

**Watson-Marlow Flexicon A/S**  
**Central Business Registration No**  
**10139384**

**Annual report 2015**

The Annual General Meeting adopted the annual report on

*11 May 2016*

**Chairman of the General Meeting**

  
Name: *LARS PETERSEN*

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## **Entity details**

### **Entity**

Watson-Marlow Flexicon A/S  
Frejasvej 2-6  
4100 Ringsted

Central Business Registration No: 10139384

Founded: 01.01.1986

Registered in: Ringsted

Financial year: 01.01.2015 - 31.12.2015

Phone: +4557671155

Fax: +4557670541

Internet: [www.flexicon.dk](http://www.flexicon.dk)

### **Board of Directors**

James Lawrence Whalen IV, Chairman

Susan Mary Godzicz

Christopher Andrew Magor

### **Executive Board**

Benny Ole Smith

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Watson-Marlow Flexicon A/S for the financial year 01.01.2015 - 31.12.2015.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations and cash flows for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

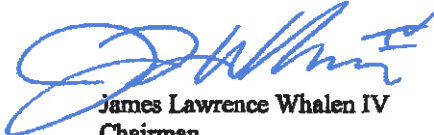
Ringsted, 15.02.2016

### Executive Board



Benny Ole Smith

### Board of Directors



James Lawrence Whalen IV  
Chairman



Susan Mary Godzicz



Christopher Andrew Magor

## **Independent auditor's reports**

### **To the owners of Watson-Marlow Flexicon A/S**

#### **Report on the financial statements**

We have audited the financial statements of Watson-Marlow Flexicon A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. 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 about whether the financial statements are free from material misstatement.

An audit involves performing 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 misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity'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 Entity'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 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 Company's financial position at 31.12.2015 and of the results of its operations and cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

## **Independent auditor's reports**

### **Statement on the management commentary**

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 15.02.2016

**Deloitte**

Statsautoriseret Revisionspartnerselskab



Jens Rudkjær

State Authorised Public Accountant

## **Management commentary**

### **Primary activities**

As in prior years, the Company's primary activities consist of construction, production and sale of filling and encapsulation machines.

### **Development in activities and finances**

The gross profit for the period amounts to DKK 35,532 thousand compared to DKK 36,823 thousand in 2014. Profit for the year before tax amounts to 16,276 thousand compared to results for the year before tax in the amount of DKK 18,660 thousand in 2014. The result is considered satisfactory in spite of the small decrease compared to last year.

### **Outlook**

We expect positive results for 2016.

### **Particular risks**

#### **Price risks**

The Company uses stainless steel for the production of filling and encapsulation machines. Fluctuation in stainless steel prices may slightly affect the production costs.

#### **Currency risks**

The Company primarily trades in DKK and EUR, for which reason results, cash flows and equity are not significantly affected by fluctuations in the foreign exchange markets. Commercial currency risks are not hedged.

#### **Interest rate risks**

As the net interest-bearing debt does not constitute a significant amount, moderate changes to the interest rate level will have no significant effect on earnings. No positions are established to hedge interest rate risks.

### **Environmental performance**

The Company is certified according to ISO 9001:2008 and ISO 14001. The Company is working determinedly to improve the environmental effort. This is done within the framework of the Spirax-Sarco group's overall targets.

The Company expects to achieve certification according to OHSAS 18001 in 2016.

### **Research and development activities**

The development activities primarily comprise improvement and update of the existing product portfolio.

## **Management commentary**

### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.



## **Accounting policies**

### **Reporting class**

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C enterprises.

The accounting policies applied to these financial statements are consistent with those applied last year.

### **Recognition and measurement**

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### **Foreign currency translation**

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

### **Income statement**

#### **Gross profit or loss**

Gross profit or loss comprises revenue, production costs, cost of sales and other operating income.

## **Accounting policies**

### **Revenue**

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method). If the result of a contract cannot be measured reliably, revenue is only recognised by an amount corresponding to the costs incurred to the extent that it is probable that they can be recovered.

### **Production costs**

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease as well as depreciation and impairment losses relating to property, plant and equipment included in the production process. In addition, the item includes ordinary write-down of inventories.

Also, provisions for loss on contract work in progress are recognised under production costs.

### **R&D**

Expenditure on research & development is charged to the income statement in the period in which it is incurred.

### **Cost of sales**

Cost of sales comprises cost of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

### **Distribution costs**

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment attached to the distribution process.

### **Administrative expenses**

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

## Accounting policies

### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on transactions in foreign currencies as well as tax relief under the Danish Tax Pre-payment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, and net capital losses on transactions in foreign currencies.

### Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish branches of the Spirax-Sarco Engineering Plc Group. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## Balance sheet

### Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually five years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources. The amortisation period of goodwill in this Entity is set at ten years. The useful life is longest for strategic acquisitions with a strong market position and a long-term earnings profile.

Goodwill is written down to the lower of recoverable amount and carrying amount.

### R&D

Expenditure on research & development is charged to the income statement in the period in which it is incurred.

### Property, plant and equipment

Plant and machinery, other fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

## Accounting policies

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	2-8 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Inventories

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

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

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

## **Accounting policies**

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value, less write-downs for bad and doubtful debts.

### **Contract work in progress**

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### **Other provisions**

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, etc.

## **Accounting policies**

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is likely that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

### **Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

### **Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### **Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

### **Income tax receivable or payable**

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

Joint taxation contribution receivable or payable is recognised in the balance sheet as "Income tax receivable" or "Income tax payable".

### **Cash flow statement**

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

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

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

## **Accounting policies**

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as payment of dividend. Cash and cash equivalents comprise cash.

**Income statement for 2015**

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
<b>Gross profit</b>	1, 2	35.532	36.823
Distribution costs	1, 2	(11.223)	(10.993)
Administrative costs	1, 2	(8.025)	(7.136)
<b>Operating profit/loss</b>		<b>16.284</b>	<b>18.694</b>
Other financial income	3	34	26
Other financial expenses	4	(42)	(60)
<b>Profit/loss from ordinary activities before tax</b>		<b>16.276</b>	<b>18.660</b>
Tax on profit/loss from ordinary activities	5	(3.851)	(4.578)
<b>Profit/loss for the year</b>		<b>12.425</b>	<b>14.082</b>
<b>Proposed distribution of profit/loss</b>			
Dividend for the financial year		12.000	14.000
Retained earnings		425	82
		<b>12.425</b>	<b>14.082</b>



**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
<b>Goodwill</b>		1.207	1.672
<b>Intangible assets</b>	<b>6</b>	<u>1.207</u>	<u>1.672</u>
<b>Plant and machinery</b>		636	724
<b>Other fixtures and fittings, tools and equipment</b>		151	161
<b>Leasehold improvements</b>		851	653
<b>Property, plant and equipment</b>	<b>7</b>	<u>1.638</u>	<u>1.538</u>
<b>Deposits</b>		438	438
<b>Fixed asset investments</b>		<u>438</u>	<u>438</u>
<b>Fixed assets</b>		<u>3.283</u>	<u>3.648</u>
<b>Raw materials and consumables</b>		8.112	7.073
<b>Work in progress</b>		351	1.007
<b>Manufactured goods and goods for resale</b>		2.557	2.687
<b>Inventories</b>		<u>11.020</u>	<u>10.767</u>
<b>Trade receivables</b>		6.828	9.417
<b>Contract work in progress</b>	<b>8</b>	324	498
<b>Receivables from group enterprises</b>		4.969	4.931
<b>Other short-term receivables</b>		1	2
<b>Prepayments</b>		244	399
<b>Receivables</b>		<u>12.366</u>	<u>15.247</u>
<b>Cash</b>		<u>9.649</u>	<u>7.762</u>
<b>Current assets</b>		<u>33.035</u>	<u>33.776</u>
<b>Assets</b>		<u>36.318</u>	<u>37.424</u>

**Balance sheet at 31.12.2015**

	<b>Notes</b>	<b>2015 DKK'000</b>	<b>2014 DKK'000</b>
Contributed capital	9	1.200	1.200
Retained earnings		12.486	12.061
Proposed dividend		12.000	14.000
<b>Equity</b>		<b>25.686</b>	<b>27.261</b>
Provisions for deferred tax		176	261
Other provisions		814	790
<b>Provisions</b>		<b>990</b>	<b>1.051</b>
Prepayments received from customers		51	364
Contract work in progress	10	2.857	1.121
Trade payables		1.714	1.537
Debt to group enterprises		138	337
Income tax payable	11	40	137
Other payables	12	4.842	5.616
<b>Current liabilities other than provisions</b>		<b>9.642</b>	<b>9.112</b>
<b>Liabilities other than provisions</b>		<b>9.642</b>	<b>9.112</b>
<b>Equity and liabilities</b>		<b>36.318</b>	<b>37.424</b>
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Related parties with control	16		
Ownership	17		
Consolidation	18		

**Statement of changes in equity for 2015**

	<b>Contri- buted capi- tal DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Proposed dividend DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	1.200	12.061	14.000	27.261
Ordinary dividend paid	0	0	(14.000)	(14.000)
Profit/loss for the year	0	425	12.000	12.425
<b>Equity end of year</b>	<b>1.200</b>	<b>12.486</b>	<b>12.000</b>	<b>25.686</b>

**Cash flow statement 2015**

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Operating profit/loss		16.284	18.695
Amortisation, depreciation and impairment losses		1.065	975
Other provisions		24	258
Working capital changes	13	<u>3.257</u>	<u>(4.908)</u>
<b>Cash flow from ordinary operating activities</b>		<b>20.630</b>	<b>15.020</b>
Financial income received		27	26
Financial income paid		(37)	(60)
Income taxes refunded/(paid)		<u>(4.032)</u>	<u>(3.918)</u>
<b>Cash flows from operating activities</b>		<b>16.588</b>	<b>11.068</b>
Acquisition etc of property, plant and equipment		(721)	(1.302)
Sale of property, plant and equipment		20	0
Other cash flows from investing activities		<u>0</u>	<u>(3)</u>
<b>Cash flows from investing activities</b>		<b>(701)</b>	<b>(1.305)</b>
Dividend paid		<u>(14.000)</u>	<u>(11.000)</u>
<b>Cash flows from financing activities</b>		<b>(14.000)</b>	<b>(11.000)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>1.887</b>	<b>(1.237)</b>
Cash and cash equivalents beginning of year		<u>7.762</u>	<u>8.999</u>
<b>Cash and cash equivalents end of year</b>		<b><u>9.649</u></b>	<b><u>7.762</u></b>
Cash and cash equivalents at year-end are composed of:			
Cash		<u>9.649</u>	<u>7.762</u>
<b>Cash and cash equivalents end of year</b>		<b><u>9.649</u></b>	<b><u>7.762</u></b>

## Notes

	<b>2015</b>	<b>2014</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>1. Staff costs</b>		
Wages and salaries	22.850	22.064
Pension costs	3.215	2.918
Other social security costs	318	329
	<u>26.383</u>	<u>25.311</u>
Average number of employees	<u>42</u>	<u>41</u>
Remuneration to the Board of Directors amount DKK 0.		
	<b>2015</b>	<b>2014</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	465	465
Depreciation on property, plant and equipment	620	510
Profit/loss from sale of intangible assets and property, plant and equipment	(20)	0
	<u>1.065</u>	<u>975</u>
	<b>2015</b>	<b>2014</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>3. Other financial income</b>		
Interest income	7	24
Exchange rate adjustments	27	0
Interest regarding tax paid on account	0	2
	<u>34</u>	<u>26</u>
	<b>2015</b>	<b>2014</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>4. Other financial expenses</b>		
Interest expenses	37	0
Exchange rate adjustments	5	60
	<u>42</u>	<u>60</u>

## Notes

	2015 DKK'000	2014 DKK'000	
<b>5. Tax on ordinary profit/loss for the year</b>			
Current tax	3.922	4.637	
Change in deferred tax for the year	(85)	(54)	
Adjustment relating to previous years	14	(5)	
	<u>3.851</u>	<u>4.578</u>	
		<u>Goodwill DKK'000</u>	
<b>6. Intangible assets</b>			
Cost beginning of year		4.845	
Cost end of year		<u>4.845</u>	
Amortisation and impairment losses beginning of year		(3.173)	
Amortisation for the year		<u>(465)</u>	
Amortisation and impairment losses end of year		<u>(3.638)</u>	
Carrying amount end of year		<u>1.207</u>	
	<u>Plant and machinery DKK'000</u>	<u>Other fix- tures and fittings, tools and equipment DKK'000</u>	<u>Leasehold improve- ments DKK'000</u>
<b>7. Property, plant and equipment</b>			
Cost beginning of year	3.455	825	1.746
Additions	269	33	419
Disposals	(80)	0	0
Cost end of year	<u>3.644</u>	<u>858</u>	<u>2.165</u>
Depreciation and impairment losses beginning of the year	(2.731)	(664)	(1.093)
Depreciation for the year	(357)	(43)	(221)
Reversal regarding disposals	80	0	0
Depreciation and impairment losses end of the year	<u>(3.008)</u>	<u>(707)</u>	<u>(1.314)</u>
Carrying amount end of year	<u>636</u>	<u>151</u>	<u>851</u>

## 8. Contract work in progress

At 31.12.2015, the gross value of contract work in progress was DKK 967 thousand.

## Notes

	Number	Par value DKK	Nominal value DKK'000
<b>9. Contributed capital</b>			
Share capital	1	217,00	217
Share capital	1	180,00	180
Share capital	2	100,00	200
Share capital	1	50,00	50
Share capital	3	10,00	30
Share capital	3	5,00	15
Share capital	1	3,00	3
Share capital	5	1,00	5
Share capital	5.000	0,10	500
	<u>5.017</u>		<u>1.200</u>

## 10. Contract work in progress

At 31.12.2015, the gross value of contract work in progress was DKK 967 thousand.

## 11. Short-term income tax payable

Income tax payable comprises corporation tax payable.

	2015 DKK'000	2014 DKK'000
<b>12. Other short-term payables</b>		
VAT and duties	1.097	1.856
Wages and salaries, personal income taxes, social security costs, etc. payable	0	154
Other costs payable	3.745	3.606
	<u>4.842</u>	<u>5.616</u>
<b>13. Change in working capital</b>		
Increase/decrease in inventories	(128)	(1.660)
Increase/decrease in receivables	2.959	(3.216)
Increase/decrease in trade payables etc	426	(32)
	<u>3.257</u>	<u>(4.908)</u>

## Notes

### 14. Unrecognised rental and lease commitments

#### Rental commitments

The Company has entered into a lease agreement until December 2018. The nominal commitment for the remaining term of the lease amounts to approximately DKK 3,998 thousand.

#### Operating lease commitments

The Company has entered into operating leases with remaining terms of up to 50 months. The residual lease payment amounts to DKK 1,166 thousand (2014: DKK 1,558 thousand).

### 15. Contingent liabilities

The Company participates in a Danish joint taxation arrangement with the other Danish branch of the Spirax-Sarco Engineering Plc Group. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company, as the administrative company, is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from 01.07.2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

### 16. Related parties with control

Relating parties with a controlling interest comprise Spirax-Sarco Investments Ltd., Charlton House, Cirencester Road, Cheltenham, Gloucestershire GL53 8ER, United Kingdom.

Relating parties with a significant influence comprise Spirax-Sarco Engineering BV., Charlton House, Cirencester Road, Cheltenham, Gloucestershire GL53 8ER, United Kingdom.

### 17. Ownership

The following shareholders are registered as holding more than 5% of the voting share capital or more than 5% of the nominal value of the share capital:

Spirax-Sarco Investments Ltd., Charlton House, Cirencester Road, Cheltenham, Gloucestershire GL53 8ER, United Kingdom

Spirax-Sarco Engineering BV., Charlton House, Cirencester Road, Cheltenham, Gloucestershire GL53 8ER, United Kingdom

### 18. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Spirax-Sarco Engineering Plc, [www.Spiraxsarcoengineering.com](http://www.Spiraxsarcoengineering.com)