

# C.R. Laurence Of Scandinavia ApS

Stamhoimen 70B, 2650 Hvidovre

CVR no. 10 27 65 94

## Annual report

for the period 1 January - 31 December 2018

Approved at the annual general meeting of shareholders on 26 June 2019

Chairman:



.....  
Simon John Boocock

## Contents

<b>Statement by the Executive Board</b>	<b>2</b>
<b>Independent auditors' report</b>	<b>3</b>
<b>Management's review</b>	<b>6</b>
Company details	6
Operating review	6
<b>Financial statements for the period 1 January - 31 December</b>	<b>7</b>
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

## Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of C.R. Laurence Of Scandinavia ApS for the financial year 1 January - 31 December 2018.

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

In my opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

I recommend that the annual report is approved at the annual general meeting.

Copenhagen, 26 June 2019

Executive Board:



Simon John Boocock

## Independent auditors' report

To the shareholders of C.R. Laurence Of Scandinavia ApS

### Qualified opinion

We have audited the financial statements of C.R. Laurence Of Scandinavia ApS for the financial year 1 January – 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, except for the incomplete disclosure described in the "Basis for qualified opinion" section, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

### Basis for qualified opinion

The Company's equity is negative as per 31 December 2018. The Company is expected to undergo solvent liquidation through conversion of intercompany debt but has not been able to retrieve such confirmation from the parent company. This situation indicates a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, and accordingly, the Company may be unable to realise its assets and settle its obligations in the ordinary course of business. In our opinion, the financial statements do not disclose adequate information about this matter.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance 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 additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

## Independent auditors' report

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

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

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

### Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

As stated in the "Basis for qualified opinion" section, our opinion on the financial statements is modified because of inadequate information about material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. While reading the Management's review, we noted that it does not disclose adequate information about the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.



### Independent auditors' report

Apart from this and 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 Statements Act.

Aarhus, 26 June 2019  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Lone Nørgaard Eskildsen  
State Authorised  
Public Accountant  
mne32085

## Management's review

### Company details

Name	C.R. Laurence Of Scandinavia ApS
Address, Postal code, City	Stamholmen 70B, 2650 Hvidovre
CVR No.	10 27 65 94
Established	10 May 1986
Registered office	København
Financial year	1 January - 31 December
Executive Board	Simon John Boocock
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P O Box 330, 8100 Aarhus C, Denmark

### Operating review

#### The Company's business review

The company's activities comprise trading with tools for the glass industry.

#### Financial review

The income statement for 2018 shows a loss of DKK 553,804 against a loss of DKK 335,713 last year, and the balance sheet at 31 December 2018 shows a negative equity of DKK -656.409.

#### Post balance sheet events

In March 2019 the company ceased to trade and is in the process of closing the facility.

#### Outlook

The company is planned to undergo a solvent liquidation. Activities of the company were ceased on March 2019 and the remaining assets and liabilities are currently being settled. During the liquidation process any cash requirements will be covered by the parent company. Once all assets and liabilities have been settled, the negative equity will be settled by conversion of debt payable to the parent company. The liquidation is expected to be finalized in 2019.

Financial statements for the period 1 January - 31 December

Income statement

Notes	DKK	<u>2018</u>	<u>2017</u>
	<b>Gross profit</b>	3.406.401	2.770.940
2	Staff costs	-3.672.960	-3.150.721
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	<u>-629</u>	<u>-20.865</u>
	<b>Operating profit/loss</b>	-267.189	-400.646
	Financial income	0	0
	Financial expenses	<u>-40.185</u>	<u>-29.755</u>
	<b>Profit/loss before tax</b>	-307.374	-430.401
3	Tax for the year	<u>-246.431</u>	<u>94.688</u>
	<b>Profit/loss for the year</b>	<u><u>-553.804</u></u>	<u><u>-335.713</u></u>
	<b>Proposed profit appropriation</b>		
	Retained earnings/accumulated loss	<u>-553.804</u>	<u>-335.713</u>
		<u><u>-553.804</u></u>	<u><u>-335.713</u></u>



Financial statements for the period 1 January - 31 December

Balance sheet

Notes	DKK	<u>2018</u>	<u>2017</u>
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
4	<b>Property, plant and equipment</b>		
	Other fixtures and fittings, tools and equipment	0	629
	Leasehold improvements	0	0
	Property, plant and equipment under construction	<u>0</u>	<u>0</u>
		<u>0</u>	<u>629</u>
5	<b>Investments</b>		
	Other receivables	318.000	288.225
		<u>318.000</u>	<u>288.225</u>
	<b>Total non-current assets</b>	<u>318.000</u>	<u>288.854</u>
	<b>Current assets</b>		
	<b>Inventories</b>		
	Finished goods and goods for resale	3.357.836	3.330.712
		<u>3.357.836</u>	<u>3.330.712</u>
	<b>Receivables</b>		
	Trade receivables	1.353.597	1.117.792
	Receivable from joint taxation	76.905	94.688
	Deferred tax asset	0	274.021
	Other receivables	0	49.314
	Prepayments	17.416	220.794
		<u>1.447.918</u>	<u>1.756.609</u>
6	<b>Cash</b>	<u>0</u>	<u>925.371</u>
	<b>Total current assets</b>	<u>4.805.754</u>	<u>6.012.692</u>
	<b>TOTAL ASSETS</b>	<u><u>5.123.754</u></u>	<u><u>6.301.546</u></u>

Financial statements for the period 1 January - 31 December

Balance sheet

Notes	DKK	<u>2018</u>	<u>2017</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	200.000	200.000
	Retained earnings	-856.409	-302.606
	Total equity	<u>-656.409</u>	<u>-102.606</u>
	<b>Current liabilities other than provisions</b>		
	Bank debt	3.335.975	0
	Trade payables	202.535	333.065
	Payables to group enterprises	667.927	4.678.855
	Other payables	<u>1.573.727</u>	<u>1.392.232</u>
	<b>Total liabilities other than provisions</b>	<u>5.780.163</u>	<u>6.404.152</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>5.123.754</u></u>	<u><u>6.301.546</u></u>

- 1 Accounting policies
- 7 Contractual obligations and contingencies etc.
- 8 Related parties

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity 1 January 2018	200.000	-302.605	-102.605
Profit/loss for the year	0	553.804	553.804
Equity 31 December 2018	200.000	-856.409	-656.409

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of C.R. Laurence Of Scandinavia ApS for 2018 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act and elective choice of certain provisions applying to reporting C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner.

#### Foreign currency transiation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition. Income from the sale of merchandise and finished goods, is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010. Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue

##### Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Costs of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

##### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### Accounting policies (continued)

##### Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

##### Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Leasehold improvements	3-5 years
Other fixtures and fittings, tools and equipment	3-5 years

The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### Accounting policies (continued)

##### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

##### 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. The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

##### Receivables

Receivables are measured at amortised cost. The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Corporation tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### Accounting policies (continued)

of the asset or settlement of the liability, respectively.

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 legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

#### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK	<u>2018</u>	<u>2017</u>
<b>2 Staff costs</b>		
Wages/salaries	3.502.048	2.985.113
Pensions	129.451	92.566
Other social costs	<u>41.461</u>	<u>73.042</u>
	<u>3.672.960</u>	<u>3.150.721</u>
Average number of full-time employees	<u>7</u>	<u>7</u>
<b>3 Tax for the year</b>		
Estimated tax charge for the year	-27.590	-94.688
Deferred tax adjustments in the year	<u>274.021</u>	<u>0</u>
	<u>246.431</u>	<u>-94.688</u>

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 4 Property, plant and equipment

DKK	Other fixtures fittings, tools and equipment	Leasehold improvements	Plant and equipment under construction	Total
Cost at 1 January 2018	344.513	412.560	0	757.073
Additions in the year	0	0	0	0
Disposals in the year	0	0	0	0
<b>Cost at 31 December 2018</b>	<b>344.513</b>	<b>412.560</b>	<b>0</b>	<b>757.073</b>
Impairment and depreciation at 1 January 2018	343.884	412.560	0	756.444
Amortisation/depreciation in the year	629		0	629
Reversal of depreciation on disposals	0	0	0	0
<b>Impairment og amortisation at 31 December 2018</b>	<b>344.513</b>	<b>412.560</b>	<b>0</b>	<b>757.073</b>
<b>Carrying amount at 31 December 2018</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### 5 Investments

	Other receivables
Cost at 1 January 2018	288.225
Additions in the year	29.775
Cost at 31 December 2018	318.000
<b>Carrying amount at 31 December 2018</b>	<b>318.000</b>

#### 6 Cash

The company is part of a cash pool with the parent CRH Denmark A/S

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 7 Contractual obligations and contingencies etc.

##### Other contingent liabilities

The company has signed rent and lease obligations aggregates on total to DKK 773 thousand of which DKK 773 thousand is due within 1 year.

The Company is jointly taxed with its affiliated Danish companies and together with other jointly taxed group entities, the Company has joint and several liability for payment of income taxes for the income year 2015 and onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 January 2015.

#### 8 Related parties

C.R. Laurence Of Scandinavia ApS' related parties comprise the following:

##### Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>
CRH plc.	Dublin, Ireland

##### Requisitioning of the parent's consolidated financial statements

[www.crh.com/investors/reports-presentations/2018](http://www.crh.com/investors/reports-presentations/2018)

##### Ownership

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

<u>Name</u>	<u>Domicile</u>
CRH Denmark A/S	Vestergade 25, 4130 Viby Sjælland