

**Esbjerg Oiltool A/S**  
**Central Business Registration No**  
**10458374**  
**Håndværkervej 67**  
**6710 Esbjerg V**

**Annual report 2015**

The Annual General Meeting adopted the annual report on 09.02.2016

**Chairman of the General Meeting**

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Name: Jørgen Brammer

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## **Entity details**

### **Entity**

Esbjerg Oiltool A/S  
Håndværkervej 67  
6710 Esbjerg V

Central Business Registration No: 10458374

Registered in: Esbjerg

Financial year: 01.01.2015 - 31.12.2015

Phone: 75156400

Fax: 75156143

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

### **Board of Directors**

Kent Sand Kirk, Chairman of the board

Jørgen Brammer

Alfred Sørensen

Jens Rud Pedersen

Peter Jensen Toft

### **Executive Board**

Alfred Sørensen, Chief Executive Officer

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab

Frodesgade 125

Postboks 200

6701 Esbjerg

## **Statement by Management on the annual report**

The Board of Directors and the Executive Board have today considered and approved the annual report of Esbjerg Oiltool 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 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.

Esbjerg, 20.01.2016

### **Executive Board**

Alfred Sørensen  
Chief Executive Officer

### **Board of Directors**

Kent Sand Kirk  
Chairman of the board

Jørgen Brammer

Alfred Sørensen

Jens Rud Pedersen

Peter Jensen Toft

## **Independent auditor's reports**

### **To the owners of Esbjerg Oiltool A/S**

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

We have audited the financial statements of Esbjerg Oiltool 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 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 for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

#### **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.

Esbjerg, 20.01.2016

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Jan T. Toustrup  
State Authorised Public Accountant

CVR-nr. 33963556

## Management commentary

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>
<b>Financial highlights</b>					
<b>Key figures</b>					
Gross profit	9.145	15.654	18.417	13.125	10.530
Operating profit/loss	2.460	8.922	12.431	7.268	4.942
Net financials	(206)	42	5	71	218
Profit/loss for the year	1.717	6.724	9.406	5.496	3.859
Total assets	47.295	63.015	60.515	52.122	48.639
Investments in property, plant and equipment	288	144	603	170	0
Equity	30.180	48.463	49.739	43.833	41.836
<b>Ratios</b>					
Return on equity (%)	4,4	13,7	20,1	12,8	9,4
Solvency ratio (%)	63,8	76,9	82,2	84,1	86,0

## **Management commentary**

### **Primary activities**

The company's main activity has as in previous years been to be a subcontractor to the national and international petrochemical industry onshore and offshore.

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

Net profit in the financial year amounted to a profit of 1,717 T.DKK against a profit of 6,724 T.DKK in 2014. The financial result is lower than expected.

### **Outlook**

The company's management expects a profit in 2016 on par with 2015.

### **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 C enterprises (C between).

The accounting policies applied for 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. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

### **Income statement**

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

Gross profit or loss comprises revenue, changes in inventories of finished goods, cost of raw materials and consumables and external expenses.



## 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.

### Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary write-downs of the relevant inventories.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

### Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

## Accounting policies

### 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 the parent company. 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

#### Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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.

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:

Buildings	50 years
Other fixtures and fittings, tools and equipment	3-5 years

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.

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

### Receivables

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

## **Accounting policies**

### **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.

### **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.

### **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.

### **Cash flow statement**

A cash flow statement has not been produced as the company is a part of the cash flow statement in the consolidated accounts presented by the parent company

## Accounting policies

### Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Solvency ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.

## Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
<b>Gross profit</b>		<b>9.145.198</b>	<b>15.653.679</b>
Staff costs	1	(6.397.953)	(6.445.985)
Depreciation, amortisation and impairment losses	2	<u>(287.419)</u>	<u>(285.219)</u>
<b>Operating profit/loss</b>		<b>2.459.826</b>	<b>8.922.475</b>
Other financial income	3	0	45.689
Other financial expenses	4	<u>(206.249)</u>	<u>(4.034)</u>
<b>Profit/loss from ordinary activities before tax</b>		<b>2.253.577</b>	<b>8.964.130</b>
Tax on profit/loss from ordinary activities	5	<u>(536.107)</u>	<u>(2.240.067)</u>
<b>Profit/loss for the year</b>		<b><u>1.717.470</u></b>	<b><u>6.724.063</u></b>
<b>Proposed distribution of profit/loss</b>			
Dividend for the financial year		1.500.000	20.000.000
Retained earnings		<u>217.470</u>	<u>(13.275.937)</u>
		<b><u>1.717.470</u></b>	<b><u>6.724.063</u></b>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Land and buildings		5.750.261	5.874.685
Other fixtures and fittings, tools and equipment		297.069	422.964
Property, plant and equipment in progress		251.100	0
<b>Property, plant and equipment</b>	<b>6</b>	<b><u>6.298.430</u></b>	<b><u>6.297.649</u></b>
<b>Fixed assets</b>		<b><u>6.298.430</u></b>	<b><u>6.297.649</u></b>
Manufactured goods and goods for resale		16.213.204	18.949.068
<b>Inventories</b>		<b><u>16.213.204</u></b>	<b><u>18.949.068</u></b>
Trade receivables		6.622.333	17.026.394
Receivables from group enterprises		0	4.710.532
Prepayments	<b>7</b>	<u>297.440</u>	<u>282.815</u>
<b>Receivables</b>		<b><u>6.919.773</u></b>	<b><u>22.019.741</u></b>
<b>Cash</b>		<b><u>17.863.608</u></b>	<b><u>15.748.145</u></b>
<b>Current assets</b>		<b><u>40.996.585</u></b>	<b><u>56.716.954</u></b>
<b>Assets</b>		<b><u><u>47.295.015</u></u></b>	<b><u><u>63.014.603</u></u></b>

**Balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Contributed capital	8	2.400.000	2.400.000
Retained earnings		26.280.475	26.063.005
Proposed dividend		1.500.000	20.000.000
<b>Equity</b>		<b><u>30.180.475</u></b>	<b><u>48.463.005</u></b>
Provisions for deferred tax	9	616.000	633.000
<b>Provisions</b>		<b><u>616.000</u></b>	<b><u>633.000</u></b>
Trade payables		3.029.932	8.215.471
Debt to group enterprises		11.522.296	0
Income tax payable	10	553.107	2.253.067
Other payables		1.393.205	3.450.060
<b>Current liabilities other than provisions</b>		<b><u>16.498.540</u></b>	<b><u>13.918.598</u></b>
<b>Liabilities other than provisions</b>		<b><u>16.498.540</u></b>	<b><u>13.918.598</u></b>
<b>Equity and liabilities</b>		<b><u>47.295.015</u></b>	<b><u>63.014.603</u></b>
Assets charged and collateral	11		
Ownership	12		
Consolidation	13		

**Statement of changes in equity for 2015**

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Proposed dividend DKK</b>	<b>Total DKK</b>
Equity beginning of year	2.400.000	26.063.005	20.000.000	48.463.005
Ordinary dividend paid	0	0	(20.000.000)	(20.000.000)
Profit/loss for the year	0	217.470	1.500.000	1.717.470
<b>Equity end of year</b>	<b>2.400.000</b>	<b>26.280.475</b>	<b>1.500.000</b>	<b>30.180.475</b>



## Notes

	<b>2015 DKK</b>	<b>2014 DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	5.845.628	5.929.869
Pension costs	478.000	430.046
Other social security costs	74.325	86.070
	<b>6.397.953</b>	<b>6.445.985</b>
 Average number of employees	 <b>12</b>	 <b>12</b>
	<b>Remunera- tion of ma- nagement 2015 DKK</b>	<b>Remunera- tion of ma- nagement 2014 DKK</b>
Total amount for management categories	1.177.447	1.166.495
	<b>1.177.447</b>	<b>1.166.495</b>
	<b>2015 DKK</b>	<b>2014 DKK</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Depreciation of property, plant and equipment	287.419	285.219
	<b>287.419</b>	<b>285.219</b>
	<b>2015 DKK</b>	<b>2014 DKK</b>
<b>3. Other financial income</b>		
Financial income arising from group enterprises	0	9.898
Interest income	0	35.791
	<b>0</b>	<b>45.689</b>
	<b>2015 DKK</b>	<b>2014 DKK</b>
<b>4. Other financial expenses</b>		
Financial expenses from group enterprises	185.606	0
Interest expenses	12.914	0
Other financial expenses	7.729	4.034
	<b>206.249</b>	<b>4.034</b>

## Notes

		<b>2015 DKK</b>	<b>2014 DKK</b>
<b>5. Tax on ordinary profit/loss for the year</b>			
Current tax		553.107	2.253.067
Change in deferred tax for the year		(17.000)	(13.000)
		<b>536.107</b>	<b>2.240.067</b>
		<b>Other fix- tures and fittings, tools and equipment DKK</b>	<b>Property, plant and equipment in progress DKK</b>
<b>6. Property, plant and equipment</b>	<b>Land and buildings DKK</b>		
Cost beginning of year	8.460.775	3.718.414	0
Additions	37.100	0	251.100
<b>Cost end of year</b>	<b>8.497.875</b>	<b>3.718.414</b>	<b>251.100</b>
Depreciation and impairment losses beginning of the year	(2.586.090)	(3.295.450)	0
Depreciation for the year	(161.524)	(125.895)	0
<b>Depreciation and impairment losses end of the year</b>	<b>(2.747.614)</b>	<b>(3.421.345)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>5.750.261</b>	<b>297.069</b>	<b>251.100</b>

## 7. Prepayments

Prepayments consist of prepaid expenses for the years 2016.

## 8. Contributed capital

There are not issued any share certificates. The shares are not divided into classes.

## Notes

	<b>2015 DKK</b>	<b>2014 DKK</b>
<b>9. Deferred tax</b>		
Property, plant and equipment	615.000	628.000
Other deductible temporary differences	1.000	5.000
	<b>616.000</b>	<b>633.000</b>

## 10. Short-term income tax payable

The company is part of at Danish joint taxation with Estool 2000 Holding A/S as the management company. The company is therefore according to the rules in the company tax act liable for income tax etc. for the jointly taxed companies as of the financial year 2013.

## 11. Assets charged and collateral

Bank debt is secured by way of a deposited mortgage deed registered to the mortgagor on plant of DKK 1,900 k nominal.

The carrying amount of mortgaged properties amounts to DKK 3,192 k.

## 12. Ownership

The company has registered the following shareholders to hold more than 5% of the voting share capital or of the nominal value of the share capital:

Estool 2000 Holding A/S, Esbjerg

## 13. Consolidation

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

Estool 2000 Holding A/S, Esbjerg