

# C.R. Laurence Of Scandinavia ApS

Stamholmen 70B, 2650 Hvidovre

CVR no. 10 27 65 94

## Annual report

for the period 1 January - 31 December 2016

Approved at the annual general meeting of shareholders on 31 May 2017

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 2016.

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 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

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 be approved at the annual general meeting.

Copenhagen, 31 May 2017

Executive Board:



Simon John Boocock

## **Independent auditors' report**

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

#### **Conclusion**

We have audited the financial statements of C.R. Laurence Of Scandinavia ApS for the financial year 1 January – 31 December 2016, which comprise an 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, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

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

#### **Management's responsibilities for the 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 about 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.

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

## Independent auditors' report

- 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 conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

Based on our procedures, 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.

**Independent auditors' report**

Aarhus, 31 May 2017  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR No. 30 70 02 28

Henrik Andersen  
State Authorised Public Accountant



## 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 2016 shows a profit of DKK 114,505 against a loss of DKK 456,892 last year, and the balance sheet at 31 December 2016 shows an equity of DKK 233,108.

The Parent company has made a capital contribution of DKK 7,498,053 in 2016 by debt forgiveness of intercompany debt.

#### Post balance sheet events

No significant events have occurred subsequent to the financial year.

Financial statements for the period 1 January - 31 December

Income statement

Notes	DKK	2016	2015 11 months
	<b>Gross profit</b>	4.207.926	2.585.657
2	Staff costs	-3.535.265	-2.949.966
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-170.919	-205.076
	<b>Operating profit/loss</b>	501.742	-569.385
	Financial income	0	112.493
	Financial expenses	-474	0
	<b>Profit/loss before tax</b>	501.269	-456.892
3	Tax for the year	-386.763	0
	<b>Profit/loss for the year</b>	<u>114.505</u>	<u>-456.892</u>
4	<b>Proposed profit appropriation</b>		



Financial statements for the period 1 January - 31 December

Balance

Balance sheet

Notes

Notes	DKK	<u>2016</u>	<u>2015</u>
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
<b>5</b>	<b>Property, plant and equipment</b>		
	Other fixtures and fittings, tools and equipment	5.975	503.563
	Leasehold improvements	15.519	52.959
	Property, plant and equipment under construction	<u>0</u>	<u>91.000</u>
		<u>21.494</u>	<u>647.522</u>
<b>6</b>	<b>Investments</b>		
	Other receivables	<u>288.225</u>	<u>288.225</u>
		<u>288.225</u>	<u>288.225</u>
	<b>Total non-current assets</b>	<u>309.719</u>	<u>935.747</u>
	<b>Current assets</b>		
	<b>Inventories</b>		
	Finished goods and goods for resale	<u>3.997.077</u>	<u>3.322.671</u>
	<b>Receivables</b>		
	Trade receivables	714.531	1.662.846
	Receivables from group companies	0	0
	Deferred tax asset	274.021	274.021
	Prepayments	<u>4.074</u>	<u>235.534</u>
		<u>992.626</u>	<u>2.172.401</u>
	<b>Cash</b>	<u>928.116</u>	<u>318.535</u>
	<b>Total current assets</b>	<u>5.917.818 0</u>	<u>5.813.607</u>
	<b>TOTAL ASSETS</b>	<u><u>6.227.537</u></u>	<u><u>6.749.354</u></u>

Financial statements for the period 1 January - 31 December

Balance sheet

Notes	DKK	<u>2016</u>	<u>2015</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	200.000	200.000
	Retained earnings	33.108	-7.579.450
	<b>Total equity</b>	<u>233.108</u>	<u>-7.379.450</u>
	<b>Current liabilities other than provisions</b>		
	Prepayments received from customers	0	206.424
	Trade payables	91.255	93.630
	Payables to group enterprises	25.107	5.458.780
	Payables to associates	4.927.373	7.679.650
	Other payables	950.693	690.320
	<b>Total liabilities other than provisions</b>	<u>5.994.429</u>	<u>14.128.804</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>6.227.537</u>	<u>6.749.354</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 2016	200.000	-7.579.450	-7.379.450
Capital contribution from patent company	0	7.498.053	7.498.053
Profit/loss for the year	0	114.505	114.505
Equity 31 December 2016	200.000	33.108	233.108

## 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 2016 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

*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 translation

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

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.

##### 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.

##### 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.

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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

##### 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.

##### 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.



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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost.

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.

##### Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

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

### **Notes to the financial statements**

Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

#### **1 Accounting policies (continued)**

##### **Lease liabilities**

Lease liabilities are measured at the net present value of the remaining lease payments including a guaranteed residual value, if any, based on the interest rate implicit in the lease.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK	<u>2016</u>	<u>2015</u>
<b>2 Staff costs</b>		
Wages/salaries	3.494.706	2.862.549
Pensions	2.236	60.924
Other social costs	<u>38.322</u>	<u>26.493</u>
	<u>3.535.265</u>	<u>2.949.966</u>
<b>3 Tax for the year</b>		
Estimated tax charge for the year	0	0
Deferred tax adjustments in the year	<u>386.763</u>	<u>0</u>
	<u>386.763</u>	<u>0</u>
<b>4 Proposed profit appropriation</b>		
Retained earnings/accumulated loss	<u>114.505</u>	<u>-456.892</u>
	<u>114.505</u>	<u>-456.892</u>

Financial statements for the period 1 January - 31 December

Notes to the financial statements

5 Property, plant and equipment

DKK	Other fixtures fittings, tools and equipment	Leasehold improvements	Plant and equipment under construction	Total
Cost at 1 January 2016	997.132	412.560	91.000	1.500.692
Additions in the year	58.445	0	0	58.445
Disposals in the year	-711.064	0	-91.000	-802.064
<b>Cost at 31 December 2016</b>	<u>344.513</u>	<u>412.560</u>	<u>0</u>	<u>757.073</u>
Impairment and depreciation at 1 January 2016	493.569	359.601	0	853.170
Amortisation/depreciation in the year	103.479	37.440	0	140.919
Reversal of depreciation on disposals	-258.509	0	0	-258.509
<b>Impairment og amortisation at 31 December 2016</b>	<u>338.539</u>	<u>397.041</u>	<u>0</u>	<u>735.580</u>
<b>Carrying amount at 31 December 2016</b>	<u><u>5.974</u></u>	<u><u>15.519</u></u>	<u><u>0</u></u>	<u><u>21.493</u></u>

6 Investments

Cost at 1 January 2016	Other receivables
Cost at 31 December 2016	<u>288.225</u>
<b>Carrying amount at 31 December 2016</b>	<u><u>288.225</u></u>

## 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 648 t.DKK of which t.DKK is due within 1 year.

#### 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>	<u>Requisitioning of the parent's consolidated financial statements</u>
CRH plc.	Dublin, Ireland	<a href="http://www.crh.com/reports/">www.crh.com/reports/</a>

##### 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