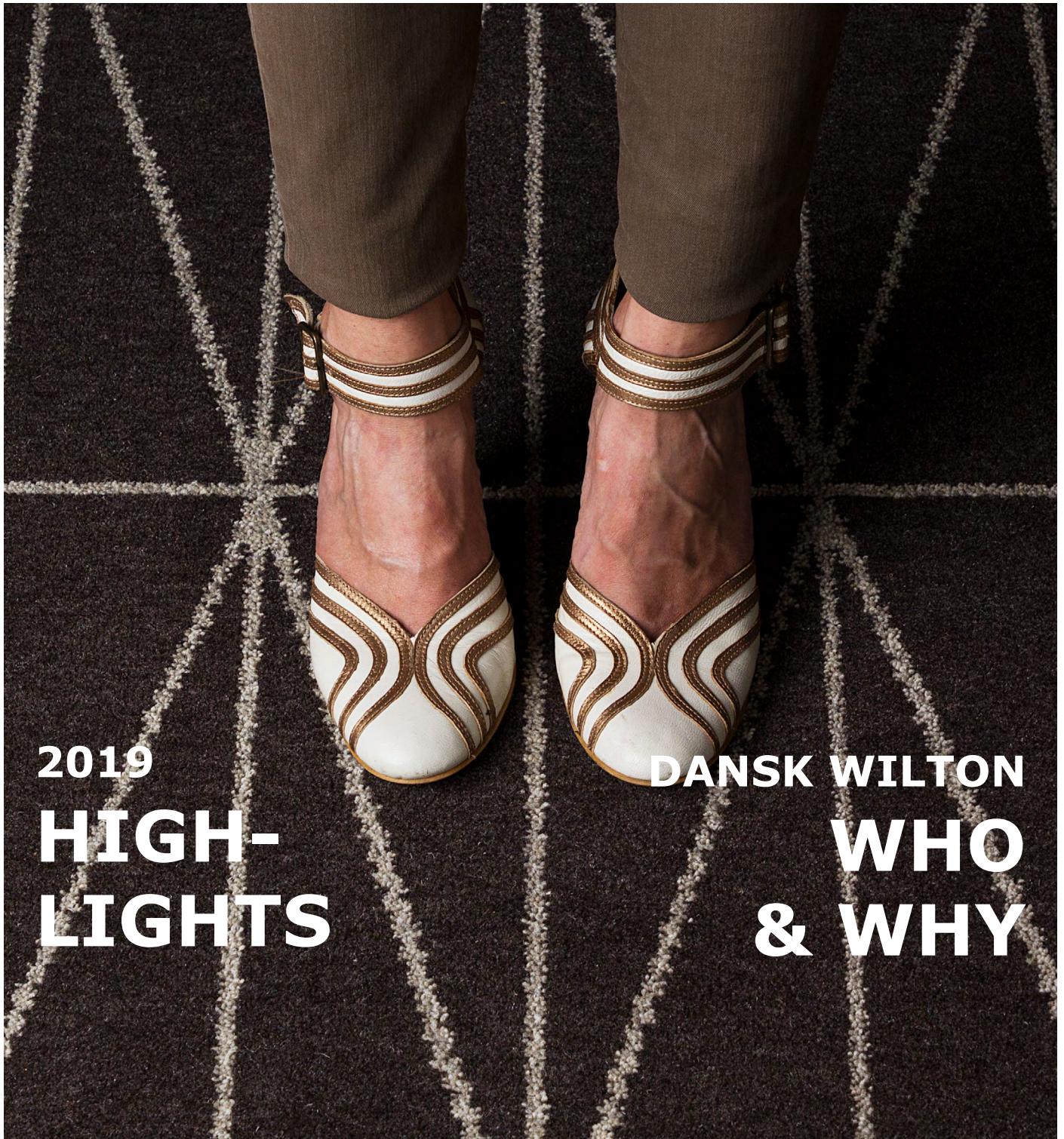


# DANSK WILTON

Annual Report

2019



2019  
**HIGH-  
LIGHTS**

DANSK WILTON  
**WHO  
& WHY**



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**...delivering the difference**

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**Dansk Wilton  
is one of the  
leading  
manufacturers  
of custom  
designed  
carpets for the  
international  
hospitality  
industry -  
hotels and  
cruise ships  
worldwide.**

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# DELIVERING THE DIFFERENCE

# DANSK WILTON

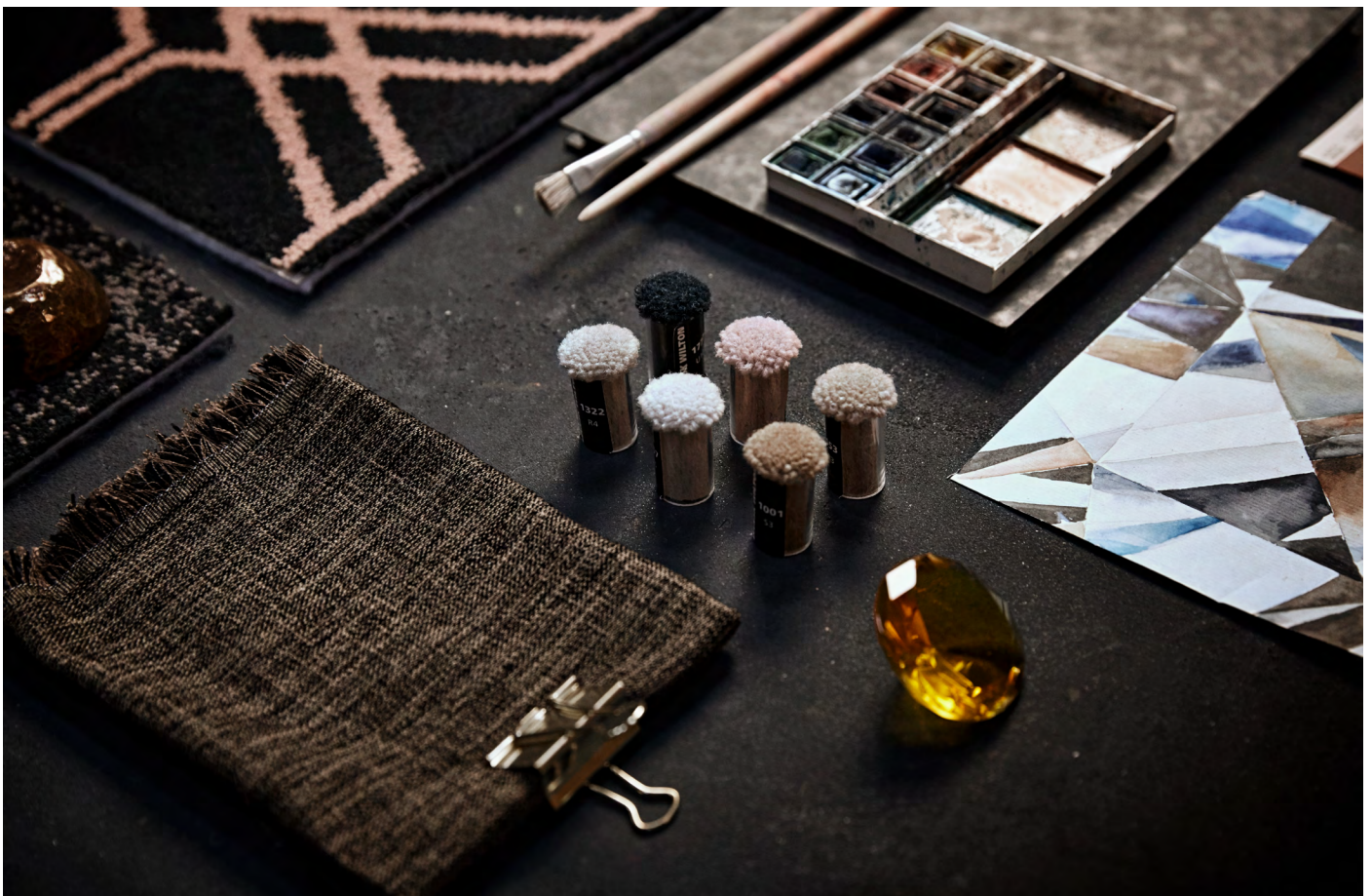
Perfection is in the detail and that is why we have placed sales, product research and design development under the same roof as our production facilities.

We endorse a professional culture where passion for precision is key. Our carpet specialists support our customers throughout the project as a close associate and sparring partner – securing a safe and optimized work process.

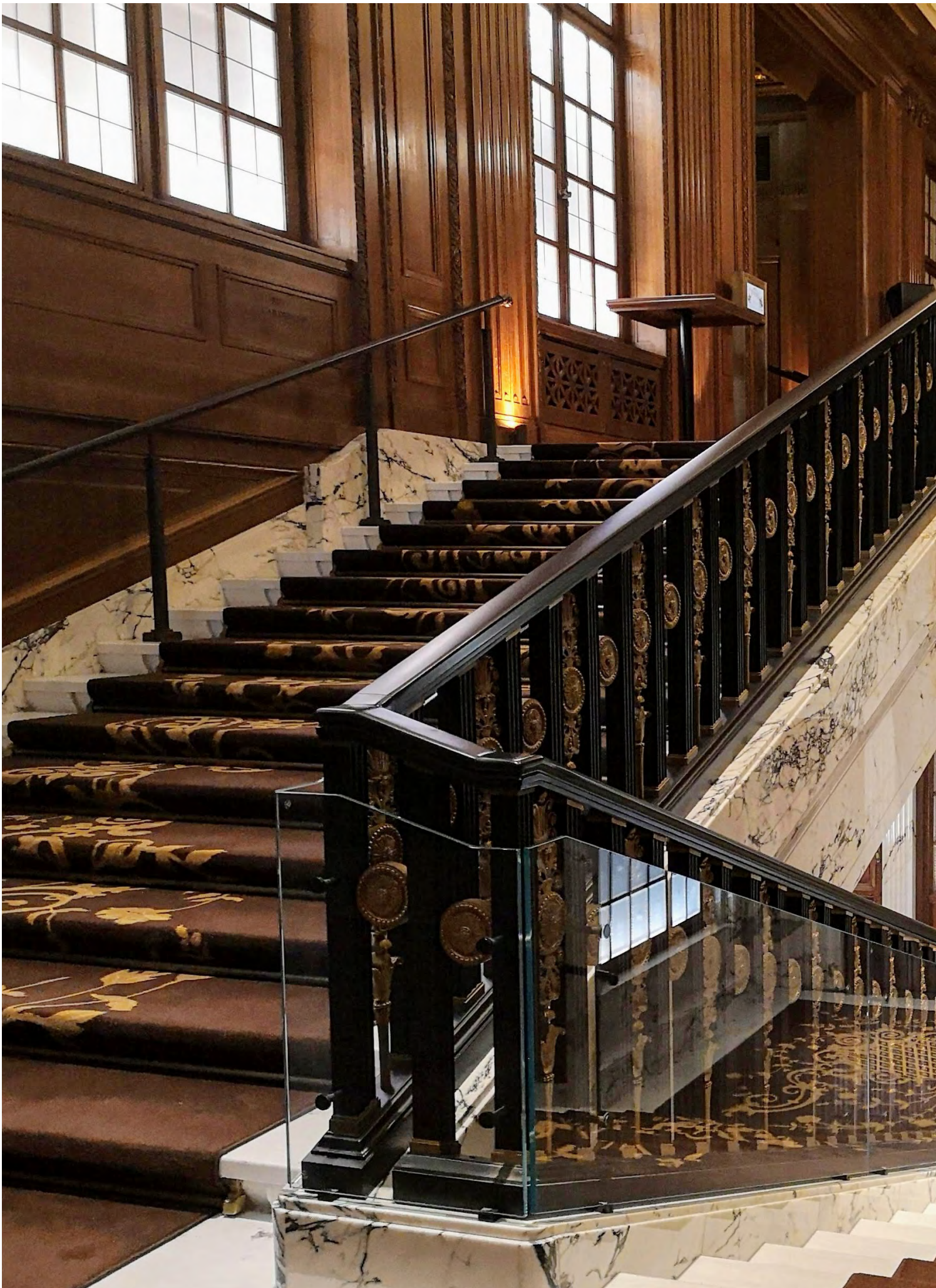
No matter the scope of the project, we are known to go all in and care for the final result.

We combine the skills of some of the most specialised people in the business with modern production facilities and automated processes to create quality carpets that meet the highest standards in terms of safety, comfort, and aesthetic design. Having all activities in house gives us maximum control over the quality we deliver and the way we influence the world around us.

Dansk Wilton rely on years of experience, innovative thinking, relationships, and highly skilled Danish craftsmanship – and a deep understanding of our customers and their needs.



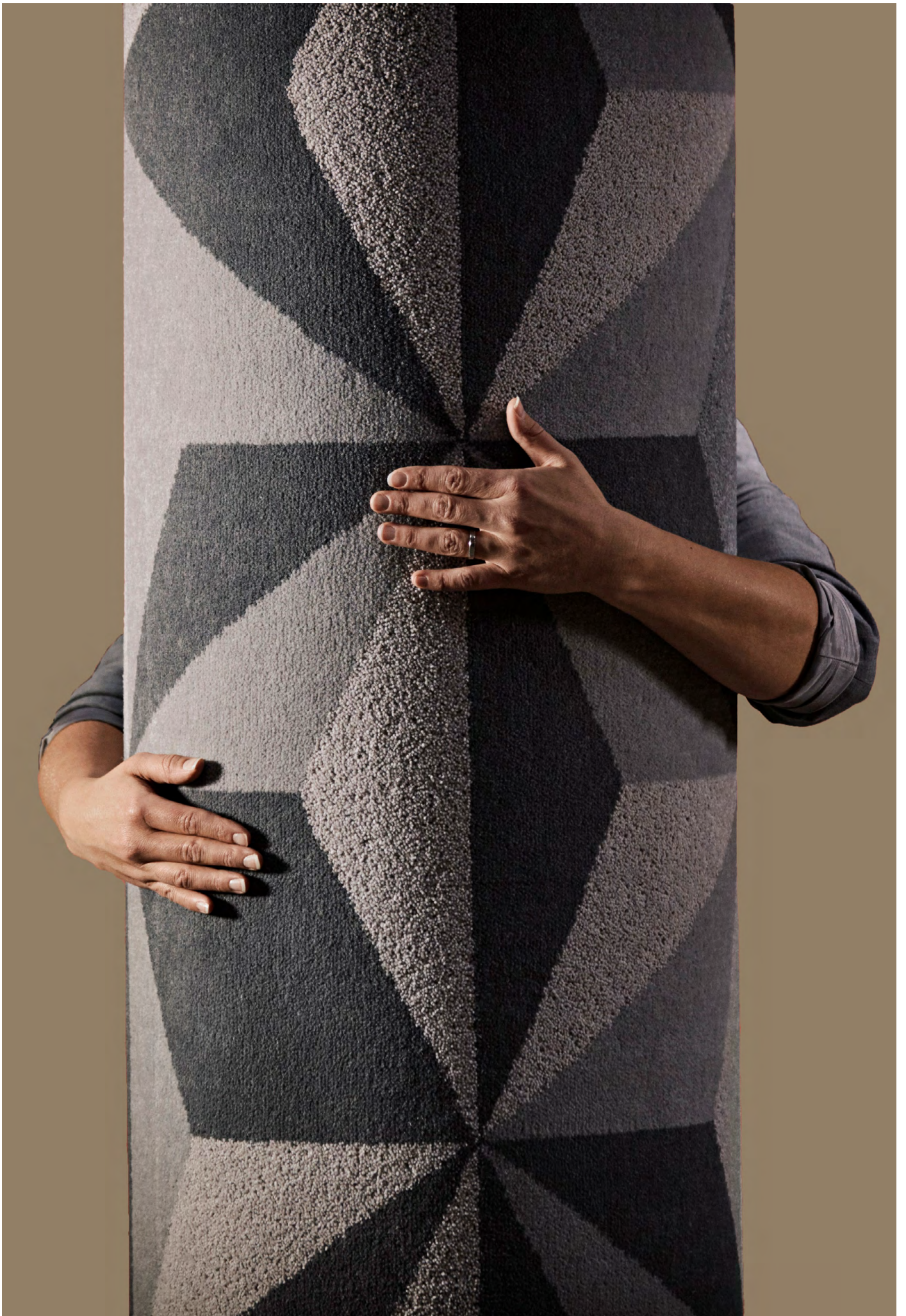












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# OUR MISSION

We supply carpet solutions and value to our customers founded on quality, design and complete solutions adapted to the customer.

We do this with constant focus on our company's environmental and social impact and we aim for sustainable development.



DANSK WILTON

# WHO & WHY

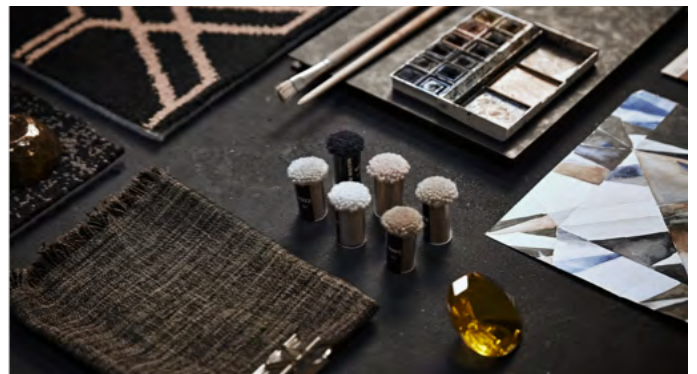


## CARPET SPECIALISTS

At Dansk Wilton we are 100% dedicated to deliver innovative solutions to the hospitality market. We have a passion for carpets. The heart of our business is to offer a safe and optimized process and secure a close cooperation between designers, architects and owners. All project phases are supported by a dedicated project team, and through a vertical synergy inside Dansk Wilton. Safe delivery and competitive prices go hand in hand with innovative design and high quality.

## CARPET INNOVATION

Design is where technology and art meet – and Dansk Wilton is where ideas and reality come together. Dansk Wilton is known for making impossible projects possible. Our goal is clear: we will make you succeed by giving you what no one else can. Our dedicated in-house design team helps to develop your ideas into unique solutions. The good design is not just a question of shape and color. It is a question of finding the right design solution for the area in question.





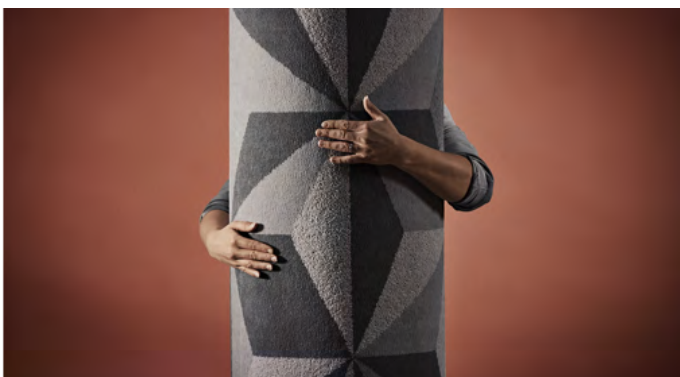


### **CUSTOM CRAFTSMANSHIP**

We believe people make the real difference between being a manufacturer of carpets and being a creator of innovative carpet solutions. By combining the skills of some of the most specialized people in the business with modern production facilities and automated processes, we create quality carpets that meet the highest standards. We are determined to use only the very best materials and techniques in our production.

### **A RIOT OF COLOURS**

With pre dyed yarns, multitude of colours, a unique wool blend and advanced weaving techniques we offer absolute optimum profiling opportunities. Our efficient and innovative design team helps you choose the perfect colours and create unique design solutions, which underlines your concept and the desired expression. We work together with interior designers worldwide in order to secure the most impressive carpet solutions.



### **STRONG CULTURAL HERITAGE**

Dansk Wilton is an internationally oriented company, but we take pride in our name and cultural heritage. Danish design tradition is an inveterate part of our DNA. As a family-owned company, we have through generations developed and cherished the Danish production principles, where quality and a strong understanding of design across cultural and geographical boundaries creates the essence of our solutions.

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DANSK WILTON

# THE FAMILY BEHIND

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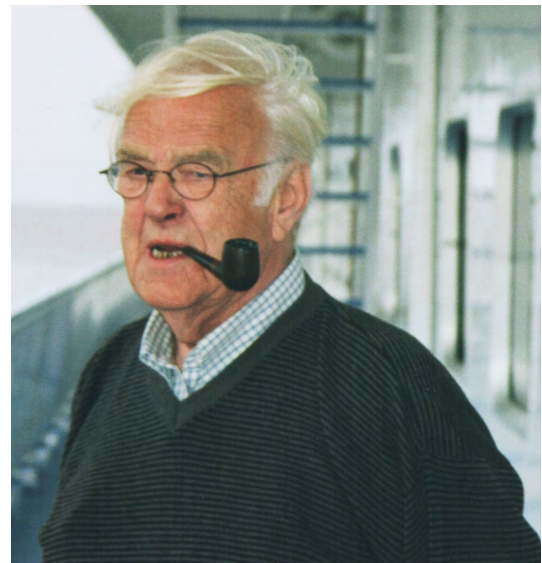
## **Always ahead of our times**

### **– Starting in 1953**

Johannes Jensen founded Dansk Wilton in 1953. Johannes was an entrepreneur, and always looking for new ways to do things. Be it new technologies or new sales channels. His spirit still lives in the company, through employees who have worked with Johannes, and not least by virtue of his wife and daughters, who are still involved in the company.

## **The family continues the story**

Today, the family of Johannes Jensen owns Dansk Wilton. In this way, we can continue to appreciate the benefits of a family-owned business.



**Anne Marie Mau:**

Anne Marie is active in the Dansk Wilton Board of Directors. She holds the position as Deputy Chairman. Anne Marie has a Master of Arts in Architecture. She has been very involved in the architectural design of the recent building expansion.



**Trine Mau:**

Trine is active in the Board of Directors in the family foundation. *"I am pleased to follow the positive development in Dansk Wilton".*

**Helle Mau Jensen:**

Helle is active in the Board of Directors in the family foundation. *"I wish that my husband could see Dansk Wilton today, he would be so proud".*

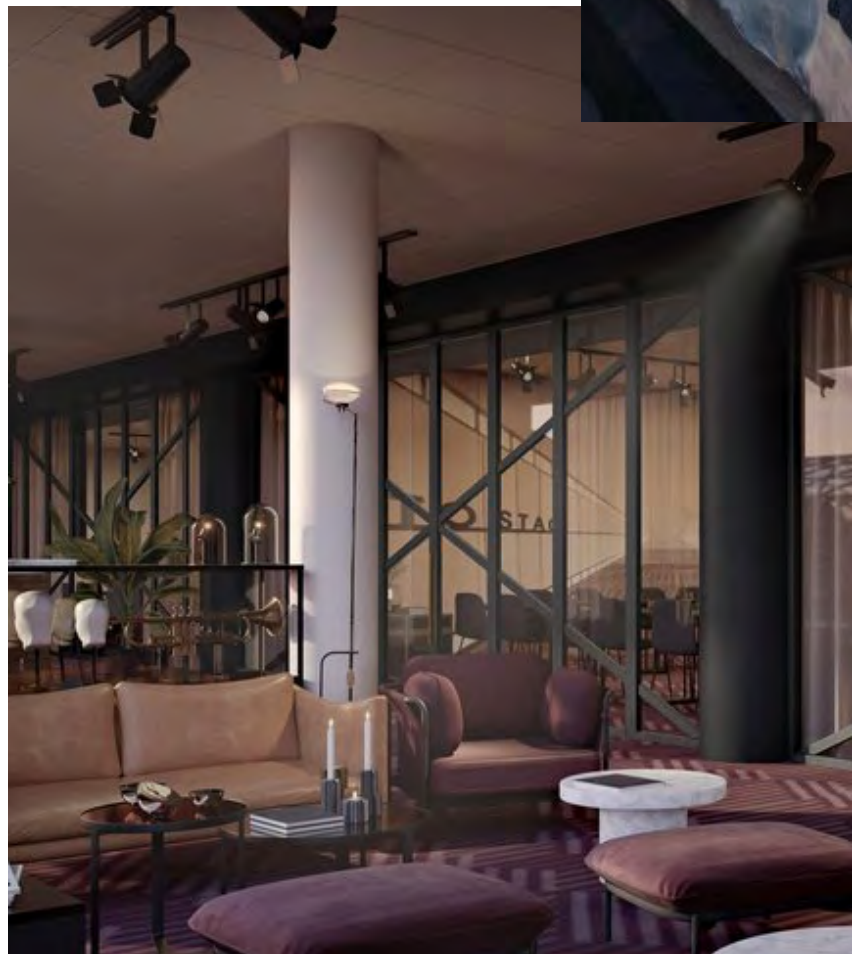
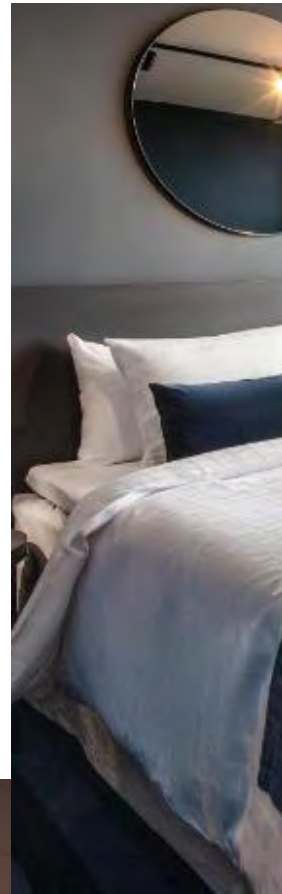


# HOTEL SCANDIC FALKONER REFERENCE HOTEL PROJECT

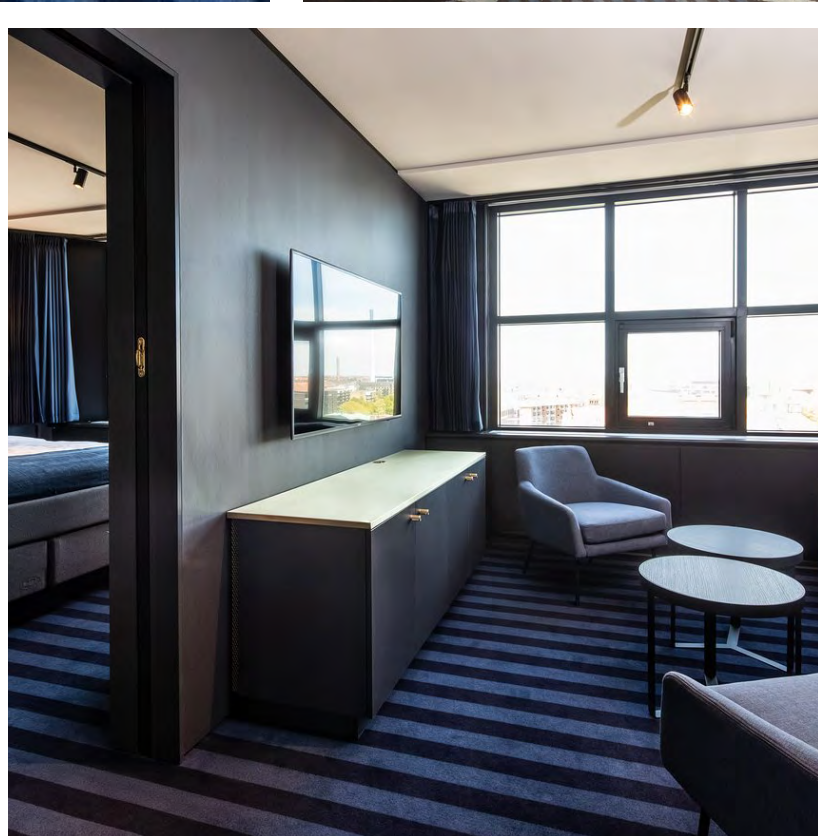
## **An Outstanding Broadway Atmosphere in Copenhagen**

The newly refurbished cultural-historical Scandic Falkoner is situated in Copenhagen and has been attracting people from far and near since the 1950s. Countless festivities, events and concerts have been held here, including performances by the Rolling Stones and Louis Armstrong. 2019, an impressive new hotel opened its doors with an unfailingly consistent style and magnificent atmosphere.

Vast graphical patterns with 'WOW' effects are overwhelming and consume spaces with elegance throughout. Three-dimensional-patterned carpeting is laid in the conference room and corridors, creating a stimulating, dynamic effect. Not to mention the lovely design of the rooms with deep-blue colours, fascinating artwork on the walls and striped carpets, merging in a sophisticated, yet warm and pleasant atmosphere.







Rooms and public areas - Colortec Carpet Solution

Photo credit: Scandic Falkoner



## A NOTE FROM OUR **BOARD OF DIRECTORS**

Dansk Wilton operates in an exciting, challenging industry, where obviously we know that our global customers have a wide variety of choices when sourcing custom designed carpet solutions.

Accordingly, we greatly appreciate the confidence our customers show us, and we work ambitiously every day to meet our customers' needs and expectations.

In 2019 Dansk Wilton has continued its focus on establishing new markets and to secure projects for the coming years. Our strategy and focus on sustainability remain unchanged. Dansk Wilton will continue exploring and developing strategies that can support the increasing demand for sustainable interior design solutions in the hospitality industry. As a result of our efforts Dansk Wilton earned the silver level in the Cradle to Cradle certification in December 2019.



**Lars Martens Clausen**  
Chairman  
Joined the Board of Directors  
26.11.2008

**Jens Seehusen  
Christensen**  
Joined the Board of Directors  
16.04.2019

**Brian Møller Dyrholm  
Pedersen**  
Joined the Board of Directors  
01.04.2016

**Anne Marie Mau**  
Deputy Chairman  
Joined the Board of Directors  
26.08.1994



## A NOTE FROM OUR **MANAGEMENT TEAM**

We have just entered a new year and a new decade which we look very much forward to.

2019 was another exciting year. Each employee in Dansk Wilton made an enormous effort, and our daily work emanates from our dedicated teamwork.

We would like to thank all our partners for the cooperation and support last year and we will continue our hard work to "Delivering the Difference" also in 2020.



**Anna-Lise Rønde**  
Office Manager

**Søren Sonne**  
Managing Director

**Lone Ditmer**  
Marketing Manager

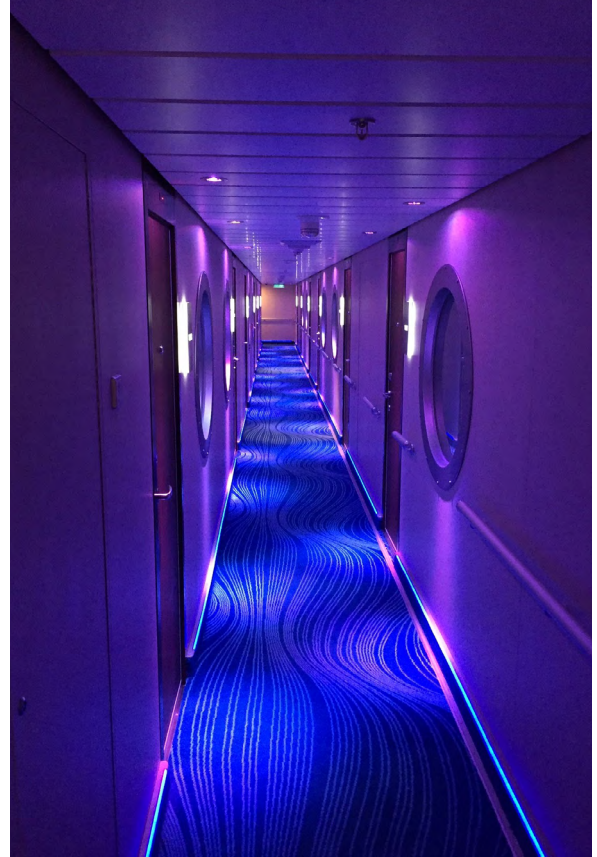
**Alice Foldage Sandgaard**  
Chief Financial Officer

**Kenneth Søgaard Hansen**  
Supply Chain Director



# NCL GETAWAY

## REFERENCES CRUISE SHIP PROJECT







*Beautifully updated in 2019 and ready for new adventures in the Bahamas and Caribbean*





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## CORPORATE SOCIAL RESPONSIBILITY

# DANSK WILTON AND CRADLE TO CRADLE

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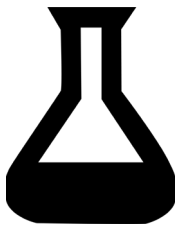
Dansk Wilton's sustainable business development is based on the Cradle to Cradle philosophy and certification program.

Cradle to Cradle is our tool and guideline within each area of certification: material health, material reutilization, renewable energy & carbon management, water stewardship and social fairness. In our belief, this holistic approach is what makes Cradle to Cradle the most advanced and comprehensive certification program within social and environmental responsibility.

We have certified our entire Colortec RE:THINK and ORIGIN ranges. This means that the majority of our business is based on Cradle to Cradle certified carpets.

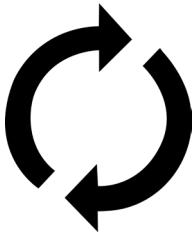
In short, our efforts can be summed up in this overview:





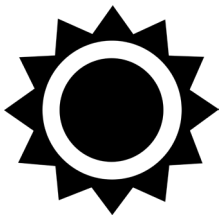
### **MATERIAL HEALTH**

- Ninety-eight percent of all substances used in our carpets are mapped and assessed
- Our carpets are proven free of banned substances:  
*All suppliers and sub-suppliers signed the "Banned Lists of Substances" from Cradle to Cradle (going beyond legislation)*
- Optimization on material health in close cooperation with our suppliers
- All carpets are VOC A+ / Indoor Air Comfort GOLD certified
- Policy and action plan to ensure Animal Welfare



### **MATERIAL REUTILIZATION**

- Wool is a natural and quickly renewable resource, making out 80% of our pile material
- Our felt backside is made of 80% recycled PET-bottles
- Our carpets are rated as recyclable (*based on the material health*)
- Packing material: our carpet tubes are made from recycled plastic lids and our wrapping is made of recyclable plastic



### **RENEWABLE ENERGY AND CARBON MANAGEMENT**

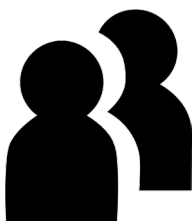
- 100% wind energy in the production process of Colortec carpets
- 100% compensation for remaining CO2 emissions through Offset evidence, UN Certified Emission Reductions (CERs)
- Constant actions taken to reduce our CO2 emissions



### **WATER STEWARDSHIP**

Optimization of product-related chemistry will also positively impact the quality of process wastewater

As we do not generate any wastewater in our internal production processes, we will be going to take maximum responsibility in our value chain for our supplier's management of their use of water



### **SOCIAL FAIRNESS**

- Production in Denmark with high standards for good working conditions
- Committed to include young people with a former criminal record and refugees in our work force
- [B Corp self-evaluation](#) carried out
- Supply Chain Code of Conduct implemented and signed by all Tier 1 suppliers

# RUGS ON A CIRCULAR TRIP 2019

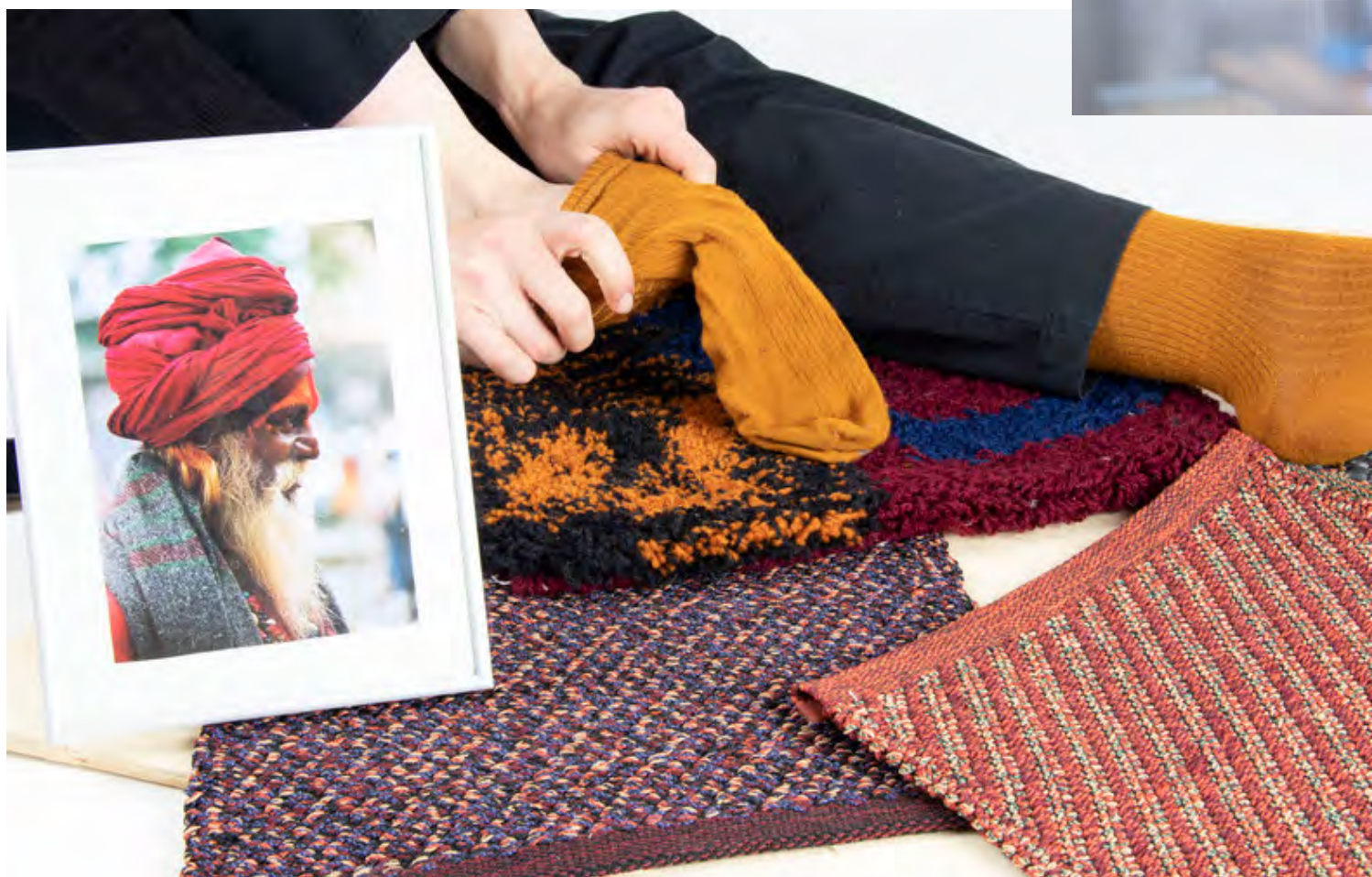
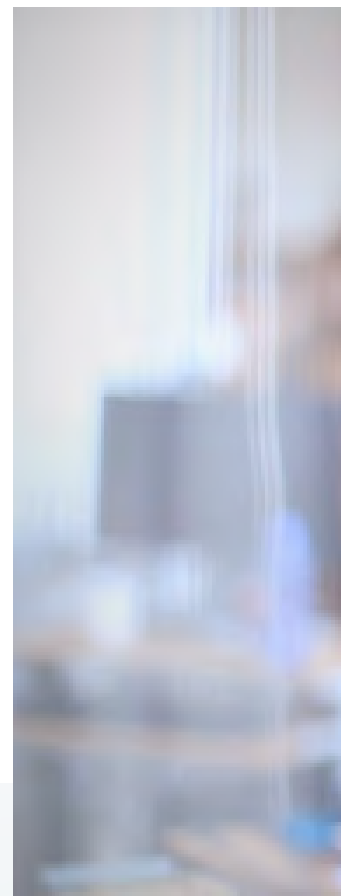
A GRADUATION PROJECT BY GABRIELLA CONSTANTINO

Reusing or recycling materials and seeing waste as a new-product resource is a highly topical theme. In the Cradle to Cradle Philosophy, waste equals food, meaning that everything is a resource for something else.

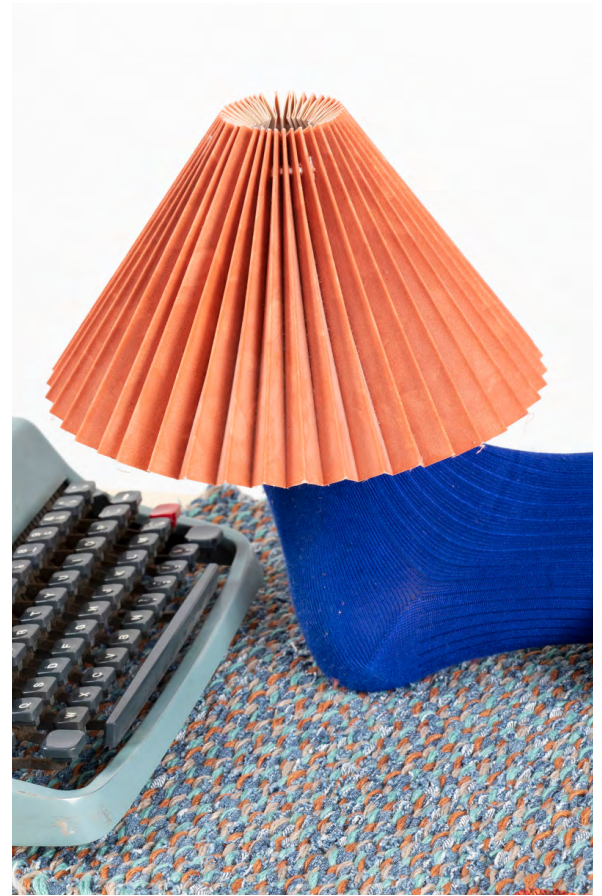
This is why it is rewarding to see young students of design using our materials and breathing new life into them, not least by being a source of inspiration and reflection.

Gabriella has used her graduation project to create a collection of rugs whose raw materials include leftover yarn from the carpet production process. This produces an exciting narrative and, not least, some beautiful rugs.

We extend our heartfelt congratulations to Gabriella on her splendid graduation project and look forward to seeing how future designers will conceive products to be more sustainable and circular.







*"The rug collection is called Taxidia, which means 'trip' in Greek and was notably inspired by selected individuals' best travel moments.*

*My technique is hand-tufting. I've used the Cradle2Cradle concept to focus on selecting materials for each design that are recyclable together. Up to 80% of a product's environmental impact is said to be more or less decided in the design phase, which naturally requires me, as the designer, to design products that can meet requirements for quality and long service life and products that are basically designed for recycling.*

*The rugs' journey in the circular economy continues when the used rugs are returned and resold as second-hand. Finally, they're taken apart and used to weave new rugs or they're converted into materials that become a resource serving a different purpose."*

**- Gabriella Constantinou**



### **Well-being in Dansk Wilton**

*We appreciate our good workplace and the culture that Dansk Wilton is made of.*

*Therefore "well-being" is on our agenda and we conducted an employee satisfaction survey in 2019. We are proud that 99% of our employees are either "satisfied" or "very satisfied" with working at Dansk Wilton.*





# OUR FOCUS AREAS

We develop our business based on five fundamental focus areas:



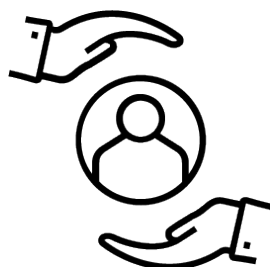
## CREATIVITY & INNOVATION

We are a creative, innovative and idea-generating partner for our customers. We deliver exciting and inspiring solutions.



## The QUALITY we deliver

The heart of our business is high quality in everything we do. We endorse a professional culture where passion for precision is key. This is only possible by virtue of a professional and committed team.



## Our CUSTOMER

Our customers' experiences with us cannot be undone. Their moments with us are all equally important. Before, during and after. We do not just supply a product we provide solutions.

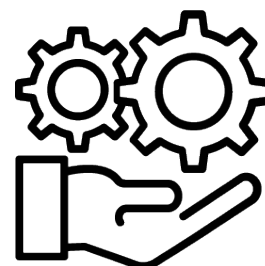


## RE:THINK

## RESPONSIBILITY for people and environment

We work strategically with sustainability and CSR on a daily basis.

We are determined to contribute to the development of environment-friendly solutions in the hospitality industry.



## EFFICIENCY & EFFECTIVENESS

We challenge the existing with a basic belief that we can always do better. The heart of our business is to offer a safe and optimized process.

# DANSK WILTON HIGHLIGHTS

# 2019



### **Cradle to Cradle SILVER certification**

In 2019, Dansk Wilton continued to focus on sustainable business development. As a result, we obtained 4 Cradle to Cradle certifications on Colortec RE:THINK and Colortec ORIGIN carpet solutions. For RE:THINK+ and ORIGIN+, we have achieved the attractive silver level of certification.

[Read more on our website.](#)

### **Nomination for architectural award**

The extension of our production facilities in 2018 got extra attention in 2019 with the nomination for the architectural award in Herning.

Dansk Wilton has a long-standing tradition of collaborating with artists, so the nominated project continues a fifty-year-long tradition of Herning businesses collaborating with the artistic world.

[Read more on our website.](#)





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### **ORIGIN – carpets with absolutely no dye**

In June we presented our new carpet innovation, Colortec ORIGIN. In the development of ORIGIN we have paid special attention to the use of natural resources. The natural colour variations of wool have inspired us to create a range of beautiful yarns, with absolutely no dyes.

[Read more about ORIGIN on our website.](#)



### **Welcome to Angélique Krauter**

We were very excited to have Angélique Krauter joining our team in March! Angélique is based in Stuttgart and is very passionate about the hospitality community, high-quality products and Denmark ... that's what made working with Dansk Wilton so obvious: "My heart beats for individual, artisanal products that are made by passionate people."

[Read more about Angélique on our website.](#)

*Further news and case stories from 2019 are available in our Carpet Journal on our website.*



# #ATTHEMOXY

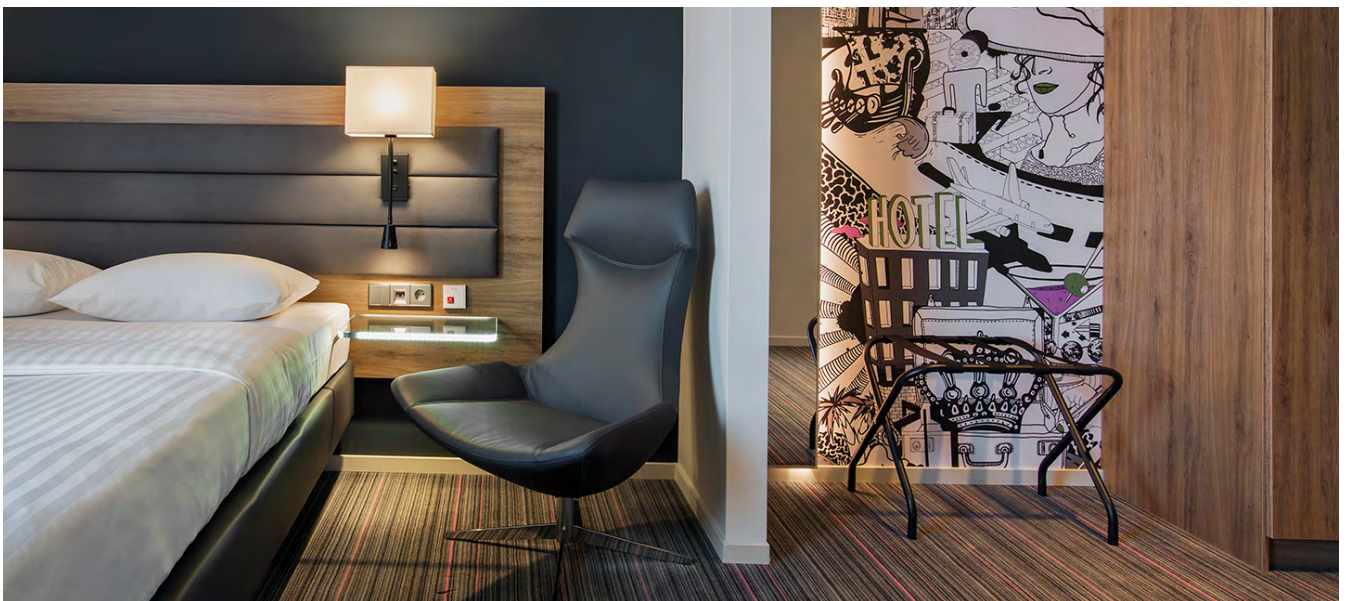
## REFERENCES HOTEL PROJECT







*Moxy Copenhagen has been named one of the most exciting new openings in 2019 by Forbes*







Reference project 2019

Pinnacle Suite - Colortec ORIGIN Carpet Solution





**Zuiderdam, Holland America Line**

*Photo Credit: Holland America Line*







# **FINANCIAL HIGHLIGHTS**

# 2019

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# COMPANY DETAILS

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## **The Company**

Dansk Wilton A/S  
Højskolevej 3, Birk  
7400 Herning

CVR no.: 12 62 46 38  
Reporting period: 1 January - 31 December 2019  
Domicile: Herning

Website: [www.danskwilton.com](http://www.danskwilton.com)  
E-mail: [dw@dansk-wilton.dk](mailto:dw@dansk-wilton.dk)

## **Board of Directors**

Lars Martens Clausen, Chairman  
Anne Marie Mau, Deputy Chairman  
Jens Seehusen Christensen  
Brian Møller Dyrholm Pedersen

## **Executive board**

Søren Sonne

## **Auditors**

Blicher Revision & Rådgivning  
Østergade 48  
7400 Herning

The Annual Report was presented and approved at the Annual General Meeting of the Company on 19 February 2020

*Lars Martens Clausen*  
**Chairman**



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# STATEMENT BY MANAGEMENT ON ANNUAL REPORT

The Board of Directors and the Executive Board have today discussed and approved the annual report of Dansk Wilton A/S for the financial year 1 January - 31 December 2019.

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 company's financial position at 31 December 2019 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2019.

In our opinion, Management's review includes a fair review of the matters dealt with in the Management's review.

Management recommends that the annual report be approved at the annual general meeting.

Herning, 19 February 2020

## Executive Board



Søren Sonne

## Board of Directors



Lars Martens Clausen  
Chairman



Anne Marie Mau  
Deputy Chairman



Jens Seehusen  
Christensen



Brian Møller Dyrholm  
Pedersen

# INDEPENDENT AUDITOR'S REPORT

## To the shareholders of Dansk Wilton A/S

### Opinion

We have audited the Financial Statements of Dansk Wilton A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies as well as statement of cash flows.

The Financial Statements are prepared under 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 2019, and of the results of the Company operations as well as the cash flows for the financial year 1 January - 31 December 2019 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 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 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 of accounting information 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 judgment and maintain professional skepticism 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.



# INDEPENDENT AUDITOR'S REPORT

- 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.

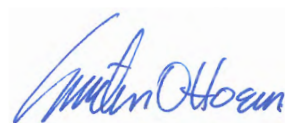
In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially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

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

Based on the work we have performed, we conclude that 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 Management's Review.

Herning, 19 February 2020

**Blicher Revision & Rådgivning**  
Statsautoriseret Revisionsaktieselskab  
CVR-nr. 78 33 78 18



Carsten Ottosen  
statsaut. revisor  
mne26913











# FINANCIAL HIGHLIGHTS

Seen over a 5-year period, the development of the company may be described by means of the following financial highlights:

<b>Key figures</b> (DKK´000)	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Profit/loss</b>					
Gross profit	25.796	33.511	24.973	23.025	20.193
Net financials	(53)	23	203	51	579
Profit/loss for the year	5.209	12.287	6.480	6.319	4.793
<b>Balance sheet</b>					
Balance sheet total	66.023	74.933	72.219	68.478	61.384
Equity	41.776	46.566	44.765	38.286	41.967
<b>Financial ratios</b>					
Solvency ratio	63,3%	62,1%	62,0%	55,9%	68,4%
Return on equity	11,8%	26,9%	15,6%	15,7%	12,1%
Price, book value	316	353	339	290	318
Number of employees	81	84	83	57	55

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.



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# MANAGEMENT'S REVIEW

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## **The Company's principal activities**

The Company's main activity is the design, development and production of individual design carpet in high quality for the professional contract market. The Company's carpet solutions are sold worldwide focusing on international cruise ships and hotel chains among others. The Company has an export share of more than 99%.

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

During the financial year 2019, the Company has made continued investment in market penetration, marketing activities and organization.

The investment in intensified market development and marketing activities in general has resulted in an enlarged customer base. The Company's primary customers – the international hospitality industry (including cruise ships and hotels) are generally showing more willingness to invest – a development that is expected to continue in the coming years.

The Board of Directors considers the Company's result for the year to be lower than expected and planned.

## **Outlook**

The Company expects that the recent years investment in increased capacity, new products, marketing concepts and organization will result in increased sales in the coming years.

The main focus for the financial year 2020 will be a continued streamlining of production processes and working capital together with further development of new export markets and increased marketing activities.

## **Uncertainty relating to recognition and measurement**

Recognition and measurement of items in the annual report have not been subject to any uncertainty.

## **Special risk**

### **Currency related risk**

The Company's main transactions is done in EURO and Danish kroner, resulting in a very reduced currency risk.

### **Interest rate related risk**

The Company has no long term financing why interest rate related risk is very reduced.

### **Environment risk**

The management valuate that the Company's activities have no negative impact on the environment as all processes and waste material that can affect the environment are handled and disposed after the official guidelines set out by the Danish authorities.

### **Unusual matters**

The Company's financial position at 31 December 2019 and the results of its operations and cash flows for the financial year 2019 have not been affected by any unusual matters.

### **Subsequent events**

No events have occurred after the balance sheet date materially affecting the Company's financial position.

# ACCOUNTING POLICIES

The annual report of Dansk Wilton A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium sized enterprises of reporting class C.

Except from the change of accounting policy for 5 extra holidays described on page 45, the accounting polices applied are consistent with those of last year.

The annual report for 2019 is presented in DKK'000.

## **Basis of recognition and measurement**

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities.

All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

## **Income statement**

### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, production costs and other operating income.

### **Revenue**

Revenue from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at fair value of the agreed consideration excl. VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

### **Production costs**

Production costs comprise costs, including depreciation, amortisation, wages and salaries, incurred to achieve revenue for the year. Production costs include direct and indirect costs of raw materials, consumables, wages and salaries, rent and leasing as well as depreciation of production facilities.

### **Distribution costs**

Distribution costs comprise expenses for distribution of goods sold and for sales campaigns, etc. incurred during the year, including salaries to sales staff, advertising and marketing expenses as well as depreciation and amortisation.

### **Administrative costs**

Administrative costs comprise expenses incurred during the year for management and administration of the company, including expenses for administrative staff, Management, office expenses as well as depreciation and amortisation.



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# ACCOUNTING POLICIES

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## **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to realised and unrealised capital/exchange, gains and losses on foreign currency transactions and surcharges and allowances under the advance payment of tax scheme, etc.

## **Tax on profit/loss for the year**

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

## **Balance sheet**

### **Intangible fixed assets**

Intangible rights acquired in the form of software and related rights are measured at cost less accumulated amortisation and less any accumulated impairment losses.

The cost of software includes the cost of project work including direct labour.

Software is amortised on a straight line basis over the contract period, not exceeding 3 years.

Intangible rights acquired are written down to any lower recoverable amount.

### **Tangible fixed assets**

Tangible fixed assets are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self constructed assets comprises direct and indirect costs of materials, components, sub suppliers and wages.

# ACCOUNTING POLICIES

Straight line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
<i>Plant and machinery</i>	5-10 years	0 %
<i>Other fixtures and fittings, tools and equipment</i>	5-10 years	0 %
<i>Leasehold improvements</i>	5-10 years	0 %

Assets costing less than DKK 13,500 are expensed in the year of acquisition.

## **Stocks**

Stocks are measured using the FIFO method. Yarn and fitting material, etc. are measured at the lower of purchase prices or net realisable values. Less salable yarns are calculated at the valuation price.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and indirect production costs.

Carpet remnants are recognised at estimated net realisable value.

## **Receivables**

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

## **Prepayments**

Prepayments, recognised in current assets, comprise costs incurred concerning subsequent financial years.

## **Securities**

Securities and investments consisting of listed bonds and shares are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

## **Provisions**

Provisions comprise performance guarantees and potential expenses related to management intensive scheme. Provisions are recognised when, as a result of a past event, the company has legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at fair value.

## **Income tax and deferred tax**

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.



# ACCOUNTING POLICIES

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

## Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate 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. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables, 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 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.

## Cash flow statement

The cash flow statement shows the company's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the company's cash and cash equivalents at the beginning and at the end of the year.

## Cash flows from operating activities

Cash flows from operating activities are stated as the profit or loss for the year, adjusted for non cash operating items, changes in working capital and paid income taxes.

## Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities, intangible fixed assets, property, plant and equipment and investments.

## Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs, as well as the raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

## Cash and cash equivalents

Cash and cash equivalents comprise cash and short term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

## Change of accounting policies

Liability on extra 5 holidays has not previously been recognized in the Annual Report. The impact of including these extra 5 holidays in the Annual Report are:

- Holiday liability has been increased by 701 t.kr. (501 t.kr in 2018).
- Company tax liability has been reduced by 154 t.kr. (110 t.kr. in 2018).
- Equity capital has been reduced by 547 t.kr. (391 t.kr. in 2018).
- Profit before tax is affected by -209 t.kr. (+123 t.kr. in 2018) and Net profit is affected by -163 t.kr. (+96 t.kr. in 2018).

Comparative figures are adapted according to the new policy. Financial highlights are not adapted for the years 2015, 2016 and 2017.

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# ACCOUNTING POLICIES

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## Financial highlights

Definitions of financial ratios.

$$\text{Solvency ratio: } \frac{\text{Equity at year end} \times 100}{\text{Total assests}}$$

$$\text{Return on equity: } \frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$

$$\text{Price, book value: } \frac{\text{Equity at year end} \times 100}{\text{Equity portfolio}}$$



# INCOME STATEMENT

## 1 JANUARY - 31 DECEMBER 2019

<b>Income statement</b> (DKK '000)	<b>Note</b>	<b>2019</b>	<b>2018</b>
<b>Gross profit</b>		<b>25.796</b>	<b>33.511</b>
Distribution costs		(8.045)	(7.299)
Administrative costs		(11.009)	(10.481)
<b>Operating profit/loss</b>		<b>6.742</b>	<b>15.731</b>
Financial income	1	49	85
Financial expenses	2	(101)	(62)
<b>Profit/loss before tax</b>		<b>6.690</b>	<b>15.754</b>
Tax on profit/loss for the year	3	(1.481)	(3.467)
<b>Net profit/loss for the year</b>	4	<b>5.209</b>	<b>12.287</b>

# BALANCE SHEET

## AT 31 DECEMBER 2019

<b>Assets</b> (DKK'000)	<u>Note</u>	<u>2019</u>	<u>2018</u>
Software		293	292
<b>Intangible fixed assets</b>	5	<u>293</u>	<u>292</u>
Plant and machinery		19.638	22.352
Other fixtures and fittings, tools and equipment		2.325	2.297
Leasehold improvements		2.398	2.478
<b>Tangible fixed assets</b>	6	<u>24.361</u>	<u>27.127</u>
<b>Total fixed assets</b>		<u>24.654</u>	<u>27.419</u>
<b>Stocks</b>	7	<u>18.218</u>	<u>9.692</u>
Trade receivables		13.033	31.652
Other receivables		1.108	3.167
Corporation tax		538	0
Prepayments	8	507	310
<b>Receivables</b>		<u>15.186</u>	<u>35.129</u>
<b>Cash at bank and in hand</b>		<u>7.965</u>	<u>2.693</u>
<b>Total current assets</b>		<u>41.369</u>	<u>47.514</u>
<b>Total assets</b>		<u>66.023</u>	<u>74.933</u>



# BALANCE SHEET

## AT 31 DECEMBER 2019

<b>Equity and liabilities</b> (DKK'000)	<b>Note</b>	<b>2019</b>	<b>2018</b>
Share capital		13.200	13.200
Retained earnings		28.576	23.366
Proposed dividend for the year		0	10.000
<b>Total equity</b>	9	<b>41.776</b>	<b>46.566</b>
Provision for deferred tax	10	1.408	1.300
Other provisions	11	1.500	980
<b>Total provisions</b>		<b>2.908</b>	<b>2.280</b>
Other credit institutions		94	140
Prepayments received from customers		6.552	230
Trade payables		3.855	14.029
Corporation tax		0	1.333
Other payables		10.838	10.355
<b>Short term debt</b>		<b>21.339</b>	<b>26.087</b>
<b>Total debt</b>		<b>21.339</b>	<b>26.087</b>
<b>Total equity and liabilities</b>		<b>66.023</b>	<b>74.933</b>
Staff	12		
Contingent assets, liabilities and other financial obligations	13		
Related parties and ownership	14		

# STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2019	13.200	23.367	10.000	46.567
Ordinary dividend paid			(10.000)	(10.000)
Net profit/loss for the year		5.209		5.209
<b>Equity at 31 December 2019</b>	<b>13.200</b>	<b>28.576</b>	<b>0</b>	<b>41.776</b>



# CASH FLOW STATEMENT

## 1 JANUARY - 31 DECEMBER 2019

<b>Cash flow statement</b> (DKK´000)	<b>Note</b>	<b>2019</b>	<b>2018</b>
Net profit/loss for the year		5.209	12.287
Adjustments	15	6.345	7.981
Change in working capital	16	9.108	(2.532)
<b>Cash flows from operating activities before financial income and expenses</b>		<b>20.662</b>	<b>17.736</b>
Interest income and similar income		49	85
Interest expenses and similar charges		(102)	(62)
<b>Cash flows from ordinary activities</b>		<b>20.609</b>	<b>17.759</b>
Corporation tax paid		(3.243)	(1.597)
<b>Cash flows from operating activities</b>		<b>17.366</b>	<b>16.162</b>
Purchase of intangible fixed assets		(265)	(131)
Purchase of property, plant and equipment		(1.782)	(3.613)
Sale of securities		0	314
<b>Cash flows from investing activities</b>		<b>(2.047)</b>	<b>(3.430)</b>
Dividend paid		(10.000)	(10.000)
<b>Cash flows from financing activities</b>		<b>(10.000)</b>	<b>(10.000)</b>
<b>Change in cash and cash equivalents</b>		<b>5.319</b>	<b>2.732</b>
Cash at bank and in hand		2.693	52
Overdraft facility		(140)	(231)
Cash and cash equivalents at 1 January 2019		<b>2.553</b>	<b>(179)</b>
<b>Cash and cash equivalents at 31 December 2019</b>		<b>7.872</b>	<b>2.553</b>
<b>Cash and cash equivalents are specified as follows:</b>			
Cash at bank and in hand		7.965	2.693
Overdraft facility		(93)	(140)
<b>Cash and cash equivalents at 31 December 2019</b>		<b>7.872</b>	<b>2.553</b>

# HURTIGRUTEN

## REFERENCE CRUISE SHIP PROJECT

### **Hurtigruten wants to be the greenest cruise company in the world**

In 2018, Hurtigruten was the first major global company to stop using single-use plastics. 2019, the company marked an essential milestone when MS Roald Amundsen, the newest addition to the fleet, entered service and opened a new chapter in maritime history.

MS Roald Amundsen is the first hybrid electric-powered cruise ship. The engines will normally run on low-emission diesel but can be topped up with electricity from a huge battery pack, cutting fuel consumption by up to 20 per cent and allowing the luxurious 530-passenger ship to coast silently and with zero emissions for up to 30 minutes in Arctic or Antarctic waters.



**Roald Amundsen, Hurtigruten**





# NOTES TO THE ANNUAL REPORT

## Notes (DKK '000)

<b>1</b>	<b>Financial income</b>	<b>2019</b>	<b>2018</b>
	Other financial income	49	81
	Exchange gains	0	4
		<b>49</b>	<b>85</b>
<b>2</b>	<b>Financial expenses</b>	<b>2019</b>	<b>2018</b>
	Other financial expenses	101	23
	Exchange loss	0	39
		<b>101</b>	<b>62</b>
<b>3</b>	<b>Tax on profit/loss for the year</b>	<b>2019</b>	<b>2018</b>
	Current tax for the year	1.372	3.272
	Deferred tax for the year	108	195
		<b>1.480</b>	<b>3.467</b>
<b>4</b>	<b>Proposed distribution of profit</b>	<b>2019</b>	<b>2018</b>
	Proposed dividend for the year	0	10.000
	Retained earnings	5.209	2.287
		<b>5.209</b>	<b>12.287</b>



# NOTES TO THE ANNUAL REPORT

<b>5 Intangible fixed assets</b>	<b>Software</b>	
Cost at 1 January 2019		4.063
Additions for the year		265
		<hr/>
Cost at 31 December 2019		<b><u>4.327</u></b>
Impairment losses and amortisation at 1 January 2019		3.771
Amortisation for the year		263
		<hr/>
Impairment losses and amortisation at 31 December 2019		<b><u>4.035</u></b>
		<hr/>
Carrying amount at 31 December 2019		<b><u>293</u></b>
		<hr/>
<i>Amortisation and impairment of intangible fixed assets are recognised in the following items:</i>	<b><u>2019</u></b>	<b><u>2018</u></b>
Amortisation and impairment, administration	263	293
	<hr/>	<hr/>
	<b><u>(263)</u></b>	<b><u>(293)</u></b>

# NOTES TO THE ANNUAL REPORT

<b>6 Tangible fixed assets</b>	<b>Plant and machinery</b>	<b>Other fixtures and fittings, tools and equipment</b>	<b>Leasehold improvements</b>
	<hr/>	<hr/>	<hr/>
Cost at 1 January 2019	68.573	5.924	6.633
Additions for the year	531	870	382
Disposals for the year	0	(158)	(30)
	<hr/>	<hr/>	<hr/>
Cost at 31 December 2019	<b>69.104</b>	<b>6.636</b>	<b>6.985</b>
	<hr/>	<hr/>	<hr/>
Impairment losses and depreciation at 1 January 2019	46.221	3.627	4.155
Depreciation for the year	3.245	841	462
Reversal of impairment and depreciation of sold assets	0	(158)	(30)
	<hr/>	<hr/>	<hr/>
Impairment losses and depreciation at 31 December 2019	<b>49.466</b>	<b>4.311</b>	<b>4.587</b>
	<hr/>	<hr/>	<hr/>
Carrying amount at 31 December 2019	<b>19.638</b>	<b>2.325</b>	<b>2.398</b>

*Depreciation and impairment of intangible fixed assets are recognised in the following items:*

	<b>2019</b>	<b>2018</b>
	<hr/>	<hr/>
Depreciation and impairment, production	3.984	3.793
Depreciation and impairment, administration	564	451
	<hr/>	<hr/>
	<b>4.549</b>	<b>4.244</b>



# NOTES TO THE ANNUAL REPORT

<b>7</b>	<b>Stocks</b>	<b>2019</b>	<b>2018</b>
	Raw materials and consumables	5.075	3.663
	Work in progress	2.636	1.918
	Finished goods and goods for resale	10.507	4.111
		<b>18.218</b>	<b>9.692</b>

## **8** Prepayments

Prepayments comprise prepaid expenses regarding software development/licenses, provision, subscriptions and travel.

## **9** Equity

The share capital consists of:

11.700 A shares of DKK 1 thousand	11.700
1.500 B shares of DKK 1 thousand	1.500
	<b>13.200</b>

# NOTES TO THE ANNUAL REPORT

<b>10 Provision for deferred tax</b>	<b>2019</b>	<b>2018</b>
Provision for deferred tax at 1 January 2019	1.300	1.105
Provision in year	108	195
<b>Provision for deferred tax at 31 December 2019</b>	<b>1.408</b>	<b>1.300</b>
Property, plant and equipment	1.571	1.452
Inventories	139	40
Prepayments	28	24
Provisions	(330)	(216)
	<b>1.408</b>	<b>1.300</b>

## **11 Other provisions**

Other provisions comprise performance guarantees and potential expenses related to management incentive scheme.



# NOTES TO THE ANNUAL REPORT

<b>12 Staff</b>	<b>2019</b>	<b>2018</b>
Remuneration to the executive board, wages and salaries	34.319	33.790
Pensions	2.581	2.513
Other social security expenses	784	741
	<b>37.684</b>	<b>37.044</b>
<i>Wages and salaries, pensions and other social security expenses are recognised in the following items:</i>		
Production costs (cost of sales)	25.511	25.343
Distribution costs	4.812	4.482
Administrative costs	7.361	7.219
	<b>37.684</b>	<b>37.044</b>
<i>Of which, remuneration to the Executive Board and the Board of Directors amounts to:</i>		
	2.400	2.670
	<b>2.400</b>	<b>2.670</b>
Average number of employees	81	84

According to section 98 B (3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.

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# NOTES TO THE ANNUAL REPORT

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## **13 Contingent assets, liabilities and other financial obligations**

The company operates from leased premises. The contractual obligations amount to DKK 4,315k at 31 December 2019

The company has entered into operating lease agreements for operating equipment with expiry in 2024. The total lease obligation amounts to DKK 67k.

The company is jointly taxed with its parent, Johannes Jensen og Helle Mau Jensen Holding ApS, and is jointly and severally liable together with other jointly taxed entities for payment of corporate income tax and withholding tax on dividends, interest and royalties.

## **14 Related parties and ownership**

### **Controlling interest**

Johannes Jensen og Helle Mau Jensen Holding ApS, Frølundvej 60, Herning

### **Other related parties**

In addition, the company's related parties with significant influence comprise the company's Board of Directors, Executive Board and management employees. Related parties also comprise companies in which these individuals have a substantial interest.

The company is included in consolidated financial statements for the ultimate mother foundation Johannes Jensen & Helle Mau Jensens Fond, Frølundvej 60, 7400 Herning.



# NOTES TO THE ANNUAL REPORT

<b>15 Cash flow statement - adjustments</b>	<b>2019</b>	<b>2018</b>
Financial income	(49)	(85)
Financial expenses	102	62
Depreciation, amortisation and impairment losses	4.812	4.537
Tax on profit/loss for the year	1.480	3.467
	<b>6.345</b>	<b>7.981</b>

<b>16 Cash flow statement - change in working capital</b>	<b>2019</b>	<b>2018</b>
Change inventories	(8.525)	5.507
Change in receivables	26.803	(7.328)
Change in trade payables, etc.	(9.170)	(711)
	<b>9.108</b>	<b>(2.532)</b>











# A Woollen Artwork

A special delivery to you  
from

**DANSK WILTON**



Did you know  
that we are manufacturer  
of luxurious wool carpets

Since 1953