided that delivery and transfer of risk to the buyer have taken place and that the income can be reliably measured and is expected to be received.

Income from services is invoiced according to the number of copies used or is included in the invoicing of consumables. Service income is accrued on the basis of estimated consumption.

Service contracts comprising time and mileage are recognised as income over the service period.

Profits from sale of lease machines are included in the Company's revenue. Gain/losses from lease contracts are included as income from lease contracts.

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

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

1 Accounting policies (continued)

Cost of sales

Cost of sales comprises the value of goods and materials corresponding to the revenue for the year and current losses on the sale of lease machines.

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

Other external expenses

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

Staff costs

Staff costs comprise wages and salaries as well as payroll expenses.

Depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment losses on property, plant and equipment as well as gains and losses from current replacement of non-current assets.

Financial income and expense

Financial income and expenses comprise interest income and expenses, exchange gains and losses on debt and transactions in foreign currencies, etc.

Dividends from equity investments in group entities measured at cost are recognised as income in the Parent Company's statement of comprehensive income in the financial year when the dividends are declared. To the extent that the dividends exceed the accumulated earnings in the period, an impairment test is conducted.

Impairment losses are recognised in the statement of comprehensive income as net financials.

Corporation tax and deferred tax

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

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

1 Accounting policies (continued)

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

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

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

Deferred tax assets and liabilities are offset provided the Company has a legally enforceable right to set off current tax liabilities and tax assets or intends either to settle current tax liabilities and tax assets on a net basis or to realise the assets and settle the liabilities simultaneously. Adjustment is made to deferred tax resulting from the elimination of unrealised intra-group profits and losses.

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

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

Assets

Goodwill

Goodwill is initially recognised in the statement of financial position at cost. Subsequently, goodwill is measured at cost less accumulated impairment losses.

Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the acquisition date. Identification of cash-generating units is based on the management structure and internal financial control.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

1 Accounting policies (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset 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.

Depreciation on other assets is provided on a straight-line basis over their estimated useful lives, as follows:

Leasehold improvements	5 years
Fixtures, fittings, tools and equipment	3-7 years
Lease machines	3-5 years

The cost of an asset is divided into separate components that are depreciated separately if their useful lives differ.

The assets' residual values and useful lives are reviewed and adjusted annually if appropriate.

Current losses and profits on sale of lease machines are included in the Company's revenue and cost of sales.

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by 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.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. If an indication of impairment is identified, an impairment test is carried out. If the carrying amount of investments exceeds the recoverable amount, a corresponding impairment loss is recognised. Impairment losses are recognised in the income statement as financial items.

When other reserves than earned profit in subsidiaries are distributed, the distribution entails a reduction in the cost of equity investments when the distribution resembles repayment of the Parent Company's investment.

Inventories

Inventories comprise of finished goods and goods for resale in the form of hardware for document-related information technology. Inventories are measured at the lower of cost and net realisable value. Cost is determined using the weighted average cost. Write-down is made for obsolescence.

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

1 Accounting policies (continued)

Receivables

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

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

Leases

Leases of property, plant and equipment, where substantially all the risks and rewards of ownership are transferred to the Group, are classified as finance leases.

Finance leases are treated as described under receivables and the related obligation as described under financial liabilities.

All other leases are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of benefits.

Shareholder's equity

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

Share premium comprises amounts in addition to the nominal share capital that have been paid by the shareholder in connection with capital increases. The reserve is part of the Company's distributable reserves.

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

1 **Accounting policies (continued)**

Liabilities

Financial liabilities

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

Financial liabilities also include the outstanding obligation under finance leases measured at amortised cost.

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

Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits to settle the obligation. The amount recognised as a provision is Management's best estimate of the present value of the amount at which the liability is expected to be settled.

Prepayments and deferred income

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

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

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

1 **Accounting policies (continued)**

Cash flow statement

Cash flows from operating activities

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

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from disposals and cash flows from the purchase and sale of fixtures and fittings, tools and equipment.

Cash flows from financing activities

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

Cash and cash equivalents

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

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

1 **Accounting policies (continued)**

Financial ratios

The financial ratios have been prepared in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015" and have been calculated as follows:

Gross margin	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax x 100}}{\text{Average equity}}$
Profit margin	$\frac{\text{Profit/loss from ordinary activities after tax x 100}}{\text{Revenue}}$

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

2 Significant accounting estimates and judgements

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

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

— Classification of leasing arrangements

— The Group consist of sales and leasing Company. The Group is making assessment over the terms and conditions of the entered leasing contracts, which are the based for the classification of the leasing contracts.

— As part of this, the Group has made the assessment that all contracts entered through the leasing Company is finance lease.

3 New accounting regulation

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

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

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

		Group		Parent Company	
	DKK'000	2015/16	2014/15	2015/16	2014/15
4	**Revenue**				
	Sale of goods	159,335	198,560	159,333	198,576
	Sale of services	156,996	157,930	156,996	157,930
	Income from lease contracts	3,106	262	0	0
		319,437	356,752	316,329	356,506

It is Management's assessment that segmentation relating to geographical areas does not provide other relevant information. This is substantiated with 98 % of the sales being to clients in Denmark.

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

4 Revenue (continued)

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

DKK'000	Group		Parent Company	
	2015/16	2014/15	2015/16	2014/15
0-1 years	19,520	12,434	0	0
1-5 years	55,475	32,220	0	0
	74,995	44,654	0	0

	Group		Parent Company	
DKK'000	2015/16	2014/15	2015/16	2014/15
5 Cost of sales				
Cost of sales	170,341	208,791	170,341	208,791
Write-down of inventories	1,149	2,388	1,149	2,388

Write-down on cost price of inventories held at 31 March 2016 amounted to DKK 1,050 thousand (31 March 2015: DKK 1,009 thousand) to net realisable value of DKK 4,616 thousand (31 March 2015: DKK 4,557 thousand).

There have been no reversals of write-downs in the period from change on estimates, only from sales transactions.

	Group		Parent Company	
DKK'000	2015/16	2014/15	2015/16	2014/15
6 Staff costs				
Salaries and remuneration	84,485	85,325	84,485	85,325
Defined contribution plans	7,133	7,598	7,133	7,598
Other social security expenses	1,435	1,617	1,435	1,617
Other staff costs	2,202	2,892	2,202	2,892
	95,255	97,432	95,255	97,432
Average numbers of employees	157	169	157	169

In accordance with section 98b(2) of the Danish Financial Statements Act, Management's remuneration is not presented.

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

6 Staff costs (continued)

Remuneration for Key Management Personnel, including Management, amounts to DKK 6,162 thousand (2014/15: DKK 6,142 thousand). Key Management Personnel consist of 4 employees (2014/15: 4 employees) and consists of the Department Heads.

The Company has bonus schemes for Management and Key Management Personnel, which are, depended on both Company and personnel KPI's.

	Group		Parent Company	
DKK'000	2015/16	2014/15	2015/16	2014/15
7 Depreciation				
Depreciation on property, plant and equipment	1,441	547	1,441	547

Depreciation is included in the financial statement item Depreciation and impairment.

8 Fees to auditor appointed at the general meeting

Total fee to KPMG can be specified as follows:

	Group		Parent Company	
DKK'000	2015/16	2014/15	2015/16	2014/15
Statutory audit	450	356	379	319
Other assurance services	31	31	31	31
	481	387	410	350

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

DKK'000	Parent Company 2015/16	Parent Company 2014/15
9 Equity investments in subsidiaries		
Cost at 1 April	500	500
Cost at 31 March	500	500
Carrying amount at 31 March	500	500

Name	Registered office	Equity interest 2015/16	Equity interest 2014/15
Ricoh Capital Danmark A/S	Vallensbæk	100 %	100 %

DKK'000	Group 2015/16	Group 2014/15	Parent Company 2015/16	Parent Company 2014/15
10 Financial income				
Other financial income	98	0	98	0
	98	0	98	0
11 Financial expenses				
Foreign exchange losses (net)	176	179	160	180
	176	179	160	180

Intercompany financial expenses from loans related to leasing contracts are included in cost of sales. Intercompany balances derived from ordinary sales within the Group does not carry interest.

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

12 Tax

Tax on profit for the year can be specified as follows:

DKK'000	Group 2015/16	Group 2014/15	Parent Company 2015/16	Parent Company 2014/15
Current tax	-21	-3,390	-1,102	-2,825
Deferred tax	776	1,158	-245	1,211
Adjustment of tax and deferred tax relating to previous years	1,998	-65	1,636	-65
	2,753	-2,297	289	-1,679

Tax on profit for the year is recognised as follows:

DKK'000	Group 2015/16	Group 2014/15	Parent Company 2015/16	Parent Company 2014/15
Computed 23.5% tax on profit before tax (2014/15: 24.5%)	-1,689	-1,571	-1,173	-1.329
Tax effect of:				
Other expenses/income not deductible for tax purposes	1,584	-586	-192	-210
Adjustment due to deviation in tax rate	18	-75	18	-75
Adjustment of tax and deferred tax relating to previous years	2,840	-65	1,636	-65
	2,753	-2,297	289	-1,679
Effective tax rate	-38.3	51.8	-5.8	30.9

13 Goodwill

	Group 2015/16	Group 2014/15	Parent Company 2015/16	Parent Company 2014/15
Cost at 1 April	12,637	12,637	12,637	12,637
Cost at 31 March	12,637	12,637	12,637	12,637
Carrying amount at 31 March	12,637	12,637	12,637	12,637

Goodwill is allocated the cash-generating unit Ricoh Danmark A/S.

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

13 Goodwill (continued)

Impairment tests

Management has tested the carrying amount of goodwill based on guidelines from Ricoh Group. The test has been performed with a DCF model for the current business, being Ricoh Danmark A/S as the identified cash generating united (CGU), comparing the discounted cash flows with book values at year-end.

The impairment tests did not indicate any need for impairment write-down. At 31 March 2016 net present value amounts to DKK 19.941 thousand, compared to book value of DKK 12,637 thousand.

The impairment tests were based on budgets for 2015/16 approved by the Board of Directors and projections during the next 5 years and a terminal period. The budget for 2016/17 shows an increase in revenue of 12.6% and an increase in gross profit of 13.5% compared to actuals for 2015/16, which is due to expected returns from sale of new strategic product lines. The remaining 4-year budget period is based on a fixed yearly increase in revenue and gross profit of 3%.

Value in use is determined on the basis of a discount rate before tax of 8.9%. A growth rate of 1 pct. in the growth period has been applied.

A significant assumption when preparing the impairment test is the TP agreement entered with the Group related to the Company's performance and results that insures that the Company has a certain profit margin. Consequently, Management has assessed that there is no significant estimation uncertainty of the valuation of goodwill.

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

14 Property, plant and equipment

	Group			
DKK'000	Lease machines	Fixtures and fittings, tools and equipment	Leasehold improve-ments	Total
Cost at 1 April 2015	5,265	1,775	50	7,090
Additions	119	2,147	828	3,094
Disposals	-4,691	-769	0	-5,460
Cost at 31 March 2016	693	3,153	878	4,724
Depreciation and impairment losses at 1 April 2015	4,414	1,071	50	5,535
Depreciation	618	709	114	1,441
Depreciation on disposals	-4,682	-565	0	-5,247
Depreciation and impairment losses at 31 March 2016	350	1,215	164	1,729
Carrying amount at 31 March 2016	343	1,938	714	2,995

	Parent Company			
DKK'000	Lease machines	Fixtures and fittings, tools and equipment	Leasehold improveme nts	Total
Cost at 1 April 2015	5,265	1,775	50	7,090
Additions	119	2,147	828	3,094
Disposals	4,691	769	0	5,460
Cost at 31 March 2016	693	3,153	878	4,724
Depreciation and impairment losses at 1 April 2015	4,414	1,071	50	5,535
Depreciation	618	709	114	1,441
Depreciation on disposals	4,682	565	0	5,247
Depreciation and impairment losses at 31 March 2016	350	1,215	164	1,729
Carrying amount at 31 March 2016	343	1,938	714	2,995

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

		Group		Parent Company	
	DKK'000	2015/16	2014/15	2015/16	2014/15
15	**Receivables**				
	Trade receivables	78,329	80,796	73,253	74,730
	Financial lease receivable	74,995	44,654	0	0
	Other receivables	84	740	84	713
		153,408	126,190	73,337	75,443
	Specification of receivables overdue				
	Due by 1-30 days	7,725	9,083	6,378	7,198
	Due by 30-90 days	6,342	4,319	4,672	3,033
	Due by more than 90 days	2,128	1,902	1,182	1,484
	Write-down of receivables overdue	-1,005	-977	-707	-977
	Carrying amount of receivables overdue	15,190	14,327	11,525	10,738
	Specification of development in write-down				
	Write-down at 1 January	-1,240	-3,238	-977	-3,238
	Adjustment of write-down during the year	-387	121	-352	384
	Realised losses during the year	359	1,877	622	1,877
	Write-down at 31 December	-1,268	-1,240	-707	-977

The Company does not have any significant credit risks related to individual customers as the client portfolio is spread out on a significant number of customers. Internal assessments are made on an ongoing basis, both related to credit risks of individual costumers and the total credit exposure. If a significant risk is identified, Ricoh Europe will be involved to decide the necessary actions to be taken to mitigate or address the risk.

Receivables relates to debtors in Denmark.

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

16 Equity

Capital management

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

Share capital

	Shares issued			
	Number		Nominal value (DKK'000)	
	2015/16	2014/15	2015/16	2014/15
1 January	23,501	23,501	1,000	1,000
31 December – fully paid	23,501	23,501	1,000	1,000

The share capital consists of 23,501 shares of a nominal value of DKK 1,000 each. No shares carry any special rights.

	Group		Parent Company	
DKK'000	2015/16	2014/15	2015/16	2014/15
17 Deferred tax				
Deferred tax at 1 January	1,211	0	1,211	0
Deferred tax for the year recognised in profit for the year	776	1,211	598	1,211
Adjustment of tax relating to previous years	668	0	0	0
Deferred tax at 31 December	2,655	1,211	1,809	1,211
Deferred tax is recognised in the statement of financial position as follows:				
Deferred tax (asset)	2,655	1,242	1,954	1,242
Deferred tax (liability)	0	-31	-145	-31
Deferred tax at 31 December, net	2,655	1,211	1,809	1,211
Deferred tax relates to:				
Intangible assets	-143	335	-145	335
Property, plant and equipment	2,798	876	1,954	876
Tax losses allowed for carryforward	0	0	0	0
	2,655	1,211	1,809	1,211

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

17 Deferred tax (continued)

Tax losses allowed for carryforward relate to Ricoh Capital Danmark A/S, tax assets or liabilities that are not included in the statement of financial position.

18 Provisions for pension obligations

The provisions for pension obligations are calculated as the monthly pension for the expected period of payment. No actuarial calculations have been carried out, as the amount is not material. The provision covers one pensioner. The annual payment is DKK 153 thousand.

19 Contingent liabilities and collateral

Contingent liabilities

Obligations not recognised as a provision to buy back machines that have been sold to lease companies after termination of the contract total DKK 0 thousand. In the opinion of the Company, the prices at which the buy-back is to be effected will not exceed the market price of the used machines.

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

The Company is jointly taxed with other Danish companies in the Ricoh Group. As the administrative company, together with the other companies included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends and interest. Corporation tax and withholding tax payable within the joint taxation group amounted to DKK 0 thousand at 31 March 2016 (31 March 2015: DKK 0 thousand).

	Group		Parent Company	
DKK'000	2015/16	2014/15	2015/16	2014/15
20 Changes in working capital				
Change in inventories	-3,015	1,536	-3,013	1,534
Change in receivables, etc.	-13,916	-44,908	12,996	-4,622
Prepaid costs/deferred income, net	64	-1,132	511	-1,192
Change in trade payables and other payables	-12,825	3,006	-14,206	1,999
	-29,692	-41,498	-3,712	-2,281

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

21 Leases

The Group as lessee

The Group has entered into rent and operating leases in respect of buildings and fixtures and fittings. The lease term is typically between 1 and 5 years with a renewal clause after the end of the term (for leased premises, up to 6 years). None of the leases contain contingent rent.

Non-cancellable operating leases can be specified as follows:

	Group		Parent Company	
DKK'000	2015/16	2014/15	2015/16	2014/15
0-1 years	6,006	5,544	6,006	5,544
1-5 years	15,915	13,290	15,915	13,290
>5 years	597	0	597	0
	22,518	18,834	22,518	18,834

For 2015/16, DKK 7,488 thousand (2014/15: DKK 6,683 thousand) has been recognised in the consolidated statement of comprehensive income regarding operating leases.

The Group as lessor

The Group rents out printers, copiers and unified communication equipment at Ricoh Group terms.

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

	Group		Parent Company	
DKK'000	2015/16	2014/15	2015/16	2014/15
0-1 years	20,738	12,775	1,218	341
1-5 years	59,328	34,005	3,853	1,785
>5 years	0	0	0	0
	80,066	46,780	5,071	2,126

For 2015/16, DKK 3,106 thousand (2014/15: DKK 262 thousand) has been recognised in revenue in the consolidated statement of comprehensive income regarding operating leases.

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

22 Financial risks and financial instruments

Risk management policy

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

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

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

Management are on an ongoing basis considering the risk exposures and how to address these. When making the considerations the necessary functions within the Ricoh Group are involved, which includes treasury, legal etc.

Based on an assessment there is only limited risk related to currency risk, interest rate risks, liquidity risk, due to agreements entered into with Ricoh Europe. For credit risks, reference is made to note 15.

Currency risks

The Group is exposed to currency fluctuations as the individual group companies settle purchases and sales and record receivables and payables in other currencies than their functional currencies – primarily EUR. No speculative currency transactions are made, and transactions are solely carried out based on commercial needs. No agreements on currency transaction hedging have been concluded during the financial year.

Denmark pursues a fixed-exchange-rate policy vis-à-vis EUR, meaning that the Group is not exposed to currency fluctuations in EUR. Fluctuations in other currency have an insignificant impact on the Group's result.

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

22 Financial risks and financial instruments (continued)

Interest rate risks

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

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

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

Maturity analysis

Liabilities are primarily short-term comprising Trade payables, other payables and payables to group entities falling due within one year.

The pension scheme provision is described in note 18.

	Group 2015					
DKK'000	Accounting amount	Cash flow	< 6 mth.	6 – 12 mth.	1 – 5 year	> 5 year
Pension liabilities	943	943	77	77	614	175
Trade payable and other payable	45,062	45,062	45,062	0	0	0
Payable to group entities[2)]	80,637	80,637	14,677	0	0	65,960
Deferred income	3,290	3,290	3,290	0	0	0
(Finance) Lease receivables	74,995	83,489	10,854	10,854	61,781	0
Trade Receivables	78,327	78,327	78,327	0	0	0
Receivables from group entities[1)]	47,901	47,901	5,750	0	0	42,151
Other receivables	84	84	84	0	0	0

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

22 Financial risks and financial instruments (continued)

	Group 2014					
DKK'000	Accounting amount	Cash flow	< 6 mth.	6 – 12 mth.	1 – 5 year	> 5 year
Pension liabilities	1,096	1,096	77	77	614	328
Trade payable and other payable	45,929	45,929	45,929	0	0	0
Payable to group entities[2)]	67,328	67,328	26,194	0	0	41,134
Deferred income	2,560	2,560	2,560	0	0	0
(Finance) Lease receivables	44,654	48,258	6,708	6,708	34,842	0
Trade Receivables	80,798	6,068	6,068	0	0	0
Receivables from group entities[1)]	61,203	61,203	7,267	0	0	53,936
Other receivables	713	713	713	0	0	0

	Parent Company 2015					
DKK'000	Accounting amount	Cash flow	< 6 mth.	6 – 12 mth.	1 – 5 year	> 5 year
Pension liabilities	943	943	77	77	614	175
Trade payable and other payable	42,268	42,268	42,268	0	0	0
Payable to group entities	14,626	14,626	14,626	0	0	0
Deferred income	3,055	3,055	3,055	0	0	0
Trade Receivables	73,253	73,253	73,253	0	0	0
Receivables from group entities[1)]	58,207	58,207	16,056	0	0	42,151
Other receivables	84	84	84	0	0	0

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

22 Financial risks and financial instruments (continued)

	Parent Company 2014					
DKK'000	Accounting amount	Cash flow	< 6 mth.	6 – 12 mth.	1 – 5 year	> 5 year
Pension liabilities	1,096	1,096	77	77	614	328
Trade payable and other payable	45,143	45,143	45,143	0	0	0
Payable to group entities	26,195	26,195	26,195	0	0	0
Deferred income	2,377	2,377	2,377	0	0	0
Trade Receivables	74,730	74,730	74,730	0	0	0
Receivables from group entities[1)]	69,098	69,098	14,162	0	0	53,936
Other receivables	713	713	713	0	0	0

[1)] Receivables from group entities consists of cash placed in Ricoh cash pool DKK 42,151 thousand (2014/15 DKK 53,936 thousand).

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

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

23 Related party disclosures

The Group's related parties exercising control

- Ricoh Europe Holdings PLC. 20, Triton Street, London NW1 3BF, UK
- The Company is included in the consolidated financial statements of Ricoh Europe Holdings PLC, UK, and ultimately in the consolidated financial statements of the ultimate parent company Ricoh Company Ltd., Japan. The consolidated financial statements can be obtained through Companies House, UK, and from the ultimate parent company at their address Ricoh Building, 8-13-1 Ginza, Chuo-ku, Tokyo 104-8222, Japan.

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

23 Related party disclosures (continued)

Related party transactions

Related party transactions comprised the following:

	Group		Parent Company	
DKK'000	2015/16	2014/15	2015/16	2014/15
Sale of goods	64,617	44,531	64,617	44,531
Purchase of goods	137,696	158,414	137,696	158,414
Service and group fees	9,248	5,336	8,314	5,336
	211,561	208,281	210,627	208,281

The Company has a rebate agreement with Ricoh Europe Ltd., which is based on revenue and operating profit for the period. Rebate for the year amounted to DKK 20,407 thousand (2014/15: DKK 9,191 thousand)

Transactions with group entities have been eliminated in the consolidated financial statements in accordance with the accounting policies.

The Parent Company's outstanding accounts with group entities at 31 March 2016, see note 22, comprise normal business accounts arising from the purchase and sale of goods as well as loans.

The interest charge on these accounts is shown in notes 10 and 11.

Management employees

The Group's related parties exercising significant influence comprise the Group's Board of Directors, Executive Board and management employees in the Parent Company.

24 Events after the reporting date

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

Consolidated financial statements and parent company financial statements 1 April 2015 – 31 March 2016

Notes

25 The accounting effect of transition to IFRS

As the Company is a first-time adopter later than its Parent Company (2013), the Company has measured its assets and liabilities in its financial statements at the carrying amounts that are included in the Parent Company's consolidated financial statements at 1 April 2015 after adjustments were made for consolidation procedures and for the effects of the business combination in which the Parent Company acquired the subsidiary.

The transition has had no effect on the Group's and the Parent Company's statement of comprehensive income. The transition has had an effect of DKK 12,637 thousand on statement of financial position and equity as a result of recognised goodwill. The goodwill has previously been wholly depreciated under the Danish Financial Statements, but not in the Group Reporting package, which is the basis for the transition.

Pursuant to section 112(1) of the Danish Financial Statements Act, the Group has not previously prepared consolidated financial statements. The Parent Company has not previously presented a cash flow statement.

In connection with the transition to IFRS, the Group has assessed the previously applied useful lives and residual values of the Group's assets in connection with the break-down of property, plant and equipment. In the opening statement of financial position at 1 April 2014 and for the profit for 2014/15, the assessments have not entailed changes in the amounts recognised up until now.

Reclassifications

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

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

The reclassifications have not affected profit and equity.