

Revisionsfirmaet



Ole Vestergaard

Statsautoriserede revisorer

# CWS Danmark ApS

CVR-nr.: 13 91 68 96

## Annual Report for 2015

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 15/2 - 2016.

Frank Højlund Lavrsen, conductor

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## Management's Statement on the Annual Report

We have today considered and adopted the Annual Report of CWS Danmark ApS for the financial year 1. January - 31. December 2015.

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

It is our opinion that the financial statement gives a true and fair view of the company's assets, liabilities and financial position as well as results. At the same time, it is our opinion that the management review contains a true and fair account of the circumstances that the review contains.

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

Randers, 15/2 2016

### Executive Board

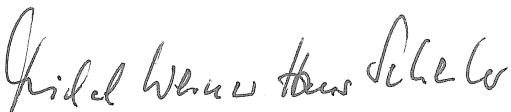


Frank Højlund Lavrsen

### Supervisory Board



Jørgen Larsen



Michael Werner Hans Scheiter



Hans Helmut Schmidt

## **Independent Auditors' Report**

**To the investors in CWS Danmark ApS**

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

We have audited the financial statements of CWS Danmark ApS for the financial year 1. January - 31. December 2015, which comprise summary of significant accounting policies, income statement, balance sheet and notes for the company. The financial statements are prepared in accordance with the Danish Financial Statements Act.

### **Board of Directors' and Board of Executives' Responsibility for the Financial Statements**

The Board of Directors and Board of Executives are responsible for the presentation and preparation of the Company's financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. This responsibility includes: Designing, implementing and maintaining internal control relevant for the presentation and preparation of the Company's financial statements that give a true and fair view, free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statement based on our audit. We have conducted the audit in accordance with international standards governing audits and additional requirements according to Danish audit legislation. This requires that we comply with ethical requirements and plan and perform the audit to obtain a high degree of certainty that the financial statement is free of material misstatement.

An audit involves performing audit procedures to obtain audit evidence for the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement in the financial statement, regardless if this is due to fraud or error. In their risk assessment, the auditor considers the internal controls that are relevant for the company's preparation of a financial statement that present a true and fair view. The purpose of this is to design audit procedures, which are suitable according to the circumstances, but do not express an opinion concerning the effectiveness of the company's internal review. An audit furthermore includes evaluating the appropriateness of the accounting principles applied and the reasonableness of the accounting estimates made by management, as well as the overall presentation of the financial statements.

It is our opinion that the obtained audit evidence is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualifications.

## Independent Auditors' Report - continued

### Opinion


It is our opinion that the financial statement gives a true and fair view of the company's assets, liabilities and financial position as of 31 December 2015 and of the result of the company's activities for the financial year 1 January 2015 - 31 December 2015 in accordance with the Danish Financial Statements Act.

### Statement on Management's Review

In accordance with the Danish Financial Statements Act we have read the management review. We have not undertaken any further audit activities in addition to the audit of the financial statements. On this basis, it is our opinion that the information stated in the management review is in accordance with the financial statement.

Fårup, 15 / 2 2016

**Revisionsfirmaet Ole Vestergaard**  
**Statsautoriseret Revisionsaktieselskab**



Karsten Laursen

State Authorised Public Accountant

## Company Information

### The Company

CWS Danmark ApS  
Furvej 2  
8940 Randers SV  
Phone: 86 44 70 22  
Website: [www.cws.dk](http://www.cws.dk)  
CVR-nr.: 13 91 68 96  
Date of establishment: 1. January 1990  
Municipality: Randers Kommune

### Supervisory Board

Jørgen Larsen  
Michael Werner Hans Scheiter  
Hans Helmut Schmidt

### Executive Board

Frank Højlund Lavrsen

### Bank

Danske Bank

### Auditors

Revisionsfirmaet Ole Vestergaard  
Statsautoriseret Revisionsaktieselskab  
Bakkevænget 16  
8990 Fårup

## **Management's Review**

### **Principle activities**

The company's principle activities are to operate as a trading company and secondarily to conduct consulting and investment activities as well as activities derived in connection with these.

### **Development of activities and financial conditions**

The financial statement is considered satisfactory.

### **Events after the end of the financial year**

After the end of the fiscal year there have not been events that could significantly have an impact on the financial position of the company.

## Summary of significant accounting policies

### **Basis of Preparation**

The Annual report for CWS Danmark ApS for 2015 is reported in accordance with the financial statements act for class B-companies with optional individual rules for class C-companies.

The most essential elements of the applied accounting practise, that is unchanged in relations to last year, are following:

### **Recognition and measuring**

In the profit and loss statement revenues are incorporated as they are earned, and also value adjustments of financial assets and obligations are incorporated. In the profit and loss statement all costs are likewise incorporated, including depreciations and devaluations.

Assets are incorporated in the balance sheet when it is likely that future financial benefits will accrue to the company and the value of the asset can be reliably measured.

Obligations are incorporated in the balance sheet when it is likely that future financial benefits will be subtracted from the company and the value of the asset can be reliably measured.

At the first incorporation assets and obligations are measured at cost price. Subsequently assets and obligations are measured as described for each accounting item below.

Certain financial assets and obligations are measured at amortized cost price, by which a constant effective rate of interest during the loan period is incorporated. Amortized cost price is made up as original cost price with deduction of any payments and additions/deductions of the accumulated amortization of the difference between cost price and nominal amount.

At incorporation and measurement considerations are taken to predictable losses and risks, that arise before the annual report is presented, and which confirm or disprove relations that existed on the day of the balance day.

The accounting value of intangible and tangible assets are reviewed yearly to determine if there is an indication of depreciation besides what is expressed by the usual depreciation. If this is the case, devaluation is done to the lower recovery value.

### **The Income statement**

#### **Net turnover**

Net turnover from sales of commodities and finished goods will be included in the final statement if delivery and passing of risk to the buyer has taken place before year end. The net turnover is recognized net. VAT and net of discounts in connection with the sale.



## Summary of significant accounting policies - continued

### Financial items

Financial income and costs are incorporated in the profit and loss statement with the amounts that are related to the financial year. Financial items include interest income and - costs, financial costs of financial leasing, realized and unrealized capital gains and losses concerning securities, debt and transactions in foreign currency, amortization of mortgage loans and supplements and repayments under the prepaid tax arrangement etc.

### Tax of profit of the year

The tax of the year, that consists of the current tax of the year and delays in postponed tax, is incorporated in the profit and loss statement with the part that can be related to the profit of the year, and directly to the shareholders' equity with the part that can be related to posting directly on the shareholders' equity.

### The balance sheet

#### Property, plant and equipment

Property, plant and equipment are measured at cost price with deductions of accumulated depreciations.

Basis for depreciation is cost price with deduction of expected residual values after completed time of use. Land is not depreciated.

The cost price include purchase price and costs directly related to the purchase until the time when the asset is ready for use.

Linear depreciations are done based on the following assessment of the expected time of use and residual value of the assets:

	<u>Time of use</u>	<u>Residual Value</u>
Buildings	25 years	0%
Tools and equipment	5 years	0%

Assets with a cost price below DKK 12.800 each is incorporated as a cost in the profit and loss statement of the year of purchase.

Profit and loss at sale of tangible assets are made up as the difference between sale price with deduction of sales costs and the accounting value at the time of the sale. Profit or loss is incorporated in the profit and loss statement under other operating income and expenses.

## Summary of significant accounting policies - continued

### **Inventories**

Inventories are measured at the lower of cost under FIFO method and net realisable value.

The cost of goods for resale, raw materials and consumables equals landed cost.

The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

### **Receivables**

Receivables are measured at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### **Dividend**

Proposal for dividend for the financial year is included as a separate item under equity. Proposal for dividend is included as an obligation at the time of adoption at the General Assembly.

### **Deferred tax assets and liabilities**

Current tax obligations and receivable current tax are incorporated in the balance sheet as calculated tax of the taxable income of the year regulated for taxable income for previous years and for paid tax on account.

Deferred tax is measured after the balance oriented liability method of temporary differences between accounting and tax value of assets and obligations made up on the basis of the planned application of the asset respectively divestment of the obligation.

Deferred tax assets, including the tax value of justified carried-forward tax deficiency, are measured as the value for which the assets is expected to be sold for, either as settlement of tax of future income or as a deduction in deferred tax obligations within the same legal tax entity. Any deferred net tax assets are measured at net market value.

Deferred tax is measured on the basis of the tax regulations and tax rates that are current legislation on the day of the balance, when the deferred tax is expected to be disclosed as current tax. Change in deferred tax as a follow of changes in tax rates is incorporated in the profit and loss statement. For current year a tax rate of 22% is applied.

## Summary of significant accounting policies - continued

### **Debt obligations**

Financial obligations are incorporated at the time of the lend at cost price, equivalent to the received proceeds after deduction of held transaction costs. In the following periods the financial obligations are measured at amortized cost price equivalent to the capitalized value when applying the effective rate of interest, so that the difference between proceeds and the nominal value is incorporated in the profit and loss statement over the loan period.

In this way, mortgage debt is measured at amortised cost, which for cash loans corresponds to the loan's outstanding debt. For debenture loans, the amortised cost corresponds to an outstanding debt calculated as the loan's underlying cash value at the loan's borrowing time, regulated with a depreciation of the loan's value adjustment performed across the payment period of the loan at the time of borrowing.

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

### **Translation of foreign currency**

Transactions in foreign currency are translated at the exchange rate of the transaction day. Currency differentials that occur between the exchange rate of the transaction day and the exchange rate of the day of payment are incorporated in the profit and loss statement as a financial item. If foreign currency holdings are considered as hedging of future money flows, the value adjustments are incorporated directly on the shareholder's equity.

Outstanding amounts, debt and other monetary items in foreign currency, that are not settled at the day of balance, are measured at the foreign exchange rate of the day of the balance. The difference between the exchange rate of the day of balance and the exchange rate on the time of the occurrence of the outstanding amount or the debt is incorporated in the profit and loss statement under financial income and costs.

## Income Statement

Note	2015	2014
<b>Gross profit</b>	<b>3.681.970</b>	<b>3.521.025</b>
1 Staff costs	-3.005.746	-2.600.810
Depreciations	-221.184	-171.598
Other operating costs	0	7.460
	<hr/>	<hr/>
<b>Operating profit</b>	<b>455.040</b>	<b>756.077</b>
Financial income	9.913	9.425
Financial expenses	-54.454	-50.478
	<hr/>	<hr/>
<b>Profit before tax</b>	<b>410.500</b>	<b>715.024</b>
2 Tax on profit/loss for the year	-101.861	-176.613
	<hr/>	<hr/>
<b>Net profit for the year</b>	<b>308.639</b>	<b>538.411</b>
	<hr/>	<hr/>
<b>Proposed distribution of profit</b>		
Retained earnings	308.639	538.411
	<hr/>	<hr/>
<b>Total distribution</b>	<b>308.639</b>	<b>538.411</b>
	<hr/>	<hr/>

## Balance sheet

Note	31/12 2015	31/12 2014
Land and buildings	1.558.325	1.702.085
Tools and equipment	253.268	330.691
3 Property, plant and equipment	<u>1.811.593</u>	<u>2.032.777</u>
<b>Fixed assets</b>	<b><u>1.811.593</u></b>	<b><u>2.032.777</u></b>
Finished goods and merchandise	<u>4.141.245</u>	<u>3.453.128</u>
Trade receivables	1.832.181	2.348.763
Receivables from group enterprises	29.962	10.039
Other receivables	5.071	5.709
Accruals	49.840	93.745
Receivables	<u>1.917.054</u>	<u>2.458.257</u>
Cash at bank	<u>665.464</u>	<u>867.270</u>
<b>Current assets</b>	<b><u>6.723.763</u></b>	<b><u>6.778.654</u></b>
<b>Assets</b>	<b><u>8.535.356</u></b>	<b><u>8.811.431</u></b>

## Balance sheet

Note	31/12 2015	31/12 2014
Share capital	200.000	200.000
Retained earnings	2.995.324	2.686.684
<b>4 Equity</b>	<b>3.195.324</b>	<b>2.886.684</b>
Provision for deferred tax	62.718	70.202
<b>Provisions</b>	<b>62.718</b>	<b>70.202</b>
Mortgages	1.031.636	1.105.155
<b>5 Long-term debt</b>	<b>1.031.636</b>	<b>1.105.155</b>
<b>5 Current portion of long-term debt</b>	<b>75.900</b>	<b>75.200</b>
Debt to banks	236.440	18.848
Trade payables	451.463	425.940
Payables to group enterprises	2.282.027	2.856.526
<b>2 Corporation tax</b>	<b>109.346</b>	<b>154.791</b>
Other payables	1.090.503	1.218.086
Short-term debt	4.245.679	4.749.389
<b>Debt</b>	<b>5.277.315</b>	<b>5.854.544</b>
<b>Liabilities and equity</b>	<b>8.535.356</b>	<b>8.811.431</b>
<b>6 Contingent liabilities</b>		
<b>7 Charged assets and collateral securities</b>		

## Notes

	2015	2014
<b>1. Staff costs</b>		
Wages and salaries, etc.	2.771.623	2.462.053
Pension schemes	78.000	78.000
Other social security expenses	156.123	60.757
	<hr/>	<hr/>
Total staff costs	3.005.746	2.600.810
	<hr/>	<hr/>
<b>2. Tax on profit for the year</b>		
Current tax for the year	109.346	154.791
Deferred tax for the year	-7.485	21.822
	<hr/>	<hr/>
Total corporate tax	101.861	176.613
	<hr/>	<hr/>
Tax on profit	109.346	154.791
	<hr/>	<hr/>
Income taxes payable	109.346	154.791
	<hr/>	<hr/>
<b>3. Property, plant and equipment</b>		
	Land and buildings	Tools and equipment
Cost at 31/12 2014	2.830.439	883.936
Cost at 31/12 2015	2.830.439	883.936
	<hr/>	<hr/>
Depreciation at 31/12 2014	1.128.354	553.244
Depreciation for the year	143.760	77.423
Depreciation at 31/12 2015	1.272.114	630.667
	<hr/>	<hr/>
Carrying amount at 31/12 2015	1.558.325	253.268
	<hr/>	<hr/>
Recent official property valuation (October 2014)	2.150.000	
	<hr/>	

## Notes

### 4. Equity

	Share capital	Retained earnings
Equity at 31/12 2014	200.000	2.686.684
Net profit/loss for the year	0	308.639
Equity at 31/12 2015	200.000	2.995.324

The share capital consists of 200 shares of an nominal amount of DKK 1.000.

### 5. Long-term debt

	Total debt	Within 1 year	After 5 years
Mortgages	1.107.536	75.900	725.000
	1.107.536	75.900	725.000

### 6. Contingent liabilities

The standard guarantee obligations for the industry apply.

The company has entered into an operating leasing agreement for the lease of operating equipment. The leasing agreement runs for 36 months and expires on 31 October 2016. The annual value leasing charge is DKK 120.000, and the remaining leasing obligation is DKK 100.000.

### 7. Charged assets and collateral securities

As security for debt for mortgage credit institutions, size DKK 1.180.355, a lien has been taken in land and buildings, the accounting value of which is DKK 1.558.325 as of 31 December 2015.

As security for exposures with the financial institution, a security of DKK 1.500.000 has been provided as collateral in the mortgage deed.

The accounting value of the mortgaged assets is DKK 1.558.325.