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# ***GEA Refrigeration Components (Nordic) A/S***

Nørskovvej 1B, DK-8660 Skanderborg

## **Annual Report for 1 January - 31 December 2016**

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CVR No 10 07 29 21

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
24/5 2017

Chairman



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## **Management's Statement**

The Executive Board and Board of Directors have today considered and adopted the Annual Report of GEA Refrigeration Components (Nordic) A/S for the financial year 1 January - 31 December 2016.

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

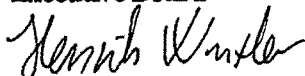
In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2016 of the Company and of the results of the Company operations for 2016.

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.

Skanderborg, 24 May 2017

### **Executive Board**



Henrik Winther

CEO

### **Board of Directors**

Ulla Michelsen

Morten Unn Hansen

## **Management's Statement**

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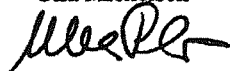
Skanderborg, 24 May 2017

### **Executive Board**

Henrik Winther  
CEO

### **Board of Directors**

Ulla Michelsen



Morten Unn Hansen



# **Independent Auditor's Report**

To the Shareholders of GEA Refrigeration Components (Nordic) A/S

## **Opinion**

We have audited the financial statements of GEA Refrigeration Components (Nordic) A/S for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Management's responsibilities for the financial statements**

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

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

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the

## **Independent Auditor's Report**

audit. We also:

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

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

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

Management is responsible for the Management's review.

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

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

## Independent Auditor's Report

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

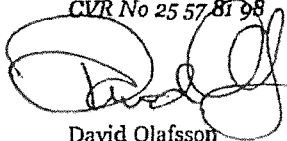
Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 24 May 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR No 25 57 81 98



David Olafsson  
statsautoriseret revisor



Jakob Westerdahl  
statsautoriseret revisor

## **Company Information**

<b>The Company</b>	GEA Refrigeration Components (Nordic) A/S Nørskovvej 1B DK-8660 Skanderborg  Telephone: + 45 75 52 60 15 Website: <a href="http://www.gearefrigeration.com">www.gearefrigeration.com</a>  CVR No: 10 07 29 21 Financial period: 1 January - 31 December Municipality of reg. office: Skanderborg
<b>Board of Directors</b>	Ulla Michelsen Morten Unn Hansen
<b>Executive Board</b>	Henrik Winther
<b>Auditors</b>	KPMG Statsautoriseret Revisionspartnerselskab Bredskifte Alle 13 DK-8210 Aarhus



## **Management's Review**

### **Key activities**

GEA Refrigeration Components (Nordic) A/S is a member of the Refrigeration Division of the multinational company GEA Group AG in Germany. GEA Refrigeration Components (Nordic) A/S sells compressors, chillers, condensers, valves, etc. to contracting companies doing business within refrigeration in Scandinavia.

### **Development in the year**

The income statement of the Company for 2016 shows a profit of EUR 614,284, and at 31 December 2016 the balance sheet of the Company shows equity of EUR 1,946,863.

### **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	2016 EUR	2015 EUR
Gross profit/loss		1.274.996	1.378.888
Staff expenses	1	-469.516	-401.812
Other operating expenses		-12.543	-10.058
Profit/loss before financial income and expenses		792.937	967.018
Financial expenses		-8.456	-2.256
Profit/loss before tax		784.481	964.762
Tax on profit/loss for the year	2	-170.197	-229.929
Net profit/loss for the year		614.284	734.833

## Distribution of profit

### Proposed distribution of profit

Retained earnings	614.284	734.833
	614.284	734.833

## Balance Sheet 31 December

### Assets

	Note	2016 EUR	2015 EUR
Trade receivables		108.307	90.786
Receivables from group enterprises		2.573.490	1.811.019
Other receivables		0	7.200
Deferred tax asset		7.040	19.287
Prepayments		1.798	2.968
<b>Receivables</b>		<b>2.690.635</b>	<b>1.931.260</b>
<b>Currents assets</b>		<b>2.690.635</b>	<b>1.931.260</b>
<b>Assets</b>		<b>2.690.635</b>	<b>1.931.260</b>

## Balance Sheet 31 December

### Liabilities and equity

	Note	2016 EUR	2015 EUR
Share capital		67.116	67.116
Retained earnings		1.879.747	1.265.463
<b>Equity</b>	<b>3</b>	<b>1.946.863</b>	<b>1.332.579</b>
Other provisions		50.000	105.000
<b>Provisions</b>		<b>50.000</b>	<b>105.000</b>
Trade payables		2.967	7.282
Payables to group enterprises		346.174	124.749
Corporation tax		157.952	241.071
Other payables		186.679	120.579
<b>Short-term debt</b>		<b>693.772</b>	<b>493.681</b>
<b>Debt</b>		<b>693.772</b>	<b>493.681</b>
<b>Liabilities and equity</b>		<b>2.690.635</b>	<b>1.931.260</b>
Contingent assets, liabilities and other financial obligations	4		
Related parties	5		

## Notes to the Financial Statements

	2016 EUR	2015 EUR
<b>1 Staff expenses</b>		
Wages and salaries	426.371	361.023
Pensions	24.454	18.950
Other social security expenses	2.590	2.650
Other staff expenses	16.101	19.189
	<b>469.516</b>	<b>401.812</b>
 Average number of employees	 <b>4</b>	 <b>3</b>

## 2 Tax on profit/loss for the year

Current tax for the year	157.951	241.071
Deferred tax for the year	12.246	-11.142
	<b>170.197</b>	<b>229.929</b>

## 3 Equity

	Share capital EUR	Retained earnings EUR	Total EUR
Equity at 1 January	67.116	1.265.463	1.332.579
Net profit/loss for the year	0	614.284	614.284
Equity at 31 December	<b>67.116</b>	<b>1.879.747</b>	<b>1.946.863</b>

The share capital consists of 500 shares of a nominal value of DKK 1,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

## Notes to the Financial Statements

### 4 Contingent assets, liabilities and other financial obligations

#### Contractual obligations

Contingencies regarding leasehold amount to EUR 16 thousand.

#### Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of GEA Process Engineering A/S (CVR No. 10 05 07 15), which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

There are no security and contingent liabilities at 31 December 2016.

### 5 Related parties

#### Ownership

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

GEA Refrigeration Technologies GmbH  
Dorstener Strasse 484  
D-44809  
Germany

#### Consolidated Financial Statements

The company is included in the consolidated financial statements of GEA Group AG, Germany.

Name	Place of registered office
GEA Group AG	Peter-Müller-Str. 12, 40468 Düsseldorf

The Group Annual Report of GEA Group AG may be obtained at the following address: [www.geagroup.com](http://www.geagroup.com).

## **Notes, Accounting Policies**

### **Basis of Preparation**

The Annual Report of GEA Refrigeration Components (Nordic) A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2016 are presented in EUR.

### **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.

### **Translation policies**

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

## **Notes, Accounting Policies**

### **Income Statement**

#### **Gross profit/loss**

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

#### **Revenue**

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

#### **Other external expenses**

Other external expenses comprise indirect production costs 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 other than production wages.

#### **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 changes in 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.

The Company is jointly taxed with affiliated companies and their subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes. The administrative company is GEA Process Engineering A/S (CVR No. 10 05 07 15).

### **Balance Sheet**

#### **Inventories**

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable



## **Notes, Accounting Policies**

value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

### **Receivables**

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

### **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### **Equity**

#### ***Dividend***

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

### **Provisions**

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of . Provisions are measured and recognised based on experience with guarantee work.

### **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.

Deferred tax assets 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 or in equity if the deferred tax relates to items recognised in equity.

## **Notes, Accounting Policies**

### **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**

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