Nagel Danmark A/S

Thorsvej 19, Frøslev, DK-6330 Padborg

Annual Report for 2015

CVR No 81 74 55 28

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 25/5 2016

Kim Gravesen
Chairman

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Nagel Danmark A/S for the financial year 1 January - 31 December 2015.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company operations for 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Padborg, 25 May 2016

Executive Board

Kim Gravesen CEO	Martin Ventker COO

Board of Directors

Bernhard Heinrich Chairman	Ralf Heinz Sommer	Erik Christensen
Morten Amtrup	Preben John Maass Staff Representative	Malene Blom Staff Representative

Independent Auditor's Report on the Financial Statements

To the Shareholder of Nagel Danmark A/S

Report on the Financial Statements

We have audited the Financial Statements of Nagel Danmark A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation of 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 Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

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

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

Our audit has not resulted in any qualification.

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Trekantområdet, 25 May 2016
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jan Bunk Harbo Larsen statsautoriseret revisor	Henrik Forthoft Lind statsautoriseret revisor

Company Information

The Company	Nagel Danmark A/S Thorsvej 19 Frøslev DK-6330 Padborg Telephone: 74 30 74 30 Facsimile: 74 30 74 00 E-mail: dk.info@nagel-group.dk Website: www.nagel-group.dk CVR No: 81 74 55 28 Financial period: 1 January - 31 December Incorporated: 9 February 1977 Financial year: 39th financial year Municipality of reg. office: Aabenraa
Board of Directors	Bernhard Heinrich, Chairman Ralf Heinz Sommer Erik Christensen Morten Amtrup Preben John Maass Malene Blom
Executive Board	Kim Gravesen Martin Ventker
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2015 DKK mio.	2014 DKK mio.	2013 DKK mio.	2012 DKK mio.	2011 DKK mio.
Key figures					
Profit/loss					
Revenue	992	1.024	1.019	979	1.224
Gross profit/loss	153	165	157	274	131
Operating profit/loss	3	12	9	-33	-59
Profit/loss before financial income and expenses	7	18	11	122	-50
Net financials	-1	-6	-13	-24	-23
Net profit/loss for the year	5	8	-2	87	-73
Balance sheet					
Balance sheet total	411	421	477	480	410
Equity	111	106	158	157	-10
Investment in property, plant and equipment	-5	-3	-5	-2	-3
Number of employees	210	220	221	243	276
Ratios					
Gross margin	15,4%	16,1%	15,4%	28,0%	10,7%
Profit margin	0,7%	1,8%	1,1%	12,5%	-4,1%
Return on assets	1,7%	4,3%	2,3%	25,4%	-12,2%
Solvency ratio	27,0%	25,2%	33,1%	32,7%	-2,4%
Return on equity	4,6%	6,1%	-1,3%	118,4%	-270,4%

For definitions, see under accounting policies.

Management's Review

Main activity

The Company's main activity comprises national and international logistics services with focus on especially temperature-controlled transportation for the food processing industry and trade in Europe.

We moreover offer chilled and frozen storage, dry goods storage, re-usable packaging systems, analyses and consultancy services, etc.

Development in the year

Revenue for the year reached DKK 992 million compared to last year's DKK 1.024 million. The results for the year amounted to DKK 5 million compared to a profit of DKK 8 million last year.

Also in 2015, the market was affected by fierce competition with the resulting pressure on prices and weak development in freight volume. We have moreover witnessed a growing trend of food manufacturers redistributing labour-intensive processing to low-cost export markets such as Germany and Poland thus resulting in declining volume of goods. Furthermore, the EU sanctions against Russia have had a notable impact on goods structures for foodstuff in Europe and thus also the composition and volume of Nagel Denmark's goods.

In November 2015, the Company sold its activities in the fresh fish segment to another company combined with a real-estate lease and collaboration agreement due to the expected decline in fresh fish freight volumes. The sale was effected in the wake of the Company's continued optimisation efforts and implies that in future the Company will focus further on its core activities. The market for fish is characterised by heavy competition, and the absent synergies of international fish distribution contributed to the decision. The sale has affected the results for 2015 negatively.

The results on ordinary activities are considered unsatisfactory. However, the commenced reconstruction of the company and its activities continue as planned.

Also 2016 is expected to be challenging for both the transport industry and the Nagel Denmark Group due to fierce competition, traffic bottlenecks, redistribution and outsourcing of food manufacturing as well as increasing waiting times in connection with offloading at the central warehouses in Europe.

In continuation of the improvement measures started in 2011 our efforts were intensified and accordingly we expect a profit on ordinary activities for 2016.

Management's Review

The past year and follow-up on development expectations from last year

Also 2016 is expected to be challenging for both the transport industry and the Nagel Denmark Group due to fierce competition, traffic bottlenecks, redistribution and outsourcing of food manufacturing as well as increasing waiting times in connection with offloading at the central warehouses in Europe.

In continuation of the improvement measures started in 2011 our efforts were intensified and accordingly we expect a profit on ordinary activities for 2016.

Statutory statement of corporate social responsibility

The Nagel Danmark A/S Group endeavours to operate in a safe manner and wants to comply with legislation governing the areas in which we carry out our activities.

The Group has not adopted any specific CSR policy covering human rights and reduction of the environmental impact.

Share of the underrepresented gender

Target for female representation on the Board of Directors

When appointing candidates for the Board of Directors it is important that the candidates show a specific professional background and qualifications. It is moreover important that appointments are made with no regard to ethnicity, religious belief, political conviction, age or gender.

Especially in respect of gender representation we are attentive to increasing the female representation on the Board of Directors within the period 2013-2017. In order to reach this target we must ensure that employees and external partners are informed of our gender representation policy in future recruitment procedures.

Target until 2017: one female member on the Board of Directors.

At the moment Nagel Denmark has no female representation on the Board of Directors. The main reason for not meeting the objective is due to reelection of the board.

Management's Review

Gender representation at other management levels

Target for appointment of women at other management levels

We consider a diverse workforce an asset. We employ our staff on the basis of qualifications and personality and we offer all our employees equal opportunities with no regard to their background, religious belief, political conviction, age or gender. Nagel Denmark encourages every employee to pursue and realise his or her personal goals.

At management and administrative levels the representation of women is currently some 20% and hence women are slightly underrepresented.

Therefore we have in 2014 introduced a new layout for our hiring ads displaying both genders across the Group. Following the introduction significantly more employees of the underrepresented gender has been hired through the year at employee levels below management. As we believe that a solid and diverse recruitment base consisting of both genders is a requirement for a further uptake of female managers, our initiative will lead to an increase in female managers in the future.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	2015	2014
		TDKK	TDKK
Revenue		**992.458**	**1.023.786**
Other operating income		3.825	6.007
Direct freight expenses		-797.783	-817.254
Other external expenses		-45.450	-47.496
Gross profit/loss		**153.050**	**165.043**
Staff expenses	1	-137.416	-137.049
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-8.848	-10.169
Other operating expenses		-40	-126
Profit/loss before financial income and expenses		**6.746**	**17.699**
Income from investments in subsidiaries	2	1.428	-4.131
Financial income	3	6.333	6.099
Financial expenses	4	-8.315	-7.877
Profit/loss before tax		**6.192**	**11.790**
Tax on profit/loss for the year	5	-1.159	-3.851
Net profit/loss for the year		**5.033**	**7.939**

Distribution of profit

Proposed distribution of profit		
Retained earnings	5.033	7.939
	5.033	**7.939**

Balance Sheet at 31 December

Assets

	Note	2015	2014
		TDKK	TDKK
Software		105	277
Goodwill		0	0
Development projects in progress		243	0
Intangible assets	6	**348**	**277**
Land and buildings		120.304	124.424
Other fixtures and fittings, tools and equipment		11.772	11.841
Property, plant and equipment	7	**132.076**	**136.265**
Investments in subsidiaries	8	26.283	24.856
Other investments	9	347	165
Other receivables	9	2.726	2.655
Fixed asset investments		**29.356**	**27.676**
Fixed assets		**161.780**	**164.218**
Raw materials and consumables		9.137	10.600
Inventories		**9.137**	**10.600**
Trade receivables		72.481	78.523
Receivables from group enterprises		130.149	133.090
Other receivables		1.002	458
Prepayments	10	1.100	1.482
Receivables		**204.732**	**213.553**
Cash at bank and in hand		**35.332**	**33.057**
Currents assets		**249.201**	**257.210**
Assets		**410.981**	**421.428**

Balance Sheet at 31 December

Liabilities and equity

	Note	2015	2014
		TDKK	TDKK
Share capital		92.000	92.000
Revaluation reserve		3.547	3.547
Retained earnings		15.315	10.282
Equity	11	**110.862**	**105.829**
Provision for deferred tax		9.315	9.183
Provisions		**9.315**	**9.183**
Mortgage loans		58.088	63.621
Long-term debt	12	**58.088**	**63.621**
Mortgage loans	12	5.534	5.504
Lease obligations		0	1.236
Prepayments received from customers		3.156	2.113
Trade payables		101.360	105.080
Payables to group enterprises		91.227	98.362
Corporation tax		987	3.192
Other payables		29.994	26.350
Deferred income		458	958
Short-term debt		**232.716**	**242.795**
Debt		**290.804**	**306.416**
Liabilities and equity		**410.981**	**421.428**
Contingent assets, liabilities and other financial obligations	13		
Fee to auditors appointed at the general meeting	14		
Related parties	15		

Notes to the Financial Statements

		2015	2014
		TDKK	TDKK
1	**Staff expenses**		
	Wages and salaries	127.643	125.996
	Pensions	7.461	8.093
	Other social security expenses	718	798
	Other staff expenses	1.594	2.162
		137.416	**137.049**
	Including remuneration to the Executive and Supervisory Boards of:		
	Executive Board	4.305	3.031
	Supervisory Board	100	100
		4.405	**3.131**
	Average number of employees	**210**	**220**

		2015	2014
2	**Income from investments in subsidiaries**		
	Share of profits/losses including gain/loss of investments of subsidiaries	1.428	-2.998
	Amortisation of goodwill	0	-1.133
		1.428	**-4.131**

		2015	2014
3	**Financial income**		
	Income from fixed asset investments	366	0
	Interest received from group enterprises	5.202	5.363
	Other financial income	765	736
		6.333	**6.099**

		2015	2014
4	**Financial expenses**		
	Interest paid to group enterprises	3.492	2.294
	Other financial expenses	4.823	5.583
		8.315	**7.877**

	2015	2014
	TDKK	TDKK

5 Tax on profit/loss for the year

	2015 TDKK	2014 TDKK
Current tax for the year	1.027	3.192
Deferred tax for the year	132	659
	1.159	**3.851**

6 Intangible assets

	Software	Goodwill	Development projects in progress
	TDKK	TDKK	TDKK
Cost at 1 January	8.853	33.482	0
Additions for the year	0	0	243
Disposals for the year	-662	0	0
Cost at 31 December	8.191	33.482	243
Impairment losses and amortisation at 1 January	8.577	33.482	0
Amortisation for the year	171	0	0
Reversal of amortisation of disposals for the year	-662	0	0
Impairment losses and amortisation at 31 December	8.086	33.482	0
Carrying amount at 31 December	**105**	**0**	**243**
Amortised over	5-10 years	5-10 years	

Notes to the Financial Statements

7 Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment
	TDKK	TDKK
Cost at 1 January	191.229	61.399
Additions for the year	446	4.176
Disposals for the year	-35	-3.334
Cost at 31 December	191.640	62.241
Revaluations at 1 January	4.729	0
Revaluations at 31 December	4.729	0
Impairment losses and depreciation at 1 January	71.531	49.561
Depreciation for the year	4.555	4.122
Reversal of impairment and depreciation of sold assets	-21	-3.214
Impairment losses and depreciation at 31 December	76.065	50.469
Carrying amount at 31 December	**120.304**	**11.772**
Depreciated over	10-40 years	3-20 years

Notes to the Financial Statements

8 Investments in subsidiaries

	2015	2014
	TDKK	TDKK
Cost at 1 January	28.448	35.624
Additions for the year	0	1.990
Disposals for the year	0	-9.166
Cost at 31 December	28.448	28.448
Value adjustments at 1 January	-3.592	-15.632
Disposals for the year	0	12.816
Exchange adjustment	0	-3
Net profit/loss for the year	1.427	360
Amortisation of goodwill	0	-1.133
Value adjustments at 31 December	-2.165	-3.592
Carrying amount at 31 December	**26.283**	**24.856**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Nagel Transport & Logistik ApS	Denmark	TDKK 2.200	100%
Translog GmbH	Germany	TEUR 304	100%

Notes to the Financial Statements

9 Other fixed asset investments

	Other investments	Other receiv-ables
	TDKK	TDKK
Cost at 1 January	165	2.655
Additions for the year	182	71
Cost at 31 December	347	2.726
Carrying amount at 31 December	**347**	**2.726**

10 Prepayments

Prepayments consist of prepaid expenses concerning insurance premiums and lease.

11 Equity

	Share capital	Revaluation reserve	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	92.000	3.547	10.282	105.829
Net profit/loss for the year	0	0	5.033	5.033
Equity at 31 December	**92.000**	**3.547**	**15.315**	**110.862**

The share capital consists of 75.000 shares of a nominal value of DKK 1.000.000, 1 share of a nominal value of DKK 200.000, 1 share of a nominal value of DKK 800.000, 1 share of a nominal value of DKK 3.000.000, 1 share of a nominal value of DKK 3.600.000, 1 share of a nominal value of DKK 4.000.000, 1 share of a nominal value of DKK 4.400.000 and 1.000 shares of a nominal value of DKK 1.000. No shares carry any special rights.

The share capital has developed as follows:

	2015	2014	2013	2012	2011
	TDKK	TDKK	TDKK	TDKK	TDKK
Share capital at 1 January	92.000	92.000	92.000	17.000	17.000
Capital increase	0	0	0	75.000	0
Capital decrease	0	0	0	0	0
Share capital at 31 December	**92.000**	**92.000**	**92.000**	**92.000**	**17.000**

Notes to the Financial Statements

12 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2015	2014
	TDKK	TDKK
Mortgage loans		
After 5 years	35.701	41.313
Between 1 and 5 years	22.387	22.308
Long-term part	58.088	63.621
Within 1 year	5.534	5.504
	63.622	**69.125**

Notes to the Financial Statements

	2015	2014
	TDKK	TDKK

13 Contingent assets, liabilities and other financial obligations

Rental agreements and leases

	2015 TDKK	2014 TDKK
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	6.890	9.043
Between 1 and 5 years	2.811	11.282
After 5 years	0	1.821
	9.701	**22.146**
Rental obligations, period of interminability up to 60 months	22.372	30.384

Security

The following assets have been placed as security with mortgage credit institutes:

	2015 TDKK	2014 TDKK
Buildings with a carrying amount of	113.536	117.234

The following assets have been placed as security with bankers:

	2015 TDKK	2014 TDKK
Mortgages registered to the mortgagors and all monies mortgages totalling TDKK 53.100 on buildings with a total carrying amount of	113.536	117.234

Payment guarantees totalling TDKK 6.000 (2014: TDKK 6.458) have been provided through a credit institution.

Contingent liabilities

An unlimited contract of guarantee has been issued in respect of bank debt and provision of security in the subsidiary Nagel Transport & Logistik ApS. The total commitment at 31 December 2015 amounts to TDKK 0 (2014: TDKK 0).

A guarantee has been issued in respect of lease obligations of group enterprises. The total guarantee commitment at 31 December 2015 amounts to TDKK 14.086 (2014: TDKK 14.629).

The Danish group enterprises are jointly and severally liable for tax on the consolidated jointly taxed income etc. The total corporation tax payable is shown in the Annual Report of Andreas Andresen Holding ApS, which is the management company of the joint taxation. The Danish group enterprises are moreover jointly and severally liable for Danish withholding taxes. Any subsequent adjustments of corporation tax and withholding taxes may imply that the Company is liable for a higher amount.

Notes to the Financial Statements

14 Fee to auditors appointed at the general meeting

Pursuant to section 96(3) of the Danish Financial Statements Act, the fee to the auditors appointed at the general meeting has been disclosed in the Consolidated Financial Statements of Nagel Logistik-Holding GmbH & Co KG, Versmold, Germany.

15 Related parties

	Basis
Controlling interest	
Andreas Andresen Holding ApS, Thorsvej 19, 6330 Padborg	Parent Company
Other related parties	
Nagel Logistik-Holding GmbH & Co KG, D-33775 Versmold	Ultimate Parent Company

Consolidated Financial Statements

The Company is included in the Consolidated Financial Statements of its immediate Parent Company Andreas Andresen Holding ApS, CVR No 29 24 17 67. Moreover, the Company is included in the Consolidated Financial Statements of its ultimate Parent Company, Nagel Logistik-Holding GmbH & Co KG, D-333775 Versmold.

The Consolidated Annual Report of Andreas Andresen Holding ApS, CVR No 29 24 17 67, may be obtained at the following address:

Thorsvej 19
Frøslev
6330 Padborg
Denmark

Accounting Policies

Basis of Preparation

Financial Statements of Nagel Danmark A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Basis of consolidation

With reference to section 112 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Accounting Policies

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Segment reporting

For competitive reasons, the exemption rule under section 96 of the Danish Financial Statements Act has been applied.

Income Statement

Revenue

Revenue is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Direct freight expenses

Direct freight expenses comprise the transport costs etc incurred to achieve revenue for the year.

Accounting Policies

Other external expenses

Other external expenses comprise indirect freight expenses and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The items “Income from investments in subsidiaries” in the income statement include the proportionate share of the profit for the year less goodwill amortisation, including gains and losses on the sale of shares in subsidaries..

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with the parent company Andreas Andresen Holding ApS and the subsidiary company Nagel Transport og Logistik ApS. Andreas Andresen Holding ApS has been selected as the administrative company. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

Accounting Policies

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 3-10 years.

Software is measured at cost less accumulated amortisation. Software is amortised on a straight-line basis over its useful life, which is assessed at 3-5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost added revaluations and less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost added revaluations and reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other buildings	10-40 years
Other fixtures and fittings, tools and equipment	3-20 years

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

Accounting Policies

The items “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments are measured at cost.

Inventories

Inventories of consumables (pallets, crates and boxes, etc) are measured at the lower of cost and net realisable value. The inventories are written down systematically over their estimated useful lifetime.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company’s experience from previous years.

Prepayments

Prepayments comprise prepaid expenses concerning insurance premiums etc.

Equity

Dividend

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

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Accounting Policies

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

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

Cash Flow Statement

With reference to section 86 of the Danish Financial Statements Act, the cash flow statement has not been disclosed in the Annual Report.

Accounting Policies

Financial Highlights

Explanation of financial ratios

Gross margin	$\dfrac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\dfrac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\dfrac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\dfrac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\dfrac{\text{Net profit for the year x 100}}{\text{Average equity}}$