



Annual report

2016

GPV International A/S

CVR No. 66945715

Håndværkervej 3 - 5
DK-6880 Tarm

Approved at the
Annual General Meeting,
8 March 2017

Conductor

Henrik Tornbjerg

> **Accomplish More**
Electronics Manufacturing Services Worldwide



Table of contents

Entity details.....	3
Statement by Management on the annual report	4
Independent auditor's reports	5
Financial highlights	7
Management commentary	9
Consolidated financial statements	13
Notes to the consolidated financial statements.....	19
Parent financial statements.....	39
Notes to the parent financial statements.....	45

Entity details

Entity

GPV International A/S
Håndværkervej 3-5
DK-6880 Tarm

Central Business Registration No: 66945715
Registered in: Ringkøbing-Skjern
Financial year: 01.04.2016 - 31.12.2016

Phone: +4572191919
E-mail: www.gpv-group.com

Board of Directors

Jens Bjerg Sørensen, Chairman
Jørn Ankær Thomsen
Poul Erik Schou-Pedersen
Poul Viggo Bartels Petersen
Bjarne Skaarup Jepsen, Employee director
Tove Davidsen, Employee director
Ole Christensen, Employee director

Executive Board

Bo Lybæk, Chief Executive Officer

Entity auditors

Ernst & Young
Godkendt Revisionspartnerselskab
CVR-nr. 30 70 02 28
Havnegade 33
6700 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of GPV International A/S for the financial year 1 April – 31 December 2016

The annual report is presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2016 and of the results of its operations and cash flows for the financial year 1 April – 31 December 2016.

In our opinion the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Tarm, 28 February 2017

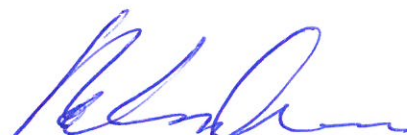
Executive Board

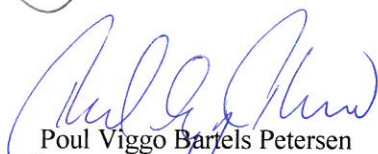

Bo Lybæk
Chief Executive Officer


Board of Directors



Jens Bjerg Sørensen
Chairman

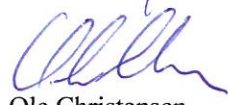

Jørn Ankær Thomsen


Poul Erik Schou-Pedersen


Poul Viggo Bartels Petersen


Bjarne Skaarup Jepsen
Employee director


Tove Davidsen
Employee director


Ole Christensen
Employee director

Independent auditor's reports – to be updated by auditors

To the owners of GPV International A/S

Opinion

We have audited the financial statements of GPV International A/S for the financial year 1 April – 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations and cash flows for the financial year 1 April – 31 December 2016 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view. □

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

Statement on the Management's review

Management is responsible for the Management's review.

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


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

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

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Esbjerg, 28 February 2016

ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28


Claus Hammer-Pedersen
State Authorised
Public Accountant


Søren Jensen
State Authorised
Public Accountant

Financial highlights

	2016*	2015/16	2014/15**	2013/14**	2012/13**
	DKK'000	DKK' 000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	667,630	853,768	797,863	731,036	718,362
Operating profit/loss (EBIT)	49,721	55,590	54,569	18,375	30,157
Net financials	(5,186)	(4,923)	(39,173)	(629)	(23,704)
Profit/loss for the year	49,976	50,820	14,031	12,995	3,937
Total assets	675,909	586,079	651,275	486,636	440,776
Investments in property, plant and equipment	37,993	15,118	120,669	83,593	46,146
Equity	205,504	132,551	142,533	42,342	85,601
Interest-bearing debt, net	239,731	279,091	267,479	212,953	170,549
Employees in average	1,074	1,078	1,054	960	934
Ratios					
EBIT margin (%)	7.4	6.5	6.8	2.5	4.2
Net margin (%)	7.5	6.0	1.8	1.8	0.5
Financial gearing (%)	1.2	2.1	1.9	5.0	2.0
Return on equity (%)	29.6	36.9	15.2	20.3	5.4
Return on invested capital (%)	16.3	20.2	23.4	21.1	20.4
Equity ratio (%)	30.4	22.6	21.9	8.7	19.4

* The financial year 2016 covers a nine months period (1 April – 31 December 2016).

**Note that there has been no restatement to IFRS for the years 2012/13, 2013/14 and 2014/15.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Finance Society.

	Calculation formula	Ratio effect
EBIT margin (%)	$\frac{(\text{EBIT}) \times 100}{\text{Revenue}}$	The Entity's profitability
Net margin (%)	$\frac{\text{Profit/(loss) for the year} \times 100}{\text{Revenue}}$	The Entity's operating profitability
Financial gearing	$\frac{\text{Net interest} - \text{bearing debt}}{\text{Equity}}$	The Entity's financial gearing based on carrying amount
Return on equity (%)	$\frac{\text{Profit/(loss) for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners
Return on invested capital (%)	$\frac{(\text{EBITDA}) \times 100}{\text{Average invested capital}}$	The Entity's return on capital invested
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The Entity's equity ratio and financial strength

Management commentary

Management Commentary

As of 1 April, 2016 GPV got a new owner as the shares in the Parent Company GPV International A/S was acquired by the Danish listed company Aktieselskabet Schouw & Co.

As a result of the new ownership, the financial year for GPV has been aligned towards that of Schouw & Co., and now follows the calendar year. Consequently, FY 2016 comprises nine months only (1 April to 31 December 2016).

In GPV, we have been working with a range of strategic initiatives with the aim of further strengthening the platform for our core business within Electronic Manufacturing Services (EMS), Mechatronics and High Precision Mechanics. In May 2016 GPV initiated plans for the establishment of manufacturing facilities in Guadalajara, Mexico, for improved proximity to the American market.

GPV's 2016 performance is satisfactory, showing an increase in revenue of 3% and an operating profit (EBIT) as well as profit for the year as expected.

At the end of 2016, GPV stands as a healthy, well-developed business with a sound base of competent employees and with an appropriate production footprint in Asia, Europe and the Americas. This provides a strong platform for securing competitive business that will establish the future basis for value-adding growth for our customers, for GPV, and for our owners.

Financial developments in the financial year 2016

Total revenue for the nine months FY 2016 came to DKK 668m (full year FY 2015-16 DKK 854m) – an increase of 3% compared with the corresponding nine months of FY 2015/16.

For FY 2016, operating profit (EBIT) amounted to DKK 49.7m (full year FY 2015-16 DKK 55.6m), which is a satisfactory level. Profit for the year came to DKK 50,0m (full year FY 2015-16 DKK 50.8m).

In FY 2016, cash flow from operating activities amounted to DKK 77.2m (full year FY 2015-16 DKK 22.0m) and net investments equals DKK 37.4m in new production equipment (full year FY 2015-16 DKK 14.8m).

At year-end 2016, total assets amounted to DKK 676m against DKK 586m for the previous year.

At the financial year-end, total equity amounted to DKK 206m (DKK 133m at the financial year-end 2015/16) after a positive exchange-rate adjustment of DKK 23m.

Events subsequent to the financial year-end

No material events have occurred after the end of the financial year.

Outlook 2017

The development of the recurring business has continued over the past year, and with the decision to establish manufacturing capabilities in Mexico GPV takes another strategic step to continue our focused efforts to increase the value creation for our customers and to explore the market potential in the Americas. This strategic step will start to have effect on revenue in 2017.

The trend towards outsourcing of production within the industries in which GPV is operating is expected to continue so that customers can focus further on their core competencies, reduce investments in capital equipment and inventories, and at the same time via GPV gain access to flexibility and an outsourcing partner that can handle manufacturability studies, complex production, test design, testing and logistics.

We expect FY 2017 will continue to be characterised by weakened market conditions in China and Russia, expectations of positive development in Europe and unsecure market conditions in the US. Against this outlook, GPV expects a stable development in revenue and operating profit (EBIT) as well as a positive cash flow from operating activities for 2017.

Management will closely follow developments in 2017 and take the steps necessary to secure future competitiveness and the required liquid resources.

Employee development and appraisal

It is an essential prerequisite for the continued development of our business that in GPV we are able to attract, retain, develop and motivate employees who have the necessary skills and competencies. Important elements to support this include the delegation of responsibility and competencies as well as cross-organisational solutions.

Our focus on quality and environmental management

We have uncompromising focus on timely delivery of faultless, secure and functional products and services that fulfil expectations and requirements from our customers. The competence and commitment of all employees are a prerequisite for achieving this.

GPV is also determined to ensure environmental management as well as responsible behaviour in all areas. Because GPV is an international supplier it is imperative that GPV makes sure that all environmental and quality requirements are channelled to our partners and suppliers to ensure the same high levels of quality, environment, safety and ethics throughout the value chain.

Quality management

GPV's quality system is based on the standard ISO 9001. In addition, GPV has obtained a number of important quality certifications as well as plant and production approvals.

Both in Thailand, Denmark and in Mexico GPV holds a number of general as well as industry-specific certifications and workmanship standards aiming to fulfil the needs of and requirements from our customers.

A total list of certificates and approvals can be found on GPV's homepage at:

www.gpv-group.com/about-gpv/awards-certificates/

Environmental management

GPV makes continuous efforts to mitigate the environmental impact of our business activities. Our largest environmental impact is related to the consumption of energy, raw materials and the derived materials waste.

Our policy is to always comply with the rules and regulations that apply and to commit to making progress at our own initiative within environment, health and safety.

Corporate Responsibility

GPV is dedicated to being a responsible employer and a good corporate citizen. Our Code of Conduct (COC) represents our core values and reflects our continued commitment to ethical business practices and regulatory compliance.

We take a serious view of any suspicion of breach of GPV's Code of Conduct, and in any cases of non-compliance with the Code of Conduct, we will act.

Corporate Social Responsibility (CSR)

GPV strives to continually improve our work environment. We aim to strengthen and implement a shared corporate culture which is to help us treat all colleagues equally.

Please refer to the statement in the annual report for 2016 of the ultimate parent company Schouw & Co., on policies and targets regarding gender representation in management:

<http://schouw.dk/om-os/corporate-governance/>

Working Environment

In GPV the amount of working hours lives up to the local labour legislation. In situations where law or agreements require overtime pay or other kind of nuisance bonus, such a pay will be paid. Further GPV in Thailand is certified according to SA 8000 on Social Accountability.

GPV ensures that in all phases of the supply chain, production is planned and organised to promote a safe, healthy and responsible working environment.

The purpose is to avoid accidents and to ensure that the physical and mental conditions of the employees will not deteriorate. It is indeed important to GPV to have healthy employees. GPV ensures that efforts to improve the general health are part of the GPV way to act.

GPV helps improving the health of our employees by combining the efforts to improve the work environment with initiatives targeting a healthier lifestyle and an improved well-being.

Freedom of Association

GPV does not interfere with the employees' choice of union or other association and respects the employees' right to organise and enter into collective bargaining.

Child Labour

GPV does not accept child labour. GPV is aware of and respects the ban against child labour as expressed in the EU Directive 94/33/EC of 22 June 1994 on the protection of young people in the workplace, the UN Convention on Economic, Social and Cultural Rights of 16 December 1966, ILO Convention No. 138 of 26 June 1973 on Minimum Age, ILO Convention No. 182 of 17 June 1999 on the Worst Forms of Child Labour as well as the UN Convention on the Rights of the Child of 20 November 1989.

Conflict Minerals

GPV support Section 1502 of the 2010 Dodd-Frank Act Wall Street Reform and Consumer Protection Act that promote transparency and customer awareness regarding the use of Conflict Minerals.

GPV does not directly purchase any Conflict Minerals from any source and does not knowingly procure any product containing Conflict Minerals.

For our Conflict Minerals Statement we refer to the Company's website at:

www.gpv-group.com/about-gpv/downloads/

Corruption

As a company operating and delivering globally GPV is exposed to different cultures primarily in Asia, Europe and the Americas. As expressed in our Code of Conduct, we pride ourselves of acting credibly and with integrity in all of our operations, and we do not accept or offer bribes.

GPV is aware of and observes all applicable laws, rules and regulations in the various countries in which we operate. GPV is responsible for understanding these laws, rules and regulations and how they apply to our business and jobs, and for preventing, detecting and reporting instances of non-compliance to the relevant individuals, institutions or authorities.

GPV sources raw materials and services in different countries. Our ambition is for our suppliers to meet our Code of Conduct which governs ethical, social and environmental responsibilities.

For a full CSR policy and achieved results we refer to the Company's website at:

<http://www.gpv-group.com/about-gpv/csr-business-continuity-plan-threat-analysis/>

GPV has no material outstanding environmental issues

GPV operates in compliance with all existing environmental rules and regulations and has set up task forces to handle the Company's environmental affairs.

Liquidity risk / capital resources

GPV is primarily financed by the parent company Schouw & Co. In 2016 Schouw & Co. has established a credit facility of DKK 1.8bn with a banking consortium consisting of Danske Bank, DNB and Nordea. The parent company Schouw & Co. provide adequate funds for GPV's continued operations and development.

Debtor risk

The major part of GPV's production is delivered to customers that use GPV as a regular partner. Such customers are mostly world class in what they do, well-reputed and often large international companies.

Debtor creditworthiness is monitored on an ongoing basis, and we perform an in-depth credit assessment of new customers and ongoing assessment of existing customers. In recent years, no material debtor losses have been recorded.

Furthermore, debtor insurance with regard to the existing and new customer portfolios is being reviewed on a current basis.

Consolidated financial statements

Consolidated income statement for 2016

	Notes	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Revenue	3	667,630	853,768
Cost of sales	4	(521,938)	(681,822)
Gross profit/loss		145,692	171,946
Other operating income	5	729	1,438
Distribution costs	4, 6	(23,321)	(32,857)
Administrative expenses	4, 6	(73,257)	(83,747)
Other operating expenses	4, 5, 6, 7	(122)	(1,190)
Operating profit/loss		49,721	55,590
Financial income	8	646	19,157
Financial expenses	9	(5,832)	(24,080)
Profit/loss before tax		44,535	50,667
Income tax	10	5,441	153
Profit/loss for the year		49,976	50,820
Attributable to:		49,976	50,820
Shareholders of GPV International A/S		49,976	50,820

Statement of other comprehensive income for 2016

	Notes	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Profit for the year		49,976	50,820
Other comprehensive income			
Exchange differences on translation of foreign operations	19	21,690	(48,515)
Other adjustments	19	0	(2,842)
Net (loss) / gain on cash flow hedges	19	1,287	(9,445)
Tax on other comprehensive income		0	0
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods, net of tax		22,977	(60,802)
Total recognized other comprehensive income		72,953	(9,982)
Attributable to shareholders of GPV International A/S		72,953	(9,982)
		72,953	(9,982)

Consolidated balance sheet for 2016

	Notes	31 December 2016	31 March 2016	31 March 2015
Land and buildings		154,396	146,245	170,137
Plant and machinery		66,703	61,184	71,754
Other fixtures and fittings, tools and equipment		9,678	9,823	12,815
Property, plant and equipment in progress		17,249	1,556	2,307
Property, plant and equipment	11	248,026	218,808	257,013
Deferred tax	10	10,766	3,078	3,739
Receivables	13	3,560	3,648	3,301
Other non-current assets		14,326	6,726	7,040
Total non-current assets		262,352	225,534	264,053
Inventories	12	189,881	181,677	190,642
Trade and other receivables	13	172,163	149,338	147,370
Income tax receivable	10	0	658	680
Cash and cash equivalents		51,513	28,872	48,530
Total current assets		413,557	360,545	387,222
Total assets		675,909	586,079	651,275
Share capital	14	10,000	10,000	10,000
Hedge reserve		4,307	2,853	14,048
Exchange adjustment reserve		(25,242)	(46,765)	0
Retained earnings		216,439	166,463	118,485
Total equity		205,504	132,551	142,533
Subordinate loan capital	15	0	0	35,901
Finance lease liabilities	15, 17	0	6,859	9,461
Other liabilities	15	3,340	35,758	131,824
Non-current liabilities		3,340	42,617	177,186
Current portion of non-current debt	15	37,366	70,977	35,825
Credit institutions	15	0	111,096	102,998
Payable to group enterprises	15	250,538	83,273	0
Prepayments received from customers		989	1,422	0
Income tax payable	10	1,131	0	0
Trade payables		129,200	97,599	139,805
Other payables	16	47,841	46,544	52,928
Current liabilities		467,065	410,911	331,556
Total liabilities		470,405	453,528	508,742
Total liabilities and equity		675,909	586,079	651,275

Consolidated cash flow statement for 2016

	Notes	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Profit before tax		44,535	50,667
Adjustments for operating items of a non-cash nature etc.:			
Amortisation, depreciation and impairment losses	6	18,904	25,023
Other operating items, net	5	(193)	(609)
Financial income	8	(646)	(19,157)
Financial expenses	8	5,832	24,080
Cash flow from operating activities before changes in working capital		68,432	80,004
Working capital change	22	14,167	(43,814)
Cash flow from operating activities		82,599	36,190
Interest income received	8	163	42
Interest expense paid	8	(5,355)	(14,104)
Cash flows from ordinary activities before tax		77,407	22,128
Income tax paid	10	(239)	(113)
Cash flows from operating activities after tax		77,168	22,015
Acquisition etc., of property, plant and equipment	11	(37,993)	(16,064)
Sale of property, plant and equipment		642	1,307
Acquisition of fixed asset investments		0	(83,273)
Additions/disposals of other financial assets		118	10
Cash flows from investing activities		(37,233)	(98,020)
Debt from financing activities:			
Loans raised		0	81,724
Instalments on loans, etc.		(75,153)	(106,741)
Shareholders:			
Change in payables to group enterprises		167,265	83,273
Dividend paid		0	(3,842)
Cash flows from financing activities		92,112	54,414
Cash flows for the year		132,047	(21,591)
Cash and cash equivalents, beginning-of-year		(82,224)	(54,468)
Currency translation adjustments of cash and cash equivalents		1,690	(6,165)
Cash and cash equivalents, end-of-year		51,513	(82,224)
Cash and cash equivalents at year-end are composed of:			
Cash		51,513	28,872
Short-term debt to banks	15	0	(111,096)
Cash and cash equivalents, end-of-year		51,513	(82,224)

Consolidated statement of changes in equity for 2016

	Share capital	Hedge reserve	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total
Equity at 1 April 2016	10,000	2,853	(46,765)	166,463	0	132,551
<i>Other comprehensive income in 2016</i>						
Exchange rate adjustment of foreign subsidiaries		167	21,523			21,690
Value adjustment of hedging instruments		1,287				1,287
Hedging instruments transferred to cost of sales						
Hedging instruments transferred to financials						
Tax on other comprehensive income						
Profit for the year				49,976		49,976
<i>Transactions with the owners</i>						
Share-based payment		1,454	21,523	49,976		72,953
Dividend distributed						
Transactions with the owners for the period		0	0	0	0	0
Equity at 31 December 2016	10,000	4,307	(25,242)	216,439	0	205,504

Consolidated statement of changes in equity for 2015/16

	Share capital	Hedge reserve	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total
Equity at 1 April 2015	10,000	14,048	0	118,485		142,533
<i>Other comprehensive income in 2015/16</i>						
Exchange rate adjustment of foreign subsidiaries		(1,750)	(46,765)			(48,515)
Value adjustment of hedging instruments		(9,445)				(9,445)
Hedging instruments transferred to cost of sales						
Hedging instruments transferred to financials						
Other adjustments				(2,842)		(2,842)
Tax on other comprehensive income						
Profit for the year				50,820		50,820
<i>Transactions with the owners</i>	0	(11,195)	(46,765)	47,978	0	(9,982)
Share-based payment						
Dividend distributed					0	0
Transactions with the owners for the period	0	0	0	0	0	0
Equity at 31 March 2016	10,000	2,853	(46,765)	166,463	0	132,551

Notes to the consolidated financial statements

1. Accounting policies	19
2. Significant accounting judgements, estimates and assumptions	25
3. Revenue	26
4. Costs	26
5. Other operating income	28
6. Depreciation, amortisation and impairment losses	28
7. Fees to the auditor appointed by the Annual General Meeting	28
8. Financial income	28
9. Financial expenses.....	29
10. Tax on the profit for the year.....	29
11. Property, plant and equipment	30
12. Inventories	31
13. Receivables.....	31
14. Share capital	32
15. Credit institutions and borrowings	32
16. Other short-term payables.....	33
17. Leases	33
18. Financial instruments and financial risks	35
19. Mortgages and securities.....	36
20. Contingent liabilities	36
21. Change in working capital	36
22. Related parties	37
23. Events after the balance sheet date	37
24. First time adoption of IFRS.....	37
25. Standards issued but not yet effective	38

1. Accounting policies

Basis of preparation

GPV International A/S (the Company) is a limited company incorporated and domiciled in Denmark. GPV is principally engaged within electronic manufacturing services, mechatronics and high precision mechanics. Information on the Group's ultimate parent is presented in Note 14. Information on other related party relationships of the Group is provided in Note 17.

The consolidated financial statements of GPV International A/S and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Danish disclosure requirements.

The annual report also complies with the International Financial Reporting Standards (IFRS) as issued by the IASB and Danish disclosure requirements.

For all periods up to and including the year ended 31 March 2016, the Group prepared its financial statements in accordance with the Danish Financial Statements Act. The present financial statements for the year ended 31 December 2016 are the first financial statements to be prepared by the Group in accordance with IFRS. In the Group's transition to IFRS no differences in respect of recognition and measurement were identified. Refer to note 25 for further information as to how the Group has adopted IFRS.

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments that are measured at fair value. The consolidated financial statements are presented in Danish Kroner (DKK) and all values are rounded to the nearest thousand (DKK'000) except when otherwise indicated.

Change in presentation of the income statement

In 2016 GPV has changed its format for presenting the income statement from a format based on type of expenditure to a format based on expenditure by function to better reflect the nature of the activities and services being provided by the GPV Group.

Change of financial year

Following the new ownership, the financial year for GPV has been aligned towards that of Schouw & Co. and has therefore been changed to follow the calendar year. Therefore the financial year ending 31 December 2016 comprises a nine months period (1 April to 31 December 2016). The comparative figures have not been restated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries at 31 December 2016.

Subsidiaries are entities over which GPV has control. GPV has control over an entity, when the Group is exposed to or has rights to variable returns from its involvement in the entity, and has the ability to affect those returns through its power over the entity.

Only potential voting rights that are considered to be substantive at the balance sheet date are included in the control assessment.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

GPV International A/S

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition. If part of the consideration is contingent on future events, such consideration is recognised in cost of acquisition at fair value. Subsequent changes in the fair value of contingent consideration are recognised in the income statement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests. A positive excess (goodwill) of the consideration transferred (including any previously held equity interests and any non-controlling interests in the acquired business) over the fair value of the identifiable net assets acquired is recorded as goodwill.

Costs directly attributable to the acquisition are expensed as incurred.

If uncertainties regarding identification or measurement of acquired assets, liabilities or contingent liabilities or determination of the consideration transferred exist at the acquisition date, initial recognition will be based on provisional values. Any adjustments in the provisional values are adjusted retrospectively, including adjustment to goodwill, until 12 months after the acquisition, and comparative figures are restated.

Foreign currency translation

The Group's consolidated financial statements are presented in Danish Kroner (DKK), which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the exchange rate at the transaction date and the exchange rate at the payment date, as well as the exchange rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical exchange rates.

On consolidation, the assets and liabilities of foreign operations are translated into DKK at the rates of exchange prevailing at the reporting date and their statement of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive relating to that particular foreign operation is recognised in the income statement.

Derivative financial instruments

The Group uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks (cash flow hedges). Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are recognised as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the income statement, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the income statement as financial expenses. Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss. When the hedged item is the cost of a non-financial asset or non-financial

GPV International A/S

liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability

If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in other comprehensive income remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment affects profit or loss.

Shareholders' Equity

The hedge transaction reserve contains the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future cash flows and for which the hedged transaction has yet to be realised. The exchange adjustment reserve in the consolidated financial statements comprises exchange differences arising on the translation of the financial statements of foreign enterprises from their functional currencies into Danish kroner including exchange differences on financial instruments considered to be a part of the net investment or as hedging of the net investment. On realisation, accumulated value adjustments are taken from equity to financial income and expenses in the income statement.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when the significant risks and rewards of ownership of the goods have passed to the buyer to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received.

Revenue is measured excluding VAT and other taxes and duties charged on behalf of third parties. All discounts granted are deducted from revenue.

Production costs

Production costs comprise costs, including depreciation, wages and salaries, incurred in generating the revenue for the year. Production costs include direct and indirect costs for raw materials and consumables, wages and salaries, maintenance, depreciation and impairment of production plant as well as costs and expenses relating to the operation, administration and management of factories. Also included are inventory write-downs.

Distribution costs

Distribution costs comprise expenses incurred in connection with the distribution of goods sold during the year and in connection with sales campaigns, etc. launched during the year under review, including cost of sales and logistics staff, advertising and exhibition costs, as well as depreciation/amortisation and impairment losses.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration, including expenses for administrative staff, office premises and office expenses, and depreciation and impairment losses. Administrative expenses also comprise write-downs on receivables.

Employee benefits

Equity-settled share options are measured at fair value at the grant date and their value is recognised in the income statement under staff costs over the vesting period. The balancing item is recognised directly in equity as a shareholder transaction.

On initial recognition of the share options, the number of options expected to vest is estimated. Subsequently, changes in the estimated number of vested options are adjusted to the effect that the total amount recognised is based on the actual number of vested options.

The fair value of options granted is estimated using a valuation model that takes into account the terms and conditions of the options granted.

GPV International A/S

Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature relative to the companies' activities, including gains and losses on replacement of intangible assets and property, plant and equipment. Gains and losses on the disposal of intangible assets and property, plant and equipment are computed as the difference between the selling price and the carrying amount at the date of disposal.

Financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income tax and deferred tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill, which is not deductible for tax purposes and on other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Deferred tax is measured at the tax rates (and in accordance with the tax rules) applicable in the respective countries at the date when the deferred tax is expected to be realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be used. Adjustment is made for deferred tax concerning unrealised intercompany profits and losses eliminated. Changes in deferred tax due to changed tax rates are recognised in the income statement.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the GPV Group, and it is probable that the temporary difference will not reverse in the foreseeable future.

The company is jointly taxed with its owned Danish subsidiary. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures, tools and equipment are measured at cost, net of accumulated depreciation and accumulated impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-manufactured assets, cost comprises direct and indirect costs of materials, components, sub suppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments

GPV International A/S

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	25 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-8 years

Land is not depreciated.

The cost of an asset is divided into separate components which are depreciated separately if their useful lives differ. The residual values and useful lives are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is recognised in the income statement as production costs, distribution costs or administrative expenses.

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 property, plant and equipment 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.

Impairment of non-current assets

Non-current assets with definite useful lives are tested for impairment when there is an indication that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value. Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Trade receivables

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. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Impairment write-downs on receivables are recognised in the income statement under administrative expenses.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises cash in hand and bank deposits.

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 balance sheet date.

Other liabilities

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the profit/loss before tax adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash less short-term bank debt.

2. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Management continuously reassesses these estimates and judgements based on a number of factors in the given circumstances. The following accounting estimates are considered significant for the financial reporting.

Trade receivables

Management applies estimates in the assessment of the likelihood that receivables at the balance sheet date will be received.

Inventories

The uncertainty attaching to estimating inventories is related to any write-down to net realisable value.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has DKK 116,061 thousand (2015/16: DKK 120,473 thousand) of tax losses carried forward. These losses relate to the Parent Company that has a history of losses that do not expire, and may not be used to offset taxable income elsewhere in the Group. Due to uncertainties the value of the losses has been impaired and not recognised.

Further details on taxes are disclosed in Note 10.

3. Revenue

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Sale of goods	667,630	853,768
	<u>667,630</u>	<u>853,768</u>

4. Costs

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Cost of sales:		
Cost of goods sold	(400,860)	(518,241)
Inventory impairments	(2,161)	(2,017)
Reversed inventory impairments	841	269
	<u>(402,180)</u>	<u>(519,989)</u>
Staff costs:		
Wages and salaries	(100,647)	(130,326)
Defined contribution pension plans	(3,693)	(5,012)
Other social security costs	(3,218)	(3,725)
Share-based payment	(366)	0
Total staff cost	<u>(107,924)</u>	<u>(139,063)</u>
Staff costs recognised in the income statement	<u>(107,924)</u>	<u>(139,063)</u>

Staff costs include salaries and bonuses to the Board of Directors and the Executive Board of DKK 4,625 thousand (2015/16 DKK 4,285 thousand) and share-based payment of DKK 261 thousand (2015/16 DKK 0).

Staff costs are recognised as follows:

Production	(50,666)	(69,122)
Distribution	(9,306)	(13,036)
Administration	(47,952)	(56,905)
Staff costs recognised in the income statement	<u>(107,924)</u>	<u>(139,063)</u>
Average number of employees	<u>1,074</u>	<u>1,078</u>

GPV International A/S

Share option programme

Schouw & Co. Group has an incentive programme for the Executive Board and senior executives, including directors of subsidiaries. The programme entitles participants to acquire shares in Aktieselskabet Schouw & Co. at a price based on the market price at the allocation date (2016: DKK 400.60) plus a calculated rate (2016: 3%) from the allocation date to the date of exercise.

Outstanding options	Executive Board	Others	Total	Exercise price in DKK *	Fair value in DKK per option (**)	Total fair value in tDKK (**)	Can be exercised from	Can be exercised to
Allocation in 2016	15.000	6.000	21.000	450,88	69,65	1.463	March 2019	March 2020
Unexercised options in total per. 31 December, 2016	15.000	6.000	21.000					

(*) On exercise after 4 years (at the latest possible moment).

(**) At the date of allocation

The assumptions for determining the fair value of unexercised share options at the date of allocation as follows:

On the date of allocation	2016 allocation
Expected volatility	31,50%
Expected option life	48 months
Expected dividend per. share	DKK 8
Risk free interest rate	0,10%

The expected volatility is calculated as 12 months' historical volatility based on average share prices. If the option holders have not exercised their options at the end of the specified period, the options will lapse without any compensation to the holders. The exercise of options is subject to the holders being in continuing employment during the above-mentioned vesting periods. If the option beneficiary resigns before the vesting date, the holder may in certain circumstances have a right to early redemption in a 4-week period following the next interim report from Schouw & Co. In the event of early redemption the number of options will be reduced proportionately.

5. Other operating income

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Gains on the disposal of property, plant and equipment and intangible assets	193	609
Other operating income	536	829
Other operating income	729	1,438

6. Depreciation, amortisation and impairment losses

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Depreciation is recognised in the income statement as follows:		
Cost of sales	15,960	21,030
Administrative expenses	2,944	3,993
	18,904	25,023

7. Fees to the auditor appointed by the Annual General Meeting

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Statutory audit services	629	701
Tax services	0	13
Other services	0	177
Total fee	629	891

8. Financial income

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Interest income	40	41
Exchange rate adjustments	483	19,116
Other financial income	123	0
	646	19,157

9. Financial expenses

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Interest expense	(5,832)	(13,926)
Exchange rate adjustments	0	(178)
Other financial expenses	0	(9,976)
	<u>(5,832)</u>	<u>(24,080)</u>

10. Tax on the profit for the year

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Tax for the year is composed as follows:		
Tax on the profit for the year	5,441	153
	<u>5,441</u>	<u>153</u>

Tax on the profit for the year has been calculated as follows:

Deferred tax	7,507	202
Tax on other comprehensive income	(2,066)	(49)
	<u>5,441</u>	<u>153</u>

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Effective tax rate		
Expected tax for the year, 22.0%	-9,798	-11,180
Non-deductible cost and tax free income	9,694	16,060
Impairment on deferred tax assets	5,544	-5,033
Recognised income tax	<u>5,441</u>	<u>153</u>
Effective tax rate	<u>-16.7%</u>	<u>0.0%</u>

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Deferred tax asset		
Property, plant and equipment	4,162	3,354
Inventories	3,879	2,964
Receivables	132	0
Liabilities other than provisions	2,726	1,824
Tax losses carried forward	25,533	26,504
	<u>36,432</u>	<u>34,656</u>
Deferred tax not recognised	<u>(25,666)</u>	<u>(31,578)</u>
	<u>10,766</u>	<u>3,078</u>

The Group has a non-recognised deferred tax asset of DKK 25.7 million in 2016 (2015/16: DKK 31.6 million). The tax value of tax loss carry forwards that may be carried forward for an unlimited period has not been recognised as it has not been considered sufficiently probable that the losses will be utilised within five years.

11. Property, plant and equipment

	2016			
	<u>Land and buildings</u>	<u>Plant and machinery</u>	<u>Other fixtures and fittings, tools and equipment</u>	<u>Property, plant and equipment in progress</u>
DKK'000				
Cost beginning of year	158,238	192,258	35,265	1,556
Exchange rate adjustments	8,965	6,743	895	73
Transfer to and from other items	0	1,299	114	(1,413)
Additions	4,030	14,726	2,204	17,033
Disposals	0	(2,402)	(727)	0
Cost, end-of-year	171,233	212,624	37,751	17,249
Depreciation and impairment losses, beginning-of-year	(11,993)	(131,074)	(25,442)	0
Exchange rate adjustments	(578)	(5,017)	(485)	0
Transfer to and from other items	0	0	0	0
Depreciation for the year	(4,266)	(11,837)	(2801)	0
Reversal regarding disposals	0	2,007	655	0
Depreciation and impairment losses, end-of-year	(16,837)	(145,921)	(28,073)	0
Carrying amount, end-of-year	154,396	66,703	9,678	17,249
Of which assets held under finance leases	0	0	0	0
	2015/16			
DKK'000				
	<u>Land and buildings</u>	<u>Plant and machinery</u>	<u>Other fixtures and fittings, tools and equipment</u>	<u>Property, plant and equipment in progress</u>
Cost beginning of year	178,319	226,869	39,706	2,307
Exchange rate adjustments	(21,791)	(16,767)	(2,540)	(293)
Transfer to and from other items	(1,845)	(701)	(572)	0
Additions	3,555	6,536	1,917	3,110
Disposals	0	(23,679)	(3,246)	(3,568)
Cost, end-of-year	158,238	192,258	35,265	1,556
Depreciation and impairment losses, beginning-of-year	(8,182)	(155,115)	(26,891)	0
Exchange rate adjustments	553	11,872	1,366	0
Transfer to and from other items	1,303	4,075	766	0
Depreciation for the year	(5,667)	(15,579)	(3,777)	0
Reversal regarding disposals	0	23,673	3,094	0
Depreciation and impairment losses, end-of-year	(11,993)	(131,074)	(25,442)	0
Carrying amount, end-of-year	146,245	61,184	9,823	1,556
Of which assets held under finance leases	0	4,216	0	0

12. Inventories

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Raw materials and consumables	124,351	92,467
Work in progress	38,897	58,533
Finished goods	26,633	30,677
Inventories in total	189,881	181,677
Cost of inventories for which impairment losses have been recognized	29,641	24,401
Accumulated impairment losses on inventories	(18,757)	(16,853)
Net sales value	10,884	7,548

13. Receivables

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Receivables from related companies	77	0
Trade receivables	164,538	146,088
Other receivables	5,615	2,132
Prepayment	1,933	1,118
	172,163	149,338

Trade receivables can be specified as follows:

	Not		Due between		Total
	due	1-30 days	31-90 days	>90 days	
2016					
Trade receivables, not impaired	122,086	40,687	0	0	162,773
Trade receivables, impaired	0	0	1,525	840	2,365
Impairment losses in trade receivables	0	0	(433)	(167)	(600)
Trade receivables net	122,086	40,687	1,092	673	164,538

	Not		Due between		Total
	due	1-30 days	31-90 days	>90 days	
2015/16					
Trade receivables, not impaired	111,260	33,462	1,366	0	146,088
Trade receivables, impaired	0	0	277	358	635
Impairment losses in trade receivables	0	0	-277	(358)	(635)
Trade receivables net	111,260	33,462	1,366	0	146,088

14. Share capital

	2016	2015/16
	(9 months)	(12 months)
	DKK'000	DKK'000
The share capital consist of 500 shares of each DKK 20,000	<u>10,000</u>	<u>10,000</u>

The shares have not been divided into classes. During the last five years, no changes have been made to the share capital.

The Company has registered the following shareholder to hold 100% of the voting capital or of the nominal value of the Company:

- Aktieselskabet Schouw & Co., Aarhus, Denmark

15. Credit institutions and borrowings

	2016	2015/16
	(9 months)	(12 months)
	DKK'000	DKK'000
Non-current borrowings		
Bank loans	3,340	35,758
Finance lease liabilities	0	6,859
	<u>3,340</u>	<u>42,617</u>
Current borrowings		
Credit institutions	0	111,096
Payable to group enterprises	250,538	83,273
Subordinate loan capital	0	37,027
Bank loans	37,292	29,900
Finance lease liabilities	74	4,050
	<u>287,904</u>	<u>265,346</u>
Total borrowing	<u>291,244</u>	<u>307,963</u>
Nominal value	<u>291,244</u>	<u>307,963</u>
Maturity of non-current and current borrowings		
Less than one year	287,904	265,346
Between one and five years	3,340	42,617
	<u>291,244</u>	<u>307,963</u>

GPV's borrowings are mainly in DKK and THB. All bank loans are with fixed interest rate. Other borrowings are with floating interest rate.

GPV has entered into a currency swap to hedge a bank loan maturing at the end of October 2017 and June 2018.

	2016		March 2016	
	Capital gain (loss) recognised in equity	Maximum number of months to expiry	Capital gain (loss) recognised in equity	Maximum number of months to expiry
Hedging agreements regarding future transactions recognised in equity				
Currency hedging	4,307	18	2,853	18
Interest rate hedging			-	
Other hedging agreements			-	
Hedging agreements before tax	4,307		2,853	
Tax on hedging agreements			-	
Hedging agreements after tax	4,307		2,853	

16. Other short-term payables

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
VAT and duties	0	2,164
Wages and salaries, personal income taxes, social security costs, etc., payable	14,120	13,505
Holiday pay obligation	10,801	10,514
Other costs payable	22,920	20,361
	47,841	46,544

17. Leases

Finance leases

The Group has entered into finance lease contracts of which the main contracts relates to machines and cars. Finance lease liabilities are payable as follows:

DKK'000	2016			2015/16		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	75	1	74	4,170	398	3,772
Between one and five years	0	0	0	6,798	648	6,150
More than five years	0	0	0	0	0	0
	75	1	74	10,968	1,046	9,922

Operating leases

The GPV Group has entered into operating lease contracts of which the main contracts relates to lease of buildings and cars.

The operating lease costs expensed in the income statement during 2016 and 2015/16 amounted to DKK 5,768 thousand and DKK 7,502 thousand respectively.

Total operating lease commitments fall due as follows (undiscounted):

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Less than one year	9,072	5,943
Between one and five years	16,308	10,841
More than five years	0	0
	25,380	16,784

Total commitments represent the total minimum payments at the balance sheet date, undiscounted.

18. Financial instruments and financial risks

Liquidity risk

GPV Group is largely financed by the parent company Schouw & Co. Schouw & Co. has in 2016 established a credit facility of DKK 1.8 billion with a bank consortium consisting of Danish Bank, DNB and Nordea. The parent company Schouw & Co. provide adequate funds for GPV Group's continued operations and development.

Interest rate risk

To a considerable extent, the interest-bearing assets and liabilities are exposed to interest risk. In the Parent Company all interest-bearing assets and liabilities are finance through the ultimate parent company Schouw & Co. and are all at a floating interest rate.

Currency risk

GPV actively monitors and manages interest rate and foreign exchange risks with the purpose of minimizing overall risk. GPV does not engage in any active speculation in financial instruments.

The primary exposure for GPV is related to unrealised deviations in the valuation of equity of our subsidiaries in especially Thailand.

The Group's foreign exchange risks recognised in the balance sheet at 31 December 2016

Currency (1)	Securities and cash equivalents	Receivables	Debt	Net position before hedging	Hedged by financial instruments (2)	Net position after hedging
EUR / DKK	0	11,058	(10,035)	1,023	0	1,023
USD / DKK	0	18	(11,225)	(11,208)	0	(11,208)
NOK / DKK	0	15,721	(10,126)	5,595	0	5,595
DKK / THB	12,621	11,121	(7,327)	16,415	0	16,415
EUR / THB	12,531	59,797	(65,217)	7,111	44,939	52,050
NZD / THB	0	1,068	(3)	1,065	0	1,065
NOK / THB	0	9,663	(536)	9,127	0	9,127
USD / THB	17,931	49,048	(42,910)	24,069	0	24,069
USD / MXN	2,093	0	(823)	1,270	0	1,270
	45,176	157,494	(148,202)	54,467	44,939	99,406

The Group's foreign exchange risks recognised in the balance sheet at 31 March 2016

Currency (1)	Securities and cash equivalents	Receivables	Debt	Net position before hedging	Hedged by financial instruments (2)	Net position after hedging
EUR / DKK	0	16,446	(34,815)	(18,369)	0	(18,369)
USD / DKK	0	19	(4,938)	(4,919)	0	(4,919)
NOK / DKK	0	10,683	(20,819)	(10,136)	0	(10,136)
DKK / THB	2,838	13,216	(6,066)	9,989	0	9,989
EUR / THB	5,093	47,021	(80,819)	(28,705)	62,843	34,138
NZD / THB	0	743	(314)	429	0	429
NOK / THB	0	9,514	(615)	8,899	0	8,899
USD / THB	15,522	38,225	(82,814)	(29,068)	0	(29,068)
	23,453	135,867	(231,200)	(71,347)	62,843	(9,037)

For trade receivables and payables as well as other receivables and payables, the fair value approximates the carrying amount due to the short-term nature of these balances.

19. Mortgages and securities

As security for the signed lease agreement on the Parent Company's leased buildings in Tarm a bank guarantee of DKK 7,907 thousand has been issued.

The land and building in Bangkok has been assigned and provided as security for the debts to TMB Bank, Bangkok. The carrying amount of mortgaged land and building amounts to DKK 150,834 thousand.

20. Contingent liabilities

GPV International A/S is substantially financed by the parent company Schouw & Co.'s cash resources and credit facilities. In 2016 Schouw & Co. established a credit facility of DKK 1.8 billion with a bank consortium consisting of Danish Bank, DNB and Nordea. Similar to other major subsidiaries in Schouw & Co. Group. GPV is liable as a co-guarantor to the credit facility. At 31 December 2016, a total of DKK 250 million was drawn on Schouw & Co.'s credit facility.

The Company is jointly taxed with the Danish consolidated companies of the Schouw & Co. Group. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed companies and for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies. Schouw & Co. serves as the administration company in a Danish joint taxation agreement.

21. Change in working capital

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Increase/decrease in inventories	(1,756)	8,965
Increase/decrease in receivables	(14,197)	(1,946)
Increase/decrease in trade payables etc.	26,421	(38,295)
Other changes	3,699	(12,538)
	14,167	(43,814)

22. Related parties

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Sales of goods and services to related companies	397	0
Purchase of goods and services from related companies	(2)	0
Management fee from ultimate parent company	(675)	0
Interest expenses to ultimate parent company	(2.966)	0
Receivables from related companies	77	0
Payables to ultimate parent company	(250,538)	(83,273)

23. Events after the balance sheet date

No material events have occurred after the end of the financial year.

24. First time adoption of IFRS

These financial statements for the year ended 31 December 2016 with comparative figures, are the first set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements. For periods up to and including the year ended 31 March 2016, GPV prepared its financial statements in accordance with the Danish Financial Statements Act.

Accordingly, GPV has prepared financial statements that comply with IFRS applicable for periods ending on or after 31 December 2016, together with the comparative period at and for the year ended 31 March 2016, as described in the summary of significant accounting policies.

In preparing these financial statements, GPV's opening balance sheet was prepared at 1 April 2015, the date of transition to IFRS. There were no identified differences for the recognition and measurement under IFRS compared to the Danish Financial Statements Act. Consequently, no adjustments have been made to the consolidated financial statements prepared in accordance with the Danish Financial Statements Act at 1 April 2015 and 31 March 2016.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

For the purpose of preparing these consolidated financial statements GPV has applied the following exemptions:

- Cumulative currency translation differences for all foreign operations are deemed to be zero at 1 April 2015.

Reclassifications

There have been no changes in accounting policies, but following reclassifications and changes in format, including restatement of comparative figures for 2015/2016, have been made:

- Assets are presented as either non-current or current assets, whereas previously they were classified as fixed assets or current assets.

Cash flow statement

The transition from the Danish Financial Statements Act to IFRS has not had a material impact on the cash flow statement.

25. Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9 and is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The Group plans to adopt the new standard on the required effective date.

No impact expected.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS and is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group plans to adopt the new standard in 2016 when the Group expects to generate revenue.

No impact expected.

IFRS 16 Leases

IFRS 16 Leases was issued in January 2016 and will be effective for annual periods beginning on or after 1 January 2019. The standard will significantly change the accounting treatment of leases that are currently classified as operating leases. IFRS 16 requires that all leases – with few exceptions – are recognised in the balance sheet as lease assets with corresponding lease liabilities. Further, the income statements will be affected as the lease expense for all operating leases under IFRS 16 will be split into depreciations and interest expenses, which under the current IAS 17 are recognised in administrative expenses and distribution costs.

GPV has not yet carried out any detailed analysis of the consequences from implementation of IFRS 16. However, the new standard is expected only to have minor impact, as the Group in 2016 has operating lease agreements with minimum payments amounting to DKK 25,380 thousand, corresponding to 3,8 % of the balance sheet, which under IFRS 16 potentially should be recognised in the balance sheet.

Parent financial statements

Income statement for 2016

	Notes	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Revenue	3	209,470	285,873
Cost of sales	4	(185,532)	(249,867)
Gross profit/loss		23,938	36,006
Other operating income	5	18,489	22,326
Distribution costs	4, 6	(6,890)	(9,831)
Administrative expenses	4, 6	(37,007)	(40,394)
Other operating expenses	4, 5, 6	0	0
Operating profit/loss		(1,470)	8,107
Investments in group enterprises	11	49,718	64,999
Other financial income	7	128	164
Other financial expenses	8	(5,630)	(22,450)
Profit/loss before tax		42,746	50,820
Tax on profit/loss for the year	9	7,230	0
Profit/loss for the year		49,976	50,820
Attributable to:		49,976	50,820
Shareholders of GPV International A/S		49,976	50,820

Statement of other comprehensive income for 2016

	Notes	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Profit for the year		49,976	50,820
Other comprehensive income			
Exchange differences on translation of foreign operations	18	21,690	(51,356)
Net (loss) / gain on cash flow hedges	18	1,287	(9,445)
Tax impact on other comprehensive income		0	0
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods, net of tax		22,977	(60,801)
Total recognised other comprehensive income		72,953	(9,981)

Balance sheet for 2016

	Notes	31 Dec 2016 DKK'000	31 March 2016 DKK'000	31 March 2015 DKK'000
Land and buildings		3,404	746	1,374
Plant and machinery		34,904	27,395	30,224
Other fixtures and fittings, tools and equipment		2,279	1,994	2,680
Property, plant and equipment under construction		1,295	291	0
Property, plant and equipment	10	41,882	30,426	34,278
Investments in group enterprises	11	249,137	351,006	355,780
Deferred tax		7,230	0	0
Receivables		3,129	3,134	3,097
Other non-current assets		259,496	354,140	358,877
Total non-current assets		301,378	384,566	393,155
Inventories	12	44,362	48,185	49,960
Trade and other receivables	13	167,453	44,028	42,033
Cash and cash equivalents		46	30	22
Total current assets		211,861	92,243	92,015
Total assets		513,239	476,809	485,170

Balance sheet for 2016

	Notes	31 Dec 2016 DKK'000	31 March 2016 DKK'000	31 March 2015 DKK'000
Share capital	14	10,000	10,000	10,000
Reserve for net revaluation according to the equity method		179,260	282,735	284,660
Retained earnings		16,244	(160,184)	(152,128)
Total equity		205,504	132,551	142,532
Provision for investment in group enterprises	11	1,606	0	0
Provisions		1,606	0	0
Subordinate loan capital	15	0	0	35,901
Finance lease liabilities	15, 17	0	6,653	9,113
Bank Debts	15	0	2,953	5,668
Other liabilities		0	0	73,296
Non-current liabilities		0	9,606	123,978
Current portion of non-current debt	15	0	43,297	5,994
Credit institutions	15	0	111,126	103,020
Payables to ultimate parent company	15	250,538	83,273	0
Trade payables		30,666	33,832	47,845
Prepayment received from customers		988	642	692
Payables to group enterprises	16	0	37,582	37,592
Other payables		23,937	24,900	23,517
Current liabilities		306,129	334,652	218,660
Total liabilities		307,735	344,258	342,638
Total liabilities and equity		513,239	476,809	485,170

Cash flow statement for 2016

		2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
	Notes		
Profit before tax		42,746	50,820
Adjustments for operating items of a non-cash nature etc.:			
Investments in group enterprises	11	(49,718)	(64,999)
Amortisation, depreciation and impairment losses	6	4,601	6,288
Other operating items, net	5	(403)	(412)
Other financial income	7	(128)	(164)
Other financial expenses	8	5,630	22,450
Cash flow from operating activities before changes in working capital		2,728	13,983
Working capital change	20	3,645	(12,656)
Cash flow from operating activities		6,373	1,327
Interest income received		128	2
Interest expense paid		(4,568)	(12,474)
Cash flows from ordinary activities		1,933	(11,145)
Income tax paid	9	0	0
Cash flows from operating activities		1,933	(11,145)
Acquisition etc. of property, plant and equipment	10	(16,255)	(2,975)
Sale of property, plant and equipment		600	954
Acquisition of fixed asset investments	11	0	(83,273)
Additions/disposals of other financial assets		5	(37)
Cash flows from investing activities		(15,650)	(85,331)
Debt from financing activities:			
Loans raised		0	0
Instalments on loans etc.		(52,902)	(3,849)
Change in payables to group enterprises		(7,993)	(10)
Shareholders:			
Change in payables to ultimate parent company		167,265	83,273
Dividend paid		18,489	8,964
Cash flows from financing activities		124,859	88,378
Cash flows for the year		111,142	(8,098)
Cash and cash equivalents, beginning of year		(111,096)	(102,998)
Currency translation adjustments of cash and cash equivalents			0
Cash equivalents at the end of year		46	(111,096)
Cash and cash equivalents at year-end are composed of:			
Cash		46	30
Short-term debt to banks	15	0	(111,126)
		46	(111,096)

Statement of changes in equity for 2016

	Share capital	Hedge reserve	Reserve for net revaluation according to the equity method	Exchange adjustment reserve	Retained earnings	Total
Equity at 1 April 2016	10,000	0	282,735	0	(160,184)	132,551
<i>Other comprehensive income in 2016</i>						
Exchange rate adjustment of foreign subsidiaries			21,690			21,690
Value adjustment of hedging instruments			1,287			1,287
Hedging instruments transferred to financials			0			0
Tax on other comprehensive income			0			0
Profit for the year			49,718		258	49,976
		0	72,695	0	258	72,953
<i>Transactions with the owners</i>						
Share-based payment						
Dividend distributed			(176,170)		176,170	0
Transactions with the owners for the period		0	(176,170)	0	176,170	0
Equity at 31 December 2016	10,000	0	179,260	0	16,244	205,504

Statement of changes in equity for 2015/16

	Share capital	Hedge reserve	Reserve for net revaluation according to the equity method	Exchange adjustment reserve	Retained earnings	Total
Equity at 1 April 2015	10,000	0	284,660		(152,128)	142,532
<i>Other comprehensive income in 2015/16</i>						
Exchange rate adjustment of foreign subsidiaries		0	(48,515)			(48,515)
Value adjustment of hedging instruments		0	(9,445)			(9,445)
Hedging instruments transferred to financials			0			0
Other adjustments			0		(2,841)	(2,841)
Profit for the year			64,999		(14,179)	50,820
		0	7,039		(17,020)	-9,981
<i>Transactions with the owners</i>						
Dividend distributed			(8,964)		8,964	0
Transactions with the owners for the period			(8,964)		8,964	0
Equity at 31 March 2016	10,000	0	282,735	0	(160,184)	132,551

Notes to the parent financial statements

1. Accounting policies	46
2. Significant accounting estimates and judgements	47
3. Revenue.....	47
4. Costs.....	48
5. Other operating income and costs	49
6. Depreciation, amortisation and impairment losses	49
7. Financial income.....	49
8. Financial expenses	49
9. Income tax.....	50
10. Property, plant and equipment	51
11. Ownership interest in subsidiaries	52
12. Inventories	53
13. Receivables	53
14. Share capital.....	54
15. Credit institutions and borrowings.....	54
16. Other short-term payables	55
17. Leases	55
18. Financial instruments and financial risks.....	56
19. Mortgages and securities	57
20. Contingent liabilities.....	57
21. Change in working capital	57
22. Related parties.....	57
23. Events after the balance sheet.....	58
24. First-time adoption of IFRS.....	58
25. Standards issued but not yet effective.....	58

Notes to the parent financial statements

1. Accounting policies

For general information about the Parent Company, GPV International A/S including description of its principal activities, reference is made to note 1 in the consolidated financial statements.

Basis of preparation

The separate financial statements of the Parent Company have been included in the Annual Report as required by the Danish Financial Statements Act.

The separate financial statements of the Parent Company for 2016 are presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Danish disclosure requirements.

For all periods up to and including the year ended 31 March 2016, the Parent Company prepared its separate financial statements in accordance with the Danish Financial Statements Act. These financial statements for the year ended 31 December 2016 are the first the Parent Company has prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Danish disclosure requirements. In the Parent Company's transition to IFRS no differences in respect of recognition and measurement were identified. Refer to note 25 for information on how the Parent Company adopted IFRS.

The functional currency of the Parent Company is DKK and the financial statements of the Parent Company are presented in DKK million.

The separate financial statements have been prepared on a historical cost basis.

Change in presentation of the income statement

The Parent Company has in 2016 changed its format for presenting the income statement from a format based on expenditure classified by function to a format based on type of expenditure to better reflect the nature of the activities and services being provided by the Company.

Change of financial year

Following the new ownership, the financial year for GPV has been aligned towards that of Schouw & Co. and has therefore been changed to follow the calendar year. Therefore, the financial year ending 31 December 2016 comprises a nine-month period (1 April to 31 December 2016). The comparative figures have not been restated.

Legal merger with the fully-owned subsidiary GPV Electronics A/S in 2016.

During 2016 it was decided to legally merge the Parent Company, GPV International A/S, and its wholly-owned subsidiary GPV Electronics A/S, with GPV International A/S as the continuing company.

According to the registration at the Danish Business Authorities, the merger was completed 15 December 2016 with legal effect as of April 1, 2016.

The common control merger has been accounted for by the Parent Company applying the pooling of interest method. In 2016 GPV International A/S merged with GPV Electronics A/S. The merger has been incorporated at 1 April 2016. To reflect the merger as if it had occurred all comparative figures have been restated.

Financial statements of the Parent Company

The accounting policies of the Parent Company are consistent with those applied in the consolidated financial statements (refer to note 1 in the consolidated financial statements) with the following exceptions:

Investments in subsidiaries are measured under the equity method.

Investments in subsidiaries are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group'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.

Investments in subsidiaries 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 is recognised in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of GPV International A/S are not recognised in the reserve for net revaluation.

On acquisition of subsidiaries, the acquisition method is applied; see consolidated financial statements above.

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.

2. Significant accounting estimates and judgements

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

Management assesses that, in respect of the financial reporting for the Parent Company, no accounting estimates or judgements are made when applying the Parent Company's accounting policies which are significant to the financial reporting apart from those disclosed in note 2 to the consolidated financial statements.

3. Revenue

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Sale of goods	209,470	285,873
Total revenue	209,470	285,873

4. Costs

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Cost of sales:		
Cost of goods sold	(185,651)	(249,545)
Reversed inventory impairments	522	90
	<u>(185,129)</u>	<u>(249,455)</u>
Staff costs:		
Wages and salaries	(54,723)	(71,600)
Remuneration to the Board of Directors	0	0
Defined contribution pension plans	(3,676)	(5,013)
Other social security costs	(1,819)	(2,396)
Share-based payment	(366)	0
Total staff cost	<u>(60,584)</u>	<u>(79,009)</u>
Staff costs are recognised as follows:		
Production	(31,536)	(44,352)
Distribution	(4,685)	(6,798)
Administration	(24,363)	(27,859)
Staff costs recognised in the income statement	<u>(60,584)</u>	<u>(79,009)</u>
Average number of employees	<u>176</u>	<u>183</u>

Determination of remuneration to the Board of Directors and the Executive Board

Reference is made to note 4 in the consolidated financial statements.

Share-based payments

Reference is made to note 4 in the consolidated financial statements.

5. Other operating income and costs

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Gains on the disposal of property, plant and equipment and intangible assets	403	412
Other operating income	18,086	21,914
Total other operating income	18,489	22,326
Losses on the disposal of property, plant and equipment	0	0
Other operating costs	0	0
Total fee, other accountants	0	0

6. Depreciation, amortisation and impairment losses

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Depreciation is recognised in the income statement as follows:		
Cost of sales	3,836	5,311
Administrative expenses	765	977
	4,601	6,288

7. Financial income

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Interest income	128	1
Exchange rate adjustments	0	163
Other financial income	0	0
	128	164

8. Financial expenses

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Financial expense from group enterprises	(3,530)	(1,903)
Interest expense	(1,307)	(10,562)
Exchange rate adjustments	(1,062)	0
Other financial expenses	(1)	(9,985)
	(5,630)	(22,450)

9. Income tax

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Tax for the year is composed as follows:		
Tax on the profit for the year	7,230	0
Tax on other comprehensive income	0	0
	<u>7,230</u>	<u>0</u>
Tax on the profit for the year has been calculated as follows:		
Deferred tax	7,230	0
Tax on other comprehensive income	0	0
	<u>7,230</u>	<u>0</u>
	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Effective tax rate		
Expected tax for the year, 22.0%	-9,404	-11,180
Non-deductible cost and tax free income	16,634	15,942
Impairment on deferred tax assets	7,230	-4,762
Recognised income tax	<u>7,230</u>	<u>0</u>
Effective tax rate	<u>-16.9%</u>	<u>0.0%</u>
	2016 (9 months) DKK '000	2015/16 (12 months) DKK '000
Deferred tax asset		
Property, plant and equipment	4,162	3,354
Inventories	1,396	0
Receivables	132	967
Liabilities other than provisions	1,672	743
Tax losses carried forward	25,534	26,504
	<u>32,896</u>	<u>31,568</u>
Deferred tax not recognized	<u>(25,666)</u>	<u>(31,568)</u>
	<u>7,230</u>	<u>0</u>

The Group has a non-recognised deferred tax asset of DKK 25.7 million in 2016 (2015/16: DKK 31.6 million). The tax value of tax loss carry forwards that may be carried forward for an unlimited period has not been recognised as it has not been considered sufficiently probable that the losses will be utilised within five years.

10. Property, plant and equipment

<u>DKK'000</u>	2016			
	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost, beginning-of-year	5,090	77,086	17,657	291
Transfer to and from other items	0	291	0	(291)
Additions	2,802	11,252	906	1,295
Disposals	0	(1,967)	(165)	0
Cost, end-of-year	7,892	86,662	18,398	1,295
Depreciation and impairment losses beginning, of-the-year	4,344	49,691	15,663	0
Transfer to and from other items	0	0	0	0
Depreciation for the year	144	3,836	621	0
Reversal regarding disposals	0	(1,769)	(165)	0
Depreciation and impairment losses, end-of-year	4,488	51,758	16,119	0
Carrying amount, end-of-year	3,404	34,904	2,279	1,295
Of which assets held under finance leases	0	0	0	0
	2015/16			
<u>DKK'000</u>	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost, beginning-of-year	6,805	90,820	18,822	0
Transfer to and from other items	0	0	0	0
Additions	129	2,481	74	291
Disposals	(1,844)	(16,215)	(1,239)	0
Cost, end-of-year	5,090	77,086	17,657	291
Depreciation and impairment losses, beginning-of-year	5,431	60,596	16,141	0
Transfer to and from other items	0	0	0	0
Depreciation for the year	216	5,311	761	0
Reversal regarding disposals	(1,303)	(16,216)	(1,239)	0
Depreciation and impairment losses, end-of-year	4,344	49,691	15,663	0
Carrying amount, end-of-year	746	27,395	1,994	291
Of which assets held under finance leases	0	4,216	0	0

11. Ownership interest in subsidiaries

During 2016 the Parent Company, GPV International A/S, merged with its wholly owned subsidiary, GPV Electronics A/S. In connection with the merger the Parent Company's investment in GPV Electronics A/S has been incorporated at 1 April 2016. To reflect the merger as if it had occurred from 1 April 2016, all comparative figures have been restated.

Name	Registered Office	Ownership interest 2016	Ownership interest 2015/16
GPV Asia (Thailand) Co. Ltd.	Thailand, Bangkok	100%	100%
GPV Americas México S.A.P.I de CV	Guadalajara, Mexico	100%	-

Investments in group enterprises

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Cost, beginning-of-year	68,271	97,209
Disposal	0	(28,938)
Additions	1	0
Cost, end-of-year	68,272	68,271
Revaluations, beginning-of-year	282,735	259,393
Disposals	0	25,267
Exchange rate adjustments	21,689	(48,515)
Adjustments on equity	1,287	(9,445)
Share of profit/loss for the year	49,718	64,999
Dividend	(176,170)	(8,964)
Provision for investment in group enterprises	1,606	0
Revaluations, end-of-year	180,685	282,735
Carrying amount, end-of-year	249,137	351,006

12. Inventories

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Raw materials and consumables	24,344	22,884
Work in progress	9,681	13,640
Finished goods	10,337	11,661
Total inventories	44,362	48,185
Impairment on inventories		
Cost of inventories for which impairment losses have been recognised	7,511	8,113
Accumulated impairment losses on inventories	(6,347)	(6,869)
Net sales value	1,164	1,244

13. Receivables

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Receivables from group enterprises	121,882	1,331
Receivables from related companies	77	0
Trade receivables	43,142	41,032
Other receivables	1,383	548
Prepayment	969	1,117
	167,453	44,028

Trade receivables can be specified as follows:

	Not		Due between		Total
	due	1-30 days	31-90 days	>90 days	
2016					
Trade receivables, not impaired	30,852	11,674	377	0	42,903
Trade receivables, impaired	0	0	0	916	916
Impairment losses in trade receivables	0	0	0	-600	(600)
Trade receivables net	30,852	11,674	377	316	43,219

	Not		Due between		Total
	Due	1-30 days	31-90 days	>90 days	
2015/16					
Trade receivables, not impaired	35,657	5,124	196	0	40,977
Trade receivables, impaired	0	0	0	690	690
Impairment losses in trade receivables	0	0	0	(635)	(635)
Trade receivables net	35,657	5,124	196	55	41,032

14. Share capital

Reference is made to note 14 in the consolidated financial statements.

15. Credit institutions and borrowings

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Subordinate loan capital	0	0
Bank loans	0	6,653
Finance lease liabilities	0	2,953
	0	9,606
Current borrowings		
Subordinate loan capital	0	37,027
Bank loans	0	2,715
Finance lease liabilities	0	3,555
Credit institutions	0	111,126
Payables to the ultimate parent company	250,538	83,273
	250,538	237,696
Total borrowings	250,538	247,302
Nominal value	250,538	247,302
Maturity of non-current and current borrowings		
Less than one year	250,538	237,696
Between one and five years	0	9,606
More than five years	0	0
	250,538	247,302

GPV's borrowings are mainly in DKK. All borrowings are with floating interest rate.

16. Other short-term payables

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
VAT and duties	0	2,163
Wages and salaries, personal income taxes, social security costs, etc., payable	6,180	6,646
Holiday pay obligation	8,495	8,291
Other costs payable	9,261	7,800
	23,936	24,900

17. Leases**Finance leases**

The Group has entered into finance lease contracts of which the main contracts relates to machines and cars. Finance lease liabilities are payable as follows:

DKK'000	2016			2015/16		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	0	0	0	3,940	385	3,555
Between one and five years	0	0	0	6,697	646	6,051
More than five years	0	0	0	0	0	0
	0	0	0	10,637	1,031	9,606

The carrying amount of the financially leased assets is disclosed in note 10.

Operating leases

The Group has entered into operating lease contracts of which the main contracts relates to lease of building and cars.

The operating lease costs expensed in the income statement during 2016 and 2015/16 amount to DKK 4,607 thousand and DKK 6,196 thousand respectively.

Total commitments fall due as follows (undiscounted):

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Less than one year	5,825	5,943
Between one and five years	7,924	10,841
More than five years	0	0
	13,749	16,784

Total commitments represent the total minimum payments at the balance sheet date, undiscounted.

18. Financial instruments and financial risks

Liquidity risk

GPV Group is largely financed by the parent company Schouw & Co. Schouw & Co. has in 2016 established a credit facility of DKK 1.8 billion with a bank consortium consisting of Danish Bank, DNB and Nordea. The ultimate parent company Schouw & Co. provide adequate funds for GPV Group's continued operations and development.

Interest rate risk

In considerable extent, the interest-bearing assets and liabilities are exposed to interest risk. In the Parent Company all interest-bearing assets and liabilities is financed through the ultimate parent company Schouw & Co A/S and all at floating rates.

Currency risk

GPV actively monitors and manages interest rate and foreign exchange risks with the purpose of minimizing overall risk. GPV does not engage in any active speculation in financial instruments.

The primary exposure for GPV is related to unrealised deviations in the valuation of equity of our subsidiaries in especially Thailand.

The Group's foreign exchange risks recognised in the balance sheet at 31 December 2016

Currency (1)	Securities and cash equivalents	Receivables	Debt	Net position before hedging	Hedged by financial instruments (2)	Net position after hedging
EUR / DKK	0	11,058	(10,035)	1,023	0	1,023
USD / DKK	0	18	(11,225)	(11,208)	0	(11,208)
NOK / DKK	0	15,721	(10,126)	5,595	0	5,595
	0	26,797	(31,386)	(4,590)	0	(4,590)

The Group's foreign exchange risks recognised in the balance sheet at 31 March 2016

Currency (1)	Securities and cash equivalents	Receivables	Debt	Net position before hedging	Hedged by financial instruments (2)	Net position after hedging
EUR / DKK	0	16,446	(34,815)	(18,369)	0	(18,369)
USD / DKK	0	19	(4,938)	(4,919)	0	(4,919)
NOK / DKK	0	10,683	(20,819)	(10,136)	0	(10,136)
	0	27,148	(60,572)	(33,424)	0	(33,424)

For trade receivables and payables as well as other receivables and payables the fair value approximates the carrying amount due to the short term nature of these balances.

19. Mortgages and securities

As security for the signed lease agreement on the Parent Company's leased buildings in Tarm a bank guarantee of DKK 7,907 thousand has been issued.

GPV International A/S has issued a letter of support of DKK 17.9 million without any time limit to its subsidiary GPV Asia (Thailand) Co., Ltd. to cover its debts to Siam Commercial Banks. The net deposit in Siam Commercial Bank amounts to DKK 26.6 million at 31 December 2016.

20. Contingent liabilities

GPV International A/S is substantially financed by the parent company Schouw & Co.'s cash resources and credit facilities. In 2016 Schouw & Co. established a credit facility of DKK 1.8 billion with a bank consortium consisting of Danish Bank, DNB and Nordea. Similar to other major subsidiaries in Schouw & Co. Group. GPV is liable as a co-guarantor to the credit facility. At 31 December 2016, a total of DKK 250 million was drawn on Schouw & Co.'s credit facility of DKK 1.8 billion.

The Company is jointly taxed with the Danish consolidated companies of the Schouw & Co. Group. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc. for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies. Schouw & Co. serves as the administration company in a Danish joint taxation agreement.

21. Change in working capital

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Increase/decrease in inventories	3,181	1,725
Increase/decrease in receivables	(2,854)	(1,672)
Increase/decrease in trade payables etc.	4,380	(12,946)
Other changes	(1,062)	237
	<u>3,645</u>	<u>(12,656)</u>

22. Related parties

	2016 (9 months) DKK'000	2015/16 (12 months) DKK'000
Sales of goods and services to group enterprises	3,841	5,451
Purchase of goods and services from group enterprises	(46,348)	(54,481)
Other expenses charged to group enterprises	17,603	21,583
Interest expenses to group enterprises	(564)	(1,903)
Sales of goods and services to related companies	397	0
Purchase of goods and services from related companies	(2)	0
Management fee from ultimate parent company	(675)	0
Interest expenses to ultimate parent company	(2,966)	0
Receivables from related companies	77	0
Receivables from group enterprises	121,882	1,331
Payables to ultimate parent company	250,538	83,273
Payables to group enterprises	0	37,582

23. Events after the balance sheet

No material events have occurred after the end of the financial year.

24. First-time adoption of IFRS

These financial statements for the year ended 31 December 2016 with comparative figures, are the first set off financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements. For periods up to and including the year ended 31 March 2016, GPV prepared its financial statements in accordance with the Danish Financial Statements Act.

Accordingly, GPV has prepared financial statements which comply with IFRS applicable for periods ending on or after 31 December 2016, together with the comparative period at and for the year ended 31 March 2016, as described in the summary of significant accounting policies.

In preparing these financial statements, GPV's opening balance sheet was prepared at 1 April 2015, the date of transition to IFRS. There were no identified differences for the recognition and measurement under IFRS compared to the Danish Financial Statements Act. Consequently, no adjustments are made to the parent company financial statements prepared in accordance with the Danish Financial Statements Act at 1 April 2015 and 31 March 2016.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

For the purpose of preparing these consolidated financial statements GPV has applied the following exemptions:

- Cumulative currency translation differences for all foreign operations are deemed to be zero at 1 April 2015.

Reclassifications

There have been no changes in accounting policies, but the following reclassifications and changes in format, including restatement of comparative figures for 2015/2016, have been made:

- Assets are presented as either non-current or current assets whereas previously they were classified as fixed assets and current assets.

Cash flow statement

The transition from the Danish Financial Statements Act to IFRS has not had a material impact on the cash flow statement.

25. Standards issued but not yet effective

Reference is made to note 25 in the consolidated financial statements.