
Hobro Ny Trælast A/S

Lucernevej 2, DK-9500 Hobro

Annual Report for 1 August 2017 - 31 July 2018

CVR No 12 22 21 81

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
21/12 2018

Laurits Anton Jørgensen
Chairman of the General
Meeting

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	5
Management's Review	6
Financial Statements	
Income Statement 1 August - 31 July	7
Balance Sheet 31 July	8
Notes to the Financial Statements	9

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Hobro Ny Trælast A/S for the financial year 1 August 2017 - 31 July 2018.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 July 2018 of the Company and of the results of the Company operations for 2017/18.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hobro, 21 December 2018

Executive Board

Søren Peschardt Olesen

Board of Directors

Sisse Fjelsted Rasmussen
Chairman

Søren Peschardt Olesen

Laurits Anton Jørgensen

Independent Auditor's Report

To the Shareholder of Hobro Ny Trælast A/S

Opinion

We have audited the Financial Statements of Hobro Ny Trælast A/S for the financial year 1 August 2017 - 31 July 2018, which comprise income statement, balance sheet and notes, including a summary of significant 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 July 2018 and of the results of the Company's operations for the financial year 1 August 2017 - 31 July 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these 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 the 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 these Financial Statements.

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

Independent Auditor's Report

audit. We also:

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

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information re-

Independent Auditor's Report

quired under the Danish Financials Statements Act.

Based on the work we have performed, in our view, 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. We did not identify any material misstatement in Management's Review.

Copenhagen, 21 December 2018

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No 33 96 35 56

Kim Takata Mücke

statsautoriseret revisor

mne10944

Company Information

The Company

Hobro Ny Trælast A/S
Lucernevej 2
DK-9500 Hobro

CVR No: 12 22 21 81

Financial period: 1 August - 31 July

Incorporated: 5 April 1988

Municipality of reg. office: Mariagerfjord

Board of Directors

Sisse Fjelsted Rasmussen, Chairman
Søren Peschardt Olesen
Laurits Anton Jørgensen

Executive Board

Søren Peschardt Olesen

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 København

Management's Review

Activities

The Company owns a rental property, and profit before tax consists of the return from the property. The Company has no employees.

Results in 2017/18

The Company's income statement for 2017/18 shows a profit of DKK 171,000 compared to a profit of DKK 269,000 last year. The Company has during the year disposed part of the property.

The profit for the year is in line with the expectations.

Subsequent events

No events have occurred after the balance sheet date that materially affect the Company's financial statements.

Income Statement 1 August - 31 July

	<u>Note</u>	<u>2017/18</u> TDKK	<u>2016/17</u> TDKK
Gross profit/loss		649	795
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	1	<u>-330</u>	<u>-471</u>
Profit/loss before financial income and expenses		319	324
Profit/loss before tax		319	324
Tax on profit/loss for the year	2	<u>-148</u>	<u>-55</u>
Net profit/loss for the year		171	269

Distribution of profit

Proposed distribution of profit

Retained earnings	<u>171</u>	<u>269</u>
	171	269

Balance Sheet 31 July

	Note	2017/18 TDKK	2016/17 TDKK
Assets			
Land and buildings		10,853	12,067
Property, plant and equipment	3	10,853	12,067
Fixed assets		10,853	12,067
Receivables from group enterprises		1,298	0
Receivables		1,298	0
Currents assets		1,298	0
Assets		12,151	12,067
Liabilities and equity			
Share capital		500	500
Retained earnings		10,646	10,475
Equity	4	11,146	10,975
Provision for deferred tax		659	635
Provisions		659	635
Trade payables		304	17
Payables to group enterprises		28	263
Payables to group enterprises relating to corporation tax		14	177
Short-term debt		346	457
Debt		346	457
Liabilities and equity		12,151	12,067
Contingent assets, liabilities and other financial obligations	5		
Related parties	6		
Accounting Policies	7		

Notes to the Financial Statements

	2017/18 TDKK	2016/17 TDKK	
1 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment			
Depreciation of property, plant and equipment	330	471	
	330	471	
2 Tax on profit/loss for the year			
Current tax for the year	124	30	
Deferred tax for the year	24	41	
Adjustment of tax concerning previous years	0	-16	
	148	55	
3 Property, plant and equipment		Land and buildings TDKK	
Cost at 1 August		22,387	
Disposals for the year		-1,616	
Cost at 31 July		20,771	
Impairment losses and depreciation at 1 August		10,320	
Depreciation for the year		330	
Impairment and depreciation of sold assets for the year		-732	
Impairment losses and depreciation at 31 July		9,918	
Carrying amount at 31 July		10,853	
4 Equity			
	Share capital TDKK	Retained earnings TDKK	Total TDKK
Equity at 1 August	500	10,475	10,975
Net profit/loss for the year	0	171	171
Equity at 31 July	500	10,646	11,146

Notes to the Financial Statements

5 Contingent assets, liabilities and other financial obligations

Contingent liabilities

Danish group companies are jointly and severally liable for the tax on the jointly taxed incomes of the LSF10 Wolverine Bidco ApS and its Danish subsidiaries. The total amount of Danish corporation tax payable until 29 March 2018 is disclosed in the annual report Ferguson Holding A/S, which was the management company for joint Danish taxation purposes until the change in ownership at 29 March 2018. The total amount of corporation tax payable for the period 29 March 2018 to 31 July 2018 is disclosed in the annual report of LSF10 Wolverine Bidco ApS, which is the management company for joint taxation purposes going forward. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the group's liability.

6 Related parties

Basis

Controlling interest

Stark Danmark A/S

Stark Danmark A/S is the parent company.

Consolidated Financial Statements

The Company is included in the Consolidated Financial Statements for STARK Group A/S - CVR No. 27 06 53 33.

Name

Place of registered office

STARK Group A/S

Denmark

The Consolidated Financial Statements for STARK Group A/S may be obtained at the following address:

STARK Group A/S, C.F. Richs Vej 115, 2000 Frederiksberg, Denmark

Notes to the Financial Statements

7 Accounting Policies

The Annual Report of Hobro Ny Trælast A/S for 2017/18 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2017/18 are presented in TDKK.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Income Statement

Revenue

Revenue consist of rental income with the amount relating to the financial year.

Notes to the Financial Statements

7 Accounting Policies (continued)

Other external expenses

Other external expenses comprise costs relating to owning real estate as well as the Company's administration, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss represents revenue less other external expenses.

Depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish group companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	20 years
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Notes to the Financial Statements

7 Accounting Policies (continued)

Depreciation period and residual value are reassessed annually.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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