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# ***Hobro Ny Trælast A/S***

Gladsaxe Møllevej 5, DK-2860 Søborg

## **Annual Report for 1 August 2016 - 31 July 2017**

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CVR No 12 22 21 81

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
18/12 2017

Edward Walker  
Chairman

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# **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 2016 - 31 July 2017.

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 2017 of the Company and of the results of the Company operations for 2016/17.

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

Gladsaxe, 18 December 2017

## **Executive Board**

Søren Peschardt Olesen

## **Board of Directors**

Edward Grosvenor Walker  
Chairman

Lene Kjarbo Groth

Søren Peschardt Olesen

# 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 01.08.2016 - 31.07.2017, which comprise the 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 Entity's financial position at 31.07.2017 and of the results of its operations for the financial year 01.08.2016 - 31.07.2017 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Copenhagen, 18 December 2017

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No 33 96 35 56

Kim Takata Mücke  
State-Authorised  
Public Accountant

## **Company Information**

### **The Company**

Hobro Ny Trælast A/S  
Gladsaxe Møllevej 5  
DK-2860 Søborg

CVR No: 12 22 21 81

Financial period: 1 August - 31 July

Incorporated: 5 April 1988

Financial year: 29th financial year

Municipality of reg. office: Gladsaxe

### **Board of Directors**

Edward Grosvenor Walker, Chairman  
Lene Kjærbo Groth  
Søren Peschardt Olesen

### **Executive Board**

Søren Peschardt Olesen

### **Auditors**

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
DK-2300 København

## Income Statement 1 August - 31 July

	Note	2016/17 TDKK	2015/16 TDKK
<b>Gross profit/loss</b>		<b>795</b>	<b>732</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-471	-475
<b>Profit/loss before financial income and expenses</b>		<b>324</b>	<b>257</b>
Financial income	3	0	272
<b>Profit/loss before tax</b>		<b>324</b>	<b>529</b>
Tax on profit/loss for the year	4	-55	-436
<b>Net profit/loss for the year</b>		<b>269</b>	<b>93</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings	269	93
	<b>269</b>	<b>93</b>

## Balance Sheet 31 July

	Note	2016/17 TDKK	2015/16 TDKK
<b>Assets</b>			
Land and buildings		12.067	12.538
<b>Property, plant and equipment</b>	5	<b>12.067</b>	<b>12.538</b>
<b>Fixed assets</b>		<b>12.067</b>	<b>12.538</b>
Receivables from group enterprises		0	13.531
<b>Receivables</b>		<b>0</b>	<b>13.531</b>
<b>Currents assets</b>		<b>0</b>	<b>13.531</b>
<b>Assets</b>		<b>12.067</b>	<b>26.069</b>
<b>Liabilities and equity</b>			
Share capital		500	500
Retained earnings		10.475	10.206
<b>Equity</b>	6	<b>10.975</b>	<b>10.706</b>
Provision for deferred tax		635	594
<b>Provisions</b>		<b>635</b>	<b>594</b>
Trade payables		17	17
Payables to group enterprises		263	12.717
Payables to group enterprises relating to corporation tax		177	2.035
<b>Short-term debt</b>		<b>457</b>	<b>14.769</b>
<b>Debt</b>		<b>457</b>	<b>14.769</b>
<b>Liabilities and equity</b>		<b>12.067</b>	<b>26.069</b>
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# Notes to the Financial Statements

## 1 Key activities

The object of the Company is owning rental properties as well as other activities which, at the discretion of the Board of Directors, are related thereto.

	2016/17 TDKK	2015/16 TDKK
<b>2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment</b>		
Depreciation of property, plant and equipment	471	475
	<b>471</b>	<b>475</b>

## 3 Financial income

Interest received from group enterprises	0	272
	<b>0</b>	<b>272</b>

## 4 Tax on profit/loss for the year

Current tax for the year	30	162
Deferred tax for the year	41	-28
Adjustment of tax concerning previous years	-16	302
	<b>55</b>	<b>436</b>

## 5 Property, plant and equipment

	Land and buildings TDKK
Cost at 1 August	22.387
Cost at 31 July	22.387
Impairment losses and depreciation at 1 August	9.849
Depreciation for the year	471
Impairment losses and depreciation at 31 July	10.320
<b>Carrying amount at 31 July</b>	<b>12.067</b>

# Notes to the Financial Statements

## 6 Equity

	Share capital TDKK	Retained earnings TDKK	Total TDKK
Equity at 1 August	500	10.206	10.706
Net profit/loss for the year	0	269	269
<b>Equity at 31 July</b>	<b>500</b>	<b>10.475</b>	<b>10.975</b>

## 7 Contingent assets, liabilities and other financial obligations

### Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Stark Group Holdings A/S, which is the management company of the joint taxation purposes. 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 un-earned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The Company has no other contingent assets or liabilities.

## 8 Related parties

### Basis

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#### Controlling interest

Stark Danmark A/S

Stark Danmark A/S is the parent company.

#### Consolidated Financial Statements

The Company is included in the group Annual report of the Parent Company of the largest and smallest group:

Name

Place of registered office

Ferguson plc.

St. Hellier, Jersey

The Group Annual Report of Ferguson plc. may be obtained at the following address:

Grafenauweg 10, CH-6301, Zug, Switzerland

# Notes to the Financial Statements

## 9 Accounting Policies

The Annual Report of Hobro Ny Trælast A/S for 2016/17 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 2016/17 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

## 9 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, revenue has not been disclosed in the Annual Report.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, 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

## 9 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.