Bramming Plast-Industri A/S

Vardevej 9, 6740 Bramming

CVR no. 78 70 91 11

Annual report 2016

Approved at the Company's annual general meeting on 16 March 2017

Chairman:

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Per Aas Jensen

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Bramming Plast-Industri A/S for the financial year 1 January - 31 December 2016.

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

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

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

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

Bramming, 16 March 2017
Executive Board:

Jesper Lykke Brix CEO	Per Aas Jensen CFO

Board of Directors:

Kurt Bering Sørensen Chairman	Thomas Hougaard Bonde	Henrik Vestergaard Jørgensen

Independent auditors' report

To the shareholders of Bramming Plast-Industri A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Bramming Plast-Industri A/S for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as a consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2016 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2016 in accordance with 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 consolidated financial statements and the parent company financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and 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 consolidated financial statements and the parent company financial statements

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

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

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

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

Independent auditor's report

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 consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Independent auditor's report

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

Esbjerg, 16 March 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Jensen
State Authorised
Public Accountant

Management's review

Company details

Name	Bramming Plast-Industri A/S
Address, postal code/city	DK-Vardevej 9, 6740 Bramming
CVR no.:	78 70 91 11
Established:	2 September 1985
Registered office:	Esbjerg
Financial year:	1 January - 31 December
Website:	www.bpi.dk
Telephone	+45 79 57 10 00
Fax	+45 75 17 26 11
Board of Directors	Kurt Bering Sørensen, Chairman Thomas Hougaard Bonde Henrik Vestergaard Jørgensen
Executive Board	Jesper Lykke Brix, CEO Per Aas Jensen, CFO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Havnegade 33, DK-6700 Esbjerg

Management's review

Financial highlights for the Group

DKK'000	2016	2015	2014	2013	2012
Key figures					
Revenue	257,866	248,121	239,316	222,143	232,098
Gross profit	71,033	72,520	66,707	56,960	61,872
EBITDA	24,466	27,410	22,619	19,090	19,079
Ordinary operating profit	13,850	17,069	11,436	7,226	7,768
Financial income and expenses	-2,896	-3,421	-4,119	-4,279	-1,229
Profit for the year	**8,547**	**11,135**	**6,437**	**2,534**	**5,991**
Total assets	175,588	164,915	162,346	179,040	195,518
Capex in property, plant and equipment	14,621	9,522	4,598	5,252	17,122
Equity	**63,577**	**56,320**	**52,168**	**54,402**	**67,309**
Financial ratios					
Operating margin	5.4 %	6.9 %	4.8 %	3.3 %	3.3 %
Return on invested capital	8.1 %	10.4 %	6.7 %	3.9 %	4.1 %
Return on equity	14.3 %	20.5 %	12.1 %	4.2 %	9.4 %
Average number of full-time employees	474	427	413	430	438

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

Management's review

Operating review

Principal activities of the Group

As in previous years, the principal activities comprise the processing and production of foam related products. Production takes place in the parent company in Bramming and in the subsidiary in Poland. Sales are primarily handled by the sales department in Denmark.

Unusual circumstances affecting the financial statements

No unusual circumstances occurred in the year under review.

Development in activities and financial matters

The Group realised increasing revenue of DKK 257,866 thousand and a gross profit of DKK 71,033 thousand. The Group's income statement for 2016 showed a profit of DKK 8,547 thousand and the Group's balance sheet at 31 December 2016 showed equity of DKK 63,577 thousand. Development in revenue is positive as expected, earnings are lower than expected due to introduction of new products and implementation of new production layout. Based thereon, Management finds results for the year satisfactory.

The Group's liquid funds developed positively in 2016.

Particular risks

Business risks:

Management's assessment is that, the Group is not exposed to particular risks apart from those generally occurring in this line of business.

Financial risks:

Due to its operations, investments and financing, the Group is exposed to changes in exchange rates and interest rates. The parent company manages the Group's financial risks centrally and coordinates the Group's cash management, including new funding and placement of excess liquidity.

The share capital consists of 7,000 shares at DKK 1,000. All shares rank equally.

At 31 December 2016, the Group's net interest-bearing debt constituted a total of DKK 74.293 thousand (2015: DKK 75,403 thousand), which is assessed to be a reasonable level compared to the actual need for financial flexibility.

Research and development activities

The Group carries on development activities on an ongoing basis regarding both new as well as existing products.

Statutory report on corporate social responsibility

Within corporate social responsibility, the Group among other areas focus on human rights, Code of Conduct, working environment and impact on the external environment.

Human rights

BPI supports and respects the Universal Declaration of Human Rights and promotes human rights standards internally and throughout all business.

Equal opportunities for all employees irrespective of gender or ethnicity continue to be part of our HR-philosophy and humanity attitude.

Management's review

Operating review

We hire, remunerate and promote employees on the basis of skills, competences and performance - not according to gender, religion nor race.

Our Code of Conduct with thorough description of main areas within human rights, labour and environment, a.o. The Code of Conduct is to a large extent based on The Ten Principles of the UN Global Compact and is currently being implemented widely in the organisation and our factories, as well as with our sub-suppliers in the second stage.

We have reaffirmed our support of The Ten Principles of the UN Global Compact and submitted our annual Communication on Progress for the year 2016, where we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations.

For Statutory Statement on Corporate Social Responsibility for the financial year 1 January - 31 December 2016, cf. section 99a in the Danish Financial Statement Act, please see the 2016 CoP report on http://bpi.dk/da/om-bpi/csr/. The report covers the time period 30.9.2015 - 31.12.2016. Code of conduct and CSR policy are also available on www.bpi.dk.

External environment

The Company engages in targeted and systematic efforts to continuously protect in the environment through energy and material optimization, pollution prevention, waste minimization and environmental management. With the following actions in 2016:

Complete change of a larger part of one of our factory units. 1100 square meters re-organized and newly installed with dust reducing ventilation systems for cleaner and healthier working areas and heat re-use.

External audit in both our factories to test and control that all environmental laws and working area regulations are being monitored and followed.

In 2016 we have been qualified for the FSC CoC certification which is expected to be concluded early 2017.

Establishment of dust and noise reducing houses at certain environmentally disturbing or damaging work stations and machines. Continuously in a process of exchanging existing chemicals with environmentally friendly low-emission additives.

Investments in further automation to reduce water waste and increase of recyclable foam waste.

These actions have improved working environment, reduced energy consumption and reduced negative environmental impact.

Gender quotation on the Management Board

Bramming Plast-Industri A/S believes that diversity among its employees, including equal gender quotation, contributes positively to the working environment and strengthens the enterprise's culture and competitiveness.

In 2016, the gender quotation among the Company's board members elected by the general meeting was: 0 women and 3 men. According to legislation on the gender quotation on the Management Board in Danish enterprises, the Company has set a target that board members elected by the general meeting are at least to account for 20 % of the underrepresented gender at the ordinary general meeting in 2018 at the latest. The number of board members has changed from 4 to 3 in 2016.

Bramming Plast-Industri A/S has moreover set a target that other managerial positions comprising the Executive Board, heads of department and department managers are to account for at least 20 % of the underrepresented gender before the end of 2018. When suitable candidates for a manager position are selected for the final round, at least one of the candidates has to be of the opposite gender, if possible.

Women make up 36 % and men 64 % of the Group's employees.

Management's review

Operating review

Development in staff:	Denmark	The rest of the world
Number of employees, 1 January	127	300
New employments in the year	58	130
Dismissals in the year	-48	-93
Number of employees, 31 December	137	337

Events after the balance sheet date

No events have occurred after the balance sheet date which may materially affect the assessment of the Company's financial position.

Outlook

The increasing sales efforts and continued internal optimisation and consolidation projects are expected to increase activities and earnings in 2017. In 2017, revenue and earnings are expected to exceed the 2016 level.

Ownership

Bramming Plast-Industri A/S' largest shareholder is Blue Equity II K/S, who owns 80 % of the holding company, Bramming Plast-Industri Holding ApS, who owns 100 % of Bramming Plast-Industri A/S and exercises control.

Blue Equity II K/S is represented on the Board of Directors by Kurt Bering Sørensen, Chairman of the Board, and the board members Henrik Vestergaard Jørgensen and Thomas Hougaard Bonde. Other management positions of the Board of Directors are as follows:

Kurt Bering Sørensen, CEO, Member of the Board since 8 June 2016
-CEO in Katholt Invest ApS
-Chairman of the Board in Total Wind Group A/S
-Chairman of the Board in Agrometer A/S
-Chairman of the Board in Dansk Smede- og Makinteknig A/S
-Chairman of the Board in IBP H ApS
-Chairman of the Board in B + A A/S
-Chairman of the Board in Agrometer Investment A/S
-Chairman of the Board in Total Wind A/S
-Chairman of the Board in Fletco Investment A/S
-Chairman of the Board in Fletco Carpet Tiles A/S
-Chairman of the Board in Fletco Carpet A/S
-Chairman of the Board in Officefit ApS
-Chairman of the Board in Bramming Plast-Industri A/S
-Member of the Board in DS Stålkonstruktion A/S
-Member of the Board in DS Elcobyg A/S
-Member of the Board in DS Rødekro A/S
-Member of the Board in Hjerting Badehotel A/S
-Member of the Board in Hjerting Strand, Esbjerg A/S
-Member of the Board in Vestjysk Ejendomsinvest A/S
-Member of the Board in Hjerting Badehotel - Esbjerg A/S
-Member of the Board in Macrodot A/S
-Member of the Board in LPM Production A/S
-Member of the Board in DS Stålprofil A/S
-Member of the Board in DS Gruppen A/S
-Member of the Board in Thostrup Invest A/S
-Member of the Board in Svend Møller Hansen Holding A/S
-Member of the Board in V. T. I. Vinderup Træindustri A/S

Management's review

-Member of the Board in Sealing System A/S

Henrik Vestergaard Jørgensen, CEO, Member of the Board since 7 July 2016
-CEO in Danfoss Power Solutions ApS
-Member of the Board in Danfoss Power Solutions ApS
-Member of the Board in Bramming Plast-Industri A/S

Thomas Hougaard Bonde, CEO, Member of the Board since 21 April 2016
-CEO in Blue Equity General Partner II ApS
-CEO in DCB Finans ApS
-CEO in Bramming Plast-Industri Holding ApS
-CEO in BPI Finans ApS
-CEO in Kohsel Holding ApS
-CEO in Blue Equity General Partner ApS
-CEO in Blue Equity Management A/S
-CEO in Dynatest Holding ApS
-CEO in AAFS Holding ApS
-Chairman of the Board in DCB Holding ApS
-Member of the Board in Sebe Bramidan Holding ApS
-Member of the Board in Kohsel Holding ApS
-Member of the Board in Eltronic Holding ApS
-Member of the Board in Kohsel Elektronik A/S
-Member of the Board in Primodan Holding ApS
-Member of the Board in Danish Crane Building A/S
-Member of the Board in Bramming Plast-Industri A/S

Jesper Lykke Brix
-CEO in Bramming Plast-Industri A/S
-General manager in BPI Holding Anno 2009 ApS
-Member of the Board in BPI Holding ApS

Per Aas Jensen
-CFO in Bramming Plast-Industri A/S

Management

Members of the Board of Directors held approx. 4 % of the shares in Bramming Plast-Industri A/S via holding companies at the end of 2016. The Executive Board and other executives held approx. 16 % of the shares at the end of 2016.
The basis for the planning of the Board of Directors' and the Executive Board's work comprises among other things the Danish Companies Act, the Danish Financial Statements Act, the Company's articles of association and rules of procedure. Five meetings of the Board of Directors are held annually.
The Board of Directors has not established an audit and risk committee as such tasks are handled by the Board of Directors.
The Board of Directors and the Executive Board have the general responsibility for the Group's risk management and internal controls in connection with the financial reporting. The organizational structure and the internal guidelines make up the control environment together with legislation and other statutory rules for the Group.

Recommendations for active ownership and corporate governance for private equity funds

As an equity fund owned company, Bramming Plast-Industri A/S follows DVCA's recommendations. Reference is made to www.DVCA.dk for further information on the guidelines.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Income statement

Note	DKK'000	Consolidated 2016	Consolidated 2015	Parent company 2016	Parent company 2015
2	**Revenue**	257,866	248,121	199,636	198,473
3	Production costs	-186,833	-175,601	-149,516	-145,673
	Gross profit	71,033	72,520	50,120	52,800
3	Distribution costs	-38,728	-37,173	-28,916	-28,186
3	Administrative expenses	-18,455	-18,278	-14,852	-14,352
	Ordinary operating profit	13,850	17,069	6,352	10,262
10	Share of profit after tax in subsidiaries	0	0	4,408	4,066
9	Share of profit after tax in associates	0	26	0	0
4	Financial income	278	115	320	125
5	Financial expenses	-3,174	-3,536	-1,239	-1,794
	Profit before tax	10,954	13,674	9,841	12,659
6	Tax on profit for the year	-2,407	-2,539	-1,294	-1,524
	Profit for the year	8,547	11,135	8,547	11,135

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Balance sheet

		Consolidated		Parent company	
Note	DKK'000	2016	2015	2016	2015
	ASSETS				
	Non-current assets				
7	**Intangible assets**				
	Completed development projects	7,236	2,723	7,236	2,723
	Intangible assets acquired	2,019	1,311	2,016	1,217
	Goodwill	191	420	119	238
		9,446	4,454	9,371	4,178
8	**Property, plant and equipment**				
	Land and buildings	59,334	61,436	28,764	29,561
	Plant and machinery	41,333	34,622	31,210	23,147
	Fixtures and fittings, other plant and equipment	626	852	617	842
	Property, plant and equipment under construction	502	211	305	106
		101,795	97,121	60,896	53,656
	Investments				
10	Investments in group enterprises	0	0	35,843	32,724
9	Investments in associates	0	209	0	0
	Receivables from group enterprises	0	0	3,905	3,847
		0	209	39,748	36,571
	Total non-current assets	111,241	101,784	110,015	94,405
	Current assets				
	Inventories				
	Raw materials and consumables	15,965	17,687	7,149	9,280
	Finished goods and goods for resale	10,885	11,995	7,744	9,831
		26,850	29,682	14,893	19,111
	Receivables				
	Trade receivables	34,667	30,200	21,103	18,764
	Receivables from group enterprises	0	0	0	333
12	Deferred tax	1,197	1,073	0	0
	Corporation tax receivable	0	1,025	0	0
	Other receivables	499	591	416	417
13	Prepayments	612	522	596	514
		36,975	33,411	22,115	20,028
	Cash at bank and in hand	522	38	52	7
	Total current assets	64,347	63,131	37,060	39,146
	TOTAL ASSETS	175,588	164,915	147,075	133,551

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	Consolidated 2016	Consolidated 2015	Parent company 2016	Parent company 2015
	EQUITY AND LIABILITIES				
	Equity				
11	Share capital	7,000	7,000	7,000	7,000
	Reserve for net revaluation acc. to the equity method	0	0	28,928	27,105
	Reserve for development costs	4,051	0	4,051	0
	Retained earnings	46,676	49,320	17,748	22,215
	Proposed dividends	5,850	0	5,850	0
	Total equity	63,577	56,320	63,577	56,320
	Provisions				
12	Provision for deferred tax	8,433	7,072	8,348	7,060
	Total provisions	8,433	7,072	8,348	7,060
	Liabilities other than provisions				
14	**Non-current liabilities**				
	Mortgage loans	31,806	33,354	31,806	33,354
	Bank loans	0	20,425	0	0
	Lease obligations	2,175	3,275	1,334	2,147
		33,981	57,054	33,140	35,501
	Current liabilities other than provisions				
14	Current portion of non-current liabilities	22,853	2,864	2,265	2,226
	Bank loans	17,981	15,523	10,839	7,209
	Trade payables	15,966	12,247	6,756	7,289
	Payables to group enterprises	408	0	14,450	9,226
	Corporation tax payable	533	628	0	403
	Other payables	11,856	13,207	7,700	8,317
		69,597	44,469	42,010	34,670
	Total liabilities other than provisions	103,578	101,523	75,150	70,171
	TOTAL EQUITY AND LIABILITIES	175,588	164,915	147,075	133,551

1 Accounting policies
15 Mortgages and collateral
16 Contractual obligations and contingencies, etc.
17 Related party disclosures
18 Fees paid to auditors appointed at the annual general meeting

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Statement of changes in equity

	Consolidated				
DKK'000	Share capital	Retained earnings	Reserve for development costs	Proposed dividends	Total
Equity at 1 January 2016	7,000	49,320	0	0	56,320
Distributed dividends	0	0	0	0	0
Foreign exchange adjustment	0	-1,290	0	0	-1,290
Profit for the year, see profit appropriation	0	-1,354	4,051	5,850	8,547
Equity at 31 December 2016	7,000	46,676	4,051	5,850	63,577

	Parent company					
DKK'000	Share capital	Net revaluation acc. to the equity method	Reserve for development costs	Retained earnings	Proposed dividends	Total
Equity at 1 January 2016	7,000	27,105	0	22,215	0	56,320
Distributed dividends	0	0	0	0	0	0
Foreign exchange adjustment	0	-1,290	0	0	0	-1,290
Profit for the year, see profit appropriation (note 19)	0	3,113	4,051	-4,467	5,850	8,547
Equity at 31 December 2016	7,000	28,928	4,051	17,748	5,850	63,577

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Cash flow statement

	Consolidated	
DKK'000	2016	2015
Operating profit for the year	13,850	17,069
Depreciation, amortisation and impairment losses	10,805	10,319
Income from investments	209	-26
Current tax on profit for the year	-2,258	-4,491
Deferred tax for the year	1,485	1,339
Other adjustments	6	81
	24,097	24,291
Change in inventories	2,832	-2,440
Change in receivables	-4,465	7,932
Change in trade and other payables	2,986	251
Cash generated from operating profit before financial income and expenses	**25,450**	**30,034**
Interest received, etc.	278	115
Interest paid, etc.	-3,174	-3,536
Cash flows from operating activities	**22,554**	**26,613**
Acquisition of intangible assets	-6,812	-2,037
Acquisition of property, plant and equipment	-15,425	-8,732
Cash flows from investing activities	**-22,237**	**-10,769**
Distributed dividends	0	-7,500
Repayment of bank loans and overdrafts	-2,767	-928
Cash flows from financing activities	**-2,767**	**-8,428**
Cash flows for the year	-2,450	7,416
Cash and cash equivalents at 1 January	-15,485	-21,568
Foreign exchange adjustment	476	-1,333
Cash and cash equivalents at 31 December	-17,459	-15,485

Cash and cash equivalents, cash flow statement

Cash and cash equivalents according to the balance sheet	522	38
Short-term debt to banks	-17,981	-15,523
	-17.459	-15,485

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements and the parent company financial statements.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes

1 **Accounting policies**

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

Effective 1 January 2016, the Company has adopted act no. 738 of 1 July 2015. This implies changes in the recognition and measurement in the following areas:

1. Yearly reassessment of residual values of property, plant and equipment
2. Reserve for development costs

Re 1: In future, residual values of property, plant and equipment are subject to annual reassessment.

Re 2: An amount corresponding to development costs recognised will, in future, be tied up in the Parent Company in a special reserve under equity called "Reserve for development costs". The amount is tied up in a special reserve, which cannot be used to distribute dividend or cover losses. If the development costs recognised are sold, or in some other way no longer form part of the Company's operations, the reserve will be dissolved or reduced by a transfer directly to distributable reserves under equity. If the recognised development costs are written down, part of the reserve for development costs must be reversed. The reversed portion corresponds to the write-down of the development costs. If a write-down of the development costs is subsequently reversed, the reserve for development costs must be re-established. The reserve for development costs is also reduced by amortisation charges. In doing so, the equity reserve will not exceed the amount recognised in the balance sheet as development costs.

None of the above changes impacts on the income statement or the balance sheet for 2016 or the comparative figures.

Apart from the above new and changed presentation and disclosure requirements, which follow from act. no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner.

Consolidation

The consolidated financial statements comprise the parent company, Bramming Plast-Industri A/S, and the entities over which the parent company has control. Control is assumed to exist where the parent company, directly or indirectly, owns more than half of the voting rights in a business. Control may also exist via agreement or articles of association or because the parent company in some other way has or actually exercises control in a subsidiary.

The existence and impact of potential voting rights that are actually exercisable or convertable are taken into account when assessing whether control exists.

The financial statements of the consolidated enterprises have been prepared in accordance with the parent company's accounting policies. The consolidated financial statements are prepared based on the consolidated enterprise's financial statements by aggregating similar financial statement items. Intra-group income, expenses, gains, losses, ownership interest, dividends and balances are eliminated. Investments in consolidated enterprises are set off against the proportionate share of the consolidated enterprise's fair value of net assets and liabilities at the acquisition date.

Newly acquired and sold subsidiaries are recognised in the consolidated income statement for the period during which control existed. Comparative figures are not restated for acquisitions or disposals.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes

1 **Accounting policies (continued)**

For acquisitions of subsidiaries, the purchase method is used. Cost is measured at net present value of the agreed consideration with the addition of directly attributable costs. Conditional payments are recognised at the amount expected to be paid. Identifiable assets and liabilities of the enterprises acquired are recognised at fair value at the acquisition date. Restructuring costs that relate to the enterprise taken over, are recognised provided that the restructuring had been decided at the acquisition date. The tax effect of the restatement of assets and liabilities is taken into consideration. Any remaining difference between cost and the Group's share of fair value of the identifiable assets and liabilities is recognised as goodwill or negative goodwill.

Enterprises over which the Group has control are considered associates. Control is obtained when the Group directly or indirectly holds between 20 % and 50 % of the voting rights or in some other way has or actually exercises control. Associates are recognised in the consolidated financial statements at net asset value.

Foreign currency translation

Transactions denominated in foreign currency are translated into Danish kroner at the exchange rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are translated into Danish kroner at the exchange rates at the balance sheet date. Realised and unrealised foreign exchange gains and losses are recognised in the income statement as financial income or financial expenses.

Independent foreign enterprises are translated according to the below principles:

- The balance sheet is translated into the exchange rate at the balance sheet date.
- The income statement is translated at the transaction date.
- Foreign exchange differences, arising on the translation of opening equity at the exchange rates at the balance sheet date, and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date, are recognised directly in equity.

Exchange adjustments of outstanding balances with foreign entities, which constitute an addition to or a deduction from the net investment, are taken directly to equity. Exchange gains and losses on financial instruments held to hedge foreign entities' currency exposures are taken directly to equity.

On the sale of a foreign group enterprise, the accumulated exchange adjustment is recognised in the income statement together with the gain or the loss.

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when delivery and transfer of risk have taken place and provided the income can be reliably measured and is expected to be received.

Revenue is measured less all kinds of discounts granted. Moreover, VAT and duties, etc. collected on behalf of third parties are deducted.

Other operating income and expenses

Other operating income comprises items secondary to the principal activities of the Company, including gains or losses on the disposal of non-current assets.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes

1 Accounting policies (continued)

Production costs

Production costs comprise costs incurred in generating the revenue for the year. Such costs include direct and indirect costs for raw materials, consumables, production personnel, rent and leases, and depreciation on production plant.

Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

Distribution costs

Selling and distribution costs incurred during the year are recognised as distribution costs. Distribution costs comprise costs related to sales staff, advertising, exhibitions and amortisation of/depreciation on assets that relate to the sale and distribution of the enterprise's goods.

Administrative expenses

Administrative expenses comprise expenses paid in the year for the management and administration of the Company, including expenses related to administrative staff, management, office premises, office expenses and depreciation on assets used in the administration.

Amortisation of intangible assets and depreciation on property, plant and equipment and impairment losses

Depreciation, amortisation and impairment losses comprise amortisation of intangible assets and depreciation on property, plant and equipment and impairment losses.

The estimated useful life of intangible assets is as follows:

Intellectual property rights acquired	3-5 years
Goodwill	10 years

The maximum amortisation period for goodwill is ten years for enterprises with strong market positions and long-term earnings profiles.

Depreciation is provided on a straight-line basis over the expected useful lives of property, plant and equipment. The basis of depreciation is cost less any expected residual value.

The expected useful lives of the assets are:

Buildings	20-40 years
Plant and machinery	5-10 years
Fixtures and fittings, other plant and equipment	3-5 years

Income from investments in group enterprises and associates

The item comprises the proportionate share of the individual subsidiaries' and associates' profits/losses after tax after elimination of intra-group profits/losses and less amortisation/impairment write-down of goodwill and other excess values at the date of acquisition.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes

1 **Accounting policies (continued)**

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses, also from group enterprises and associates, comprise declared dividends from other securities and investments, financial expenses on finance leases, realised and unrealised gains and losses on securities and investments, transactions in foreign currencies and amortisation of financial assets and liabilities.

Taxation

Tax on profit/loss for the year comprises current tax on the expected taxable income for the year and adjustments for the year of deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

The Company is jointly taxed with the Danish group enterprises. The Danish corporation tax is allocated between profit/loss-making Danish companies in proportion to their taxable income (full absorption).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the administrative company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the administrative company.

Balance sheet

Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Other intangible assets comprise development projects and other acquired rights.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Development projects are recognised as assets provided that they are clearly defined and identifiable and that the below recognition criteria are observed:

- the technical feasibility of completing the project is evidenced,
- it is the intention to produce, market or to use the product or the process,
- the availability of adequate technical and financial resources and ability to complete the development project and to use or sell it,
- it is probable that the project will result in future economic benefits and that a potential future market or possibilities of using the project internally in the Company are evidenced, and
- the cost can be reliably measured.

Development costs that do not qualify for capitalisation, are recognised as cost in the income statement as incurred.

Development costs are measured at direct costs and a portion of the costs that can be related indirectly to the individual development projects.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes

1 Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The cost of self-constructed non-current assets includes payroll costs and the cost of materials, etc. directly used in the construction process and a portion of production overheads.

Investments in group enterprises and associates

Investments in subsidiaries and associates are measured, using the equity method, at the companies' proportionate share of such enterprises' equity plus group goodwill and intra-group losses and less intra-group profits and negative goodwill. Investments in enterprises with negative net asset values are measured at DKK 0 (nil). The enterprise's proportionate share of any negative equity is set off against receivables to the extent the receivable is deemed irrecoverable. Any remaining amounts are recognised under provisions if the parent company has a legal or a constructive obligation to cover the deficit.

Investments acquired or sold during the year are recognised in the financial statements from the date of acquisition or until the time of sale.

Acquisitions are accounted for using the purchase method, see the description of consolidation.

Securities and investments are measured at the market value at the balance sheet date if they are listed, or at an approximate fair value if they are not listed.

Impairment of non-current assets

Intangible assets and property, plant and equipment as well as investments in subsidiaries and associates are assessed annually for indications of impairment. When there is an indication of impairment, each asset or group of assets generating independent cash-flows is impaired. The recoverable amount of the asset is calculated as the value in use and the net sales price (recoverable amount) if this is higher than the carrying amount. Impairment write-down of a group of assets is made to the effect that impairment write-down is initially made on goodwill and subsequently proportionately on the other assets.

Inventories

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

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs and other costs directly attributable to the acquisition.

Work in progress and finished goods are measured at manufacturing cost, which includes cost of raw materials, consumables and direct payroll costs plus indirect production overheads.

Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance of and depreciation on intangible assets and property, plant and equipment used in the production process.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost, which is usually equivalent to the nominal value. If there is an objective indication that an individual receivable or group of receivables is impaired, write-down is made for bad debt losses. Write-down is made to net realisable value if this is lower than the carrying amount.

Prepayments

Prepayments comprise prepaid expenses regarding subsequent financial years.

Equity

Proposed dividends

Dividends proposed for the financial year are presented as a separate item under equity.

Reserve for net revaluation according to the equity method

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

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised, or if they are no more part of the Company's operations by a transfer directly to distributable reserves under equity.

Corporation tax

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

Deferred tax is provided using the balance sheet liability method of all temporary differences between the carrying amount and the tax value of assets and liabilities, with the exception of temporary differences that arise on the date of acquisition of assets and liabilities that neither affect profit or taxable income, as well as temporary differences relating to goodwill which is not deductible for tax purposes.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same jurisdiction.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Borrowing costs, including exchange rate losses, are recognised as finance costs in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes

1 **Accounting policies (continued)**

Deferred income

Deferred income comprises payments received concerning income in subsequent financial years.

Cash flow statement

The cash flow statement shows the Group's cash flows for the year, broken down by operating, investing and financing activities, the year's changes in cash and cash equivalents and the Company's cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are presented using the indirect method and are stated as the profit or loss for the year, adjusted for non-cash operating items, changes in working capital, paid financial expenses and paid income taxes.

Cash flows from investing activities comprise payments related to additions and disposals of non-current assets and securities related to investing activities as well as payments in connection with the acquisition and disposal of enterprises and activities.

Cash flows from financing activities comprise the payment of dividends to shareholder, capital increases and reductions as well as the raising of loans and repayment of interest-bearing debt.

Cash and cash equivalents comprise cash and short-term bank loans as well as short-term securities with insignificant price risks.

Segment information

Information on revenue broken down into business and geographical segments is not disclosed, as such information is deemed to be detrimental to the enterprise as there are only a limited number of providers of the enterprise's products.

Financial ratios

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

Profit margin
Ordinary operating profit/loss / revenue x 100

Return on investment
Ordinary operating profit/loss / average assets x 100

Return on equity
Profit/loss for the year / average equity x 100

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes

2 **Revenue**

With reference to the Danish Financial Statements Art, section 96, subsection 1, the Company does not state the segmentation on activities and geographical markets of revenue.

		Consolidated		Parent company	
	DKK'000	2016	2015	2016	2015
3	**Staff costs**				
	Wages and salaries	72,849	67,222	50,855	47,539
	Pensions	9,510	9,039	5,690	5,342
	Other social security costs	1,881	1,720	1,115	1,092
	Other staff costs	949	1,323	615	697
		85,189	79,304	58,275	54,670
	Average number of full-time employees	474	427	137	127

Consolidated

Remuneration of the Group's Board of Directors and Executive Board totalled DKK 3,346 thousand (2015: DKK 3,330 thousand), contained in this, remuneration of the Board of Directors amounts to DKK 361 thousand (2015: DKK 500 thousand).

Parent company

Remuneration of the parent company's Board of Directors and Executive Board totalled DKK 3,346 thousand (2015: DKK 3,330 thousand), contained in this, remuneration of the Board of Directors amounts to DKK 361 thousand (2015: DKK 500 thousand).

Incentive schemes

Remuneration of the executive staff is partly performance-based.

		Consolidated 2016	Consolidated 2015	Parent company 2016	Parent company 2015
4	**Financial income**				
	Interest income from group enterprises	0	0	76	105
	Other interest income	127	20	59	20
	Foreign exchange adjustments	151	95	185	0
		278	115	320	125
5	**Financial expenses**				
	Other interest expenses	2,991	2,502	1,056	1,400
	Foreign exchange adjustments	151	1,001	151	362
	Other financial expenses	32	33	32	32
		3,174	3,536	1,239	1,794
6	**Tax on profit for the year**				
	Current tax for the year	922	1,200	0	411
	Adjustment of deferred tax	1,485	1,339	1,288	1,113
	Adjustment current tax prior year	6	0	6	0
		2,407	2,539	1,294	1,524

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes

7 Intangible assets

	Consolidated			
DKK'000	Completed development projects	Intangible assets acquired	Goodwill	Total
Cost at 1 January 2016	3,729	6,666	3,959	14,354
Foreign exchange adjustment	0	-4	0	-4
Additions during the year	5,295	1,517	0	6,812
Disposals during the year	0	0	0	0
Cost at 31 December 2016	9,024	8,179	3,959	21,162
Amortisation at 1 January 2016	1,006	5,355	3,539	9,900
Foreign exchange adjustment	0	0	0	0
Amortisation	782	805	229	1,816
Amortisation on assets sold	0	0	0	0
Amortisation at 31 December 2016	1,788	6,160	3,768	11,716
Carrying amount at 31 December 2016	7,236	2,019	191	9,446

	Parent company			
DKK'000	Completed development projects	Intangible assets acquired	Goodwill	Total
Cost at 1 January 2016	3,729	6,568	714	11,011
Additions during the year	5,295	1,517	0	6,812
Disposals during the year	0	0	0	0
Cost at 31 December 2016	9,024	8,085	714	17,823
Amortisation losses at 1 January 2016	1,006	5,351	476	6,833
Amortisation	782	718	119	1,619
Amortisation on assets sold	0	0	0	0
Amortisation losses at 31 December 2016	1,788	6,069	595	8,452
Carrying amount at 31 December 2016	7,236	2,016	119	9,371

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes

8 Property, plant and equipment

DKK'000	Consolidated				
	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equip.	Property, plant and equipment under const.	Total
Cost at 1 January 2016	86,898	107,267	5,748	211	200,124
Foreign exchange adjustment	-1,705	-1,424	0	-4	-3,133
Additions on acquisition of subs.	907	0	0	0	907
Additions	419	13,711	111	501	14,742
Transferred	0	206	0	-206	0
Disposals	0	-376	-1,583	0	-1,959
Cost at 31 December 2016	86,519	119,384	4,276	502	210,681
Depreciation at 1 January 2016	25,462	72,645	4,896	0	103,003
Foreign exchange adjustment	-360	-911	0	0	-1,271
Depreciation	2,083	6,594	312	0	8,989
Depreciation on assets sold	0	-277	-1,558	0	-1,835
Depreciation at 31 December 2016	27,185	78,051	3,650	0	108,886
Carrying amount at 31 December 2016	59,334	41,333	626	502	101,795
Thereof carrying amount of assets held under finance leases	0	4,812	0	0	4,812

DKK'000	Parent company				
	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equip.	Property, plant and equipment under const.	Total
Cost at 1 January 2016	45,519	74,965	5,724	106	126,314
Additions	319	12,916	111	305	13,651
Transferred	0	106	0	-106	0
Disposals	0	-376	-1,582	0	-1,958
Cost at 31 December 2016	45,838	87,611	4,253	305	138,007
Depreciation at 1 January 2016	15,958	51,818	4,882	0	72,658
Depreciation	1,116	4,860	312	0	6,288
Depreciation losses on assets sold	0	-277	-1,558	0	-1,835
Amortisation losses at 31 December 2016	17,074	56,401	3,636	0	77,111
Carrying amount at 31 December 2016	28,764	31,210	617	305	60,896
Thereof carrying amount of assets held under finance leases	0	3,584	0	0	3,584

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes

DKK'000	Consolidated 2016	Consolidated 2015
9 Investments in associates		
Cost at 1 January	5	5
Additions	0	0
Transferred	-5	0
Cost at 31 December	0	5
Value adjustments at 1 January	204	175
Share of profit/loss for the year	0	26
Foreign exchange adjustment	0	3
Transferred	-204	0
Value adjustments at 31 December	0	204
Carrying amount at 31 December	0	209

DKK'000	Parent company 2016	Parent company 2015
10 Investments in subsidiaries		
Cost at 1 January	5,619	7,646
Additions	0	0
Disposals	0	-2,027
Transferred	5	0
Cost at 31 December	5,624	5,619
Value adjustments at 1 January	27,105	20,634
Share of profit	4,596	4,254
Distributed dividends	0	-136
Foreign exchange adjustment	-1,494	547
Amortisation of goodwill re. investments	-188	-188
Value adjustments on investments sold	0	1,994
Transferred	200	0
Value adjustments at 31 December	30,219	27,105
Carrying amount at 31 December	35,843	32,724
Non-amortised goodwill	72	261

Name and registered office	Voting rights and ownership
BPI Polska Sp. Z o.o., Poland	100 %
Bramming Plast-Industri AB, Sweden	100 %
BPI Foam Polska Sp. Z o.o., Poland	100 %
- BPI Lipiany Sp. Z.o.o., Poland	100 %

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes

11 Share capital

The parent company's share capital, DKK 7,000 thousand, is broken down as follows:

7,000 shares of DKK 1,000 each

The parent company's share capital totalled DKK 7,000 thousand in the past five years.

12 Deferred tax

DKK'000	Consolidated 2016	Consolidated 2015	Parent company 2016	Parent company 2015
	Deferred tax liability [-] / tax asset [+]	Deferred tax liability [-] / tax asset [+]	Deferred tax liability [-] / tax asset [+]	Deferred tax liability [-] / tax asset [+]
Intangible assets	-2,039	-874	-2,039	-874
Property, plant and equipment	-6,694	-6,386	-6,694	-6,386
Inventories	-512	-568	-512	-568
Liabilities	179	656	179	656
Tax losses	1,064	433	631	0
Other temporary differences	-431	-333	88	112
	-8,433	-7,072	-8,348	-7,060

13 Prepayments

	Consolidated 2016	Consolidated 2015	Parent company 2016	Parent company 2015
Other prepaid expenses	612	522	596	514

14 Mortgage loans and bank loans, etc.

The loans are specified as follows:

DKK'000	Falling due between 1 and 5 years	Falling due after more than 5 years	Total non-current liabilities at 31 December 2016	Current portion of non-current liabilities other than provisions
Consolidated				
Mortgage loans	7,263	24,543	31,806	1,453
Bank loans	0	0	20,306	20,306
Lease obligations	1,334	0	2,175	812
	8,597	24,543	54,287	22,571
Parent company				
Mortgage loans	7,263	24,543	31,806	1,453
Lease obligations	1,334	0	1,334	812
	8,597	24,543	33,140	2,265

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes

15 Mortgages and collateral

Consolidated

Mortgages or other collateral in the Group's assets totalling DKK 64,404 thousand have been provided as collateral for the Company's payables to mortgage credit institutions, other credit institutions, creditors and other suppliers. The carrying amount of assets provided as collateral or mortgaged totals DKK 137,446 thousand. Security and the carrying amount are broken down on financial statement items as follows:

Land and buildings with a carrying amount of DKK 28,764 thousand at 31 December 2016 have been provided as collateral for payables to mortgage credit institutions, totalling DKK 33,259 thousand.

Land and buildings with a carrying amount of DKK 30,569 thousand at 31 December 2016 have been provided as collateral for payables to credit institutions, totalling DKK 20,306 thousand.

As security for payables to credit institutions, DKK 10,728 thousand, a company charge of DKK 25,000 thousand has been provided in the Company's assets with a carrying amount of DKK 78,113 thousand at 31 December 2016.

Parent company

Mortgages or other collateral in the parent company's assets totalling DKK 44,098 thousand have been provided as collateral for the parent company's payables to mortgage credit institutions, other credit institutions, creditors and other suppliers. The carrying amount of assets provided as collateral or mortgaged totals DKK 106,877 thousand. Security and the carrying amount are broken down on financial statement items as follows:

Land and buildings with a carrying amount of DKK 28,764 thousand at 31 December 2016 have been provided as collateral for payables to mortgage credit institutions, totalling DKK 33,259 thousand and subsequent as collateral for payables to credit institutions, totalling DKK 6,500 thousand.

As collateral for liabilities to credit institutions, DKK 10,839 thousand, a company charge of DKK 25,000 thousand has been provided in the parent company's assets with a carrying amount of DKK 78,113 thousand at 31 December 2016.

The parent company has provided a total amount of DKK 73.720 thousand as collateral for payables to credit institutions in the subsidiaries. (2015: DKK 33,776 thousand).

16 Contractual obligations and contingencies, etc.

Consolidated

The parent company is jointly taxed with its ultimate parent, BPI Finans ApS as the administrative company as well as other Danish group enterprises. Together with the other jointly taxed enterprises in the group, the Company has limited and secondary liability for the payment of corporation taxes for the income years and withholding taxes in the joint taxation unit.

Rent and lease liabilities comprise lease liabilities totalling DKK 529 thousand (2015: DKK 1,359 thousand) for non-terminable leases with a remaining contract period of one year. Furthermore, the obligation comprises operating leases on vehicles and IT equipment totalling DKK 6,669 thousand (2015: DKK 6,301 thousand) with a remaining contract period of 1-5 years.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes

Parent Company

The parent company is jointly taxed with its ultimate parent, BPI Finans ApS as the administrative company as well as other Danish group enterprises. Together with the other jointly taxed enterprises in the group, the Company has limited and secondary liability for the payment of corporation taxes for the income years and withholding taxes in the joint taxation unit.

Rent and lease liabilities comprise lease liabilities totalling DKK 529 thousand (2015: DKK 1,359 thousand) for non-terminable leases with a remaining contract period of one year. Furthermore, the obligation comprises operating leases on vehicles and IT equipment totalling DKK 5,126 thousand (2015: DKK 5,173 thousand) with a remaining contract period of 1-5 years.

17 Related party disclosures

Consolidated

Transactions with group enterprises that are not carried out on an arm's length basis

There have not been any related party transactions not carried out on an arm's length basis.

Parent company

Bramming Plast-Industri A/S' related parties comprise the following:

Related parties exercising control

Related parties	Address/registered office	Basis for exercising control
Parent company Bramming Plast-Industri Holding ApS	Kolding	Shareholding
Ultimate parent company BPI Finans ApS	Kolding	Shareholding

Information on consolidated financial statements

Parent company	Address/registered office	Consolidated financial statements are obtainable from
BPI Finans ApS	Birkemose Allé 11 DK - 6000 Kolding	The Danish Business Authority

Transactions with group enterprises that are not carried out on an arm's length basis

There have not been any related party transactions not carried out on an arm's length basis.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5 % of the votes or minimum 5 % of the share capital:

Bramming Plast-Industri Holding ApS

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

Notes

DKK'000	Consolidated 2016	Consolidated 2015	Parent company 2016	Parent company 2015
18 **Fees paid to auditors appointed at the annual general meeting**				
Fee relating to the statutory audit	197	221	103	135
Fee for other assurance engagements	0	0	0	0
Fee for providing tax advisory services	238	88	238	72
Fee for other assistance	111	88	108	89
	546	397	449	296

DKK'000	Parent company 2016	Parent company 2015
19 **Appropriation of profit**		
Recommended appropriation of profit		
Proposed dividends recognised as equity	5,850	0
Reserve for development costs	4,051	0
Retained earnings	-4,467	5,181
Reserve for net revaluation according to the equity method	3,113	5,954
	8,547	11,135