

**Cycle Service Nordic ApS  
Central Business Registration No  
14412107  
Datavej 12  
5220 Odense SØ**

**Annual report 2015**

The Annual General Meeting adopted the annual report on 31.03.2016

**Chairman of the General Meeting**

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Name: Bo Bækkelund

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## **Entity details**

### **Entity**

Cycle Service Nordic ApS  
Datavej 12  
5220 Odense SØ

Central Business Registration No: 14412107

Registered in: Odense

Financial year: 01.01.2015 - 31.12.2015

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Internet: [www.cycleservicenordic.com](http://www.cycleservicenordic.com)

E-mail: [info@cycleservicenordic.com](mailto:info@cycleservicenordic.com)

### **Board of Directors**

Svend Møller, Chairman

Bo Bækkelund

Jeroen Maria Snijders Blok

### **Executive Board**

Bo Bækkelund

### **Entity auditors**

Deloitte Statsautoriseret Revisionspartnerselskab

Tværkajen 5

5100 Odense C

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

The Board of Directors and the Executive Board have today considered and approved the annual report of Cycle Service Nordic ApS for the financial year 01.01.2015 - 31.12.2015.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations and cash flows for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Odense, 31.03.2016

### **Executive Board**

Bo Bækkelund

### **Board of Directors**

Svend Møller  
Chairman

Bo Bækkelund

Jeroen Maria Snijders Blok

## **Independent auditor's reports**

### **To the owners of Cycle Service Nordic ApS Report on the financial statements**

We have audited the consolidated financial statements and parent financial statements of Cycle Service Nordic ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

#### **Management's responsibility for the consolidated financial statements and parent financial statements**

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

#### **Opinion**

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2015, and of the results of their operations and the Group's cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

## **Independent auditor's reports**

### **Statement on the management commentary**

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Odense, 31.03.2016

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Anders Flou  
State Authorised Public Accountant

CVR-nr. 33963556

## Management commentary

	<b>2015</b>	<b>2014</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>Financial highlights</b>		
<b>Key figures</b>		
Revenue	104,890	103,994
Gross profit/loss	24,379	24,818
Operating profit/loss	7,382	8,724
Net financials	(993)	(921)
Profit/loss for the year	4,835	5,917
Total assets	61,866	51,114
Investments in property, plant and equipment	1,266	639
Equity	19,308	14,473
Cash flows from (used in) operating activities	3,921	(2,519)
Cash flows from (used in) investing activities	(995)	(639)
Cash flows from (used in) financing activities	0	933
Employees in average	39	39
<b>Ratios</b>		
Gross margin (%)	23.2	23.9
Net margin (%)	4.6	5.7
Return on equity (%)	28.6	40.9
Equity ratio (%)	31.2	28.3
Revenue per employee	2,689.0	2,667.0

Cycle Service Nordic ApS prepared its first consolidated financial statements in 2014. In pursuance of section 128(3) of the Danish Financial Statements Act, comparatives for 2013 are not included.

## **Management commentary**

### **Primary activities**

As in previous years, the primary activities of Cycle Service Nordic ApS are wholesaling in bicycle parts and accessories.

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

The financial performance is considered satisfactory.

The Group has changed accounting policies relating to calculation of inventories. The change in accounting policies has had a positive impact on profit after tax of DKK 273k.

The Group's equity, which amounts to DKK 19,308k at 31.12.2015, is positively affected by the change in accounting policies relating to the calculation of cost of inventories by DKK 1,670k.

### **Outlook**

The company anticipates a favorable performance in 2016.

### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.



## **Accounting policies**

### **Reporting class**

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The Group has changed accounting policies relating to calculation of inventories.

The change in accounting policies has had a positive impact on profit after tax of DKK 273k. Equity is positively affected by DKK 1,670k. The comparative figures for 2014 have been restated. Otherwise the accounting policies applied to these financial statements are consistent with those applied last year.

### **Recognition and measurement**

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### **Consolidated financial statements**

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

### **Basis of consolidation**

The consolidated financial statements are prepared on the basis of the financial statements of Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on

## Accounting policies

transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

### Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

### Profits or losses from divestment of equity investments

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

## Accounting policies

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

### Income statement

#### Revenue

Revenue from the sale of goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

#### Other external expenses

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

#### Staff costs

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

#### Amortisation, depreciation and impairment losses

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

#### Other financial income

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

#### Other financial expenses

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

## Accounting policies

### Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

### Balance sheet

#### Property, plant and equipment

Other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

#### Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

#### Receivables

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

## Accounting policies

### Inventories

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

Cost consists of purchase price plus delivery costs.

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

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash

Cash comprises cash in hand and bank deposits.

### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

### Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

### Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

## Accounting policies

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

## Financial highlights

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

<b>Ratios</b>	<b>Calculation formula</b>	<b>Ratios reflect</b>
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The Entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The Entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Solvency ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.
Revenue per employee	$\frac{\text{Revenue}}{\text{Average number of employee}}$	Productivity of the entity

## Consolidated income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Revenue		104,890,297	103,994,062
Cost of sales		(72,229,549)	(70,971,702)
Other external expenses		<u>(8,282,000)</u>	<u>(8,204,140)</u>
<b>Gross profit/loss</b>		<b>24,378,748</b>	<b>24,818,220</b>
Staff costs	1	(16,136,422)	(15,285,967)
Depreciation, amortisation and impairment losses		<u>(860,050)</u>	<u>(808,016)</u>
<b>Operating profit/loss</b>		<b>7,382,276</b>	<b>8,724,237</b>
Other financial income	2	2,103	3,245
Other financial expenses	3	<u>(995,597)</u>	<u>(924,419)</u>
<b>Profit/loss from ordinary activities before tax</b>		<b>6,388,782</b>	<b>7,803,063</b>
Tax on profit/loss from ordinary activities	4	<u>(1,553,795)</u>	<u>(1,885,597)</u>
<b>Profit/loss for the year</b>		<b><u>4,834,987</u></b>	<b><u>5,917,466</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>4,834,987</u>	<u>5,917,466</u>
		<b><u>4,834,987</u></b>	<b><u>5,917,466</u></b>

**Consolidated balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Other fixtures and fittings, tools and equipment		1,903,825	2,095,347
Leasehold improvements		409,038	82,206
<b>Property, plant and equipment</b>	<b>5</b>	<b><u>2,312,863</u></b>	<b><u>2,177,553</u></b>
Other receivables		219,150	219,150
<b>Fixed asset investments</b>	<b>6</b>	<b><u>219,150</u></b>	<b><u>219,150</u></b>
<b>Fixed assets</b>		<b><u>2,532,013</u></b>	<b><u>2,396,703</u></b>
Manufactured goods and goods for resale		45,424,626	37,991,275
<b>Inventories</b>		<b><u>45,424,626</u></b>	<b><u>37,991,275</u></b>
Trade receivables		8,462,034	8,702,525
Deferred tax assets		72,414	0
Other short-term receivables		434,316	227,539
Prepayments		0	98,881
<b>Receivables</b>		<b><u>8,968,764</u></b>	<b><u>9,028,945</u></b>
<b>Cash</b>		<b><u>4,940,157</u></b>	<b><u>1,696,853</u></b>
<b>Current assets</b>		<b><u>59,333,547</u></b>	<b><u>48,717,073</u></b>
<b>Assets</b>		<b><u>61,865,560</u></b>	<b><u>51,113,776</u></b>



## Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Contributed capital		200,000	200,000
Retained earnings		<u>19,108,092</u>	<u>14,273,105</u>
<b>Equity</b>		<b><u>19,308,092</u></b>	<b><u>14,473,105</u></b>
Provisions for deferred tax		<u>0</u>	<u>394,279</u>
<b>Provisions</b>		<b><u>0</u></b>	<b><u>394,279</u></b>
Bank loans		19,870,589	19,553,408
Trade payables		13,296,634	7,569,982
Payables to group enterprises		0	5,721,988
Payables to shareholders and management		0	46,630
Income tax payable		466,184	82,419
Other payables		8,642,361	2,796,357
Deferred income		<u>281,700</u>	<u>475,608</u>
<b>Current liabilities other than provisions</b>		<b><u>42,557,468</u></b>	<b><u>36,246,392</u></b>
<b>Liabilities other than provisions</b>		<b><u>42,557,468</u></b>	<b><u>36,246,392</u></b>
<b>Equity and liabilities</b>		<b><u>61,865,560</u></b>	<b><u>51,113,776</u></b>
Subsidiaries	7		
Unrecognised rental and lease commitments	9		
Consolidation	10		

**Consolidated statement of changes in equity for 2015**

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	200,000	12,875,963	13,075,963
Increase (decrease) of equity through changes in accounting policies	0	1,397,142	1,397,142
Profit/loss for the year	0	4,834,987	4,834,987
<b>Equity end of year</b>	<b>200,000</b>	<b>19,108,092</b>	<b>19,308,092</b>

## Consolidated cash flow statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Operating profit/loss		7,382,276	8,724,237
Amortisation, depreciation and impairment losses		860,050	808,016
Working capital changes	8	<u>(1,744,930)</u>	<u>(10,929,283)</u>
<b>Cash flow from ordinary operating activities</b>		<b>6,497,396</b>	<b>(1,397,030)</b>
Financial income received		2,103	2,492
Financial income paid		(995,597)	(366,250)
Income taxes refunded/(paid)		<u>(1,582,419)</u>	<u>(758,610)</u>
<b>Cash flows from operating activities</b>		<b><u>3,921,483</u></b>	<b><u>(2,519,398)</u></b>
Acquisition etc of property, plant and equipment		(1,266,033)	(639,234)
Sale of property, plant and equipment		<u>270,673</u>	<u>0</u>
<b>Cash flows from investing activities</b>		<b><u>(995,360)</u></b>	<b><u>(639,234)</u></b>
Incurrence of debt to group enterprises		<u>0</u>	<u>933,330</u>
<b>Cash flows from financing activities</b>		<b><u>0</u></b>	<b><u>933,330</u></b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>2,926,123</b>	<b>(2,225,302)</b>
Cash and cash equivalents beginning of year		(17,856,555)	(15,607,638)
Currency translation adjustments of cash and cash equivalents		<u>0</u>	<u>(23,615)</u>
<b>Cash and cash equivalents end of year</b>		<b><u>(14,930,432)</u></b>	<b><u>(17,856,555)</u></b>
Cash and cash equivalents at year-end are composed of:			
Cash		4,940,157	1,696,853
Short-term debt to banks		<u>(19,870,589)</u>	<u>(19,553,408)</u>
<b>Cash and cash equivalents end of year</b>		<b><u>(14,930,432)</u></b>	<b><u>(17,856,555)</u></b>

## Notes to consolidated financial statements

	<b>2015</b>	<b>2014</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	13,425,808	13,311,075
Pension costs	1,308,155	938,392
Other social security costs	1,031,127	774,651
Other staff costs	371,332	261,849
	<b>16,136,422</b>	<b>15,285,967</b>
Average number of employees	<b>39</b>	<b>39</b>
	<b>Remunera-</b>	<b>Remunera-</b>
	<b>tion of ma-</b>	<b>tion of ma-</b>
	<b>agement</b>	<b>agement</b>
	<b>2015</b>	<b>2014</b>
	<b>DKK</b>	<b>DKK</b>
Total amount for management categories	2,083,812	1,403,238
	<b>2,083,812</b>	<b>1,403,238</b>
	<b>2015</b>	<b>2014</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Other financial income</b>		
Interest income	0	3,245
Other financial income	2,103	0
	<b>2,103</b>	<b>3,245</b>
	<b>2015</b>	<b>2014</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Other financial expenses</b>		
Financial expenses from group enterprises	0	239,106
Other financial expenses	995,597	685,313
	<b>995,597</b>	<b>924,419</b>

## Notes to consolidated financial statements

	<b>2015 DKK</b>	<b>2014 DKK</b>
<b>4. Tax on profit/loss from ordinary activities</b>		
Tax on current year taxable income	1,591,333	1,812,564
Change in deferred tax for the year	(37,538)	85,343
Adjustment concerning previous years	0	(12,119)
Effect of changed tax rates	0	(191)
	<b>1,553,795</b>	<b>1,885,597</b>
	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>
<b>5. Property, plant and equipment</b>		
Cost beginning of year	4,580,858	132,950
Additions	871,062	394,971
Disposals	(704,537)	0
<b>Cost end of year</b>	<b>4,747,383</b>	<b>527,921</b>
Revaluations beginning of year	13,487	0
Revaluations for the year	(16,068)	0
<b>Revaluations end of year</b>	<b>(2,581)</b>	<b>0</b>
Depreciation and impairment losses beginning of the year	(2,498,998)	(50,744)
Depreciation for the year	(778,399)	(68,139)
Reversal regarding disposals	436,420	0
<b>Depreciation and impairment losses end of the year</b>	<b>(2,840,977)</b>	<b>(118,883)</b>
<b>Carrying amount end of year</b>	<b>1,903,825</b>	<b>409,038</b>
		<b>Other receivables DKK</b>
<b>6. Fixed asset investments</b>		
Cost beginning of year		219,150
<b>Cost end of year</b>		<b>219,150</b>
<b>Carrying amount end of year</b>		<b>219,150</b>

## Notes to consolidated financial statements

	<u>Registered in</u>	<u>Equity inte- rest %</u>
<b>7. Subsidiaries</b>		
Cycle Service Nordic AS	Norge	100.0
Cycle Service Nordic OY	Finland	100.0
Cycle Service Nordic AB	Sverige	100.0
	<u>2015 DKK</u>	<u>2014 DKK</u>
<b>8. Change in working capital</b>		
Increase/decrease in inventories	(7,433,351)	(6,485,452)
Increase/decrease in receivables	132,595	(2,816,950)
Increase/decrease in trade payables etc	5,610,130	(691,648)
Other changes	(54,304)	(935,233)
	<u>(1,744,930)</u>	<u>(10,929,283)</u>
	<u>2015 DKK</u>	<u>2014 DKK</u>
<b>9. Unrecognised rental and lease commitments</b>		
Commitments under rental agreements or leases until expiry	<u>6,171,550</u>	<u>6,485,216</u>

Non-recognised rental and lease commitments concern leases.

## 10. Consolidation

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

Accell Group N.V., P.O. Box 435 8440 AK Industrieweg 4, 8444 AR Heerenveen, The Netherlands

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

Batavus B.V., P.O. Box 515 Industrieweg 4, 8444 AR Heerenveen, The Netherlands

## Parent income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Revenue		102,656,785	101,155,753
Cost of sales		(72,310,402)	(71,382,392)
Other external expenses		<u>(11,464,992)</u>	<u>(10,117,477)</u>
<b>Gross profit/loss</b>		<b>18,881,391</b>	<b>19,655,884</b>
Staff costs	1	(11,483,907)	(11,056,679)
Depreciation, amortisation and impairment losses		<u>(484,608)</u>	<u>(461,566)</u>
<b>Operating profit/loss</b>		<b>6,912,876</b>	<b>8,137,639</b>
Income from investments in group enterprises		236,315	403,328
Other financial income	2	141,450	123,194
Other financial expenses	3	<u>(982,777)</u>	<u>(923,073)</u>
<b>Profit/loss from ordinary activities before tax</b>		<b>6,307,864</b>	<b>7,741,088</b>
Tax on profit/loss from ordinary activities	4	<u>(1,472,877)</u>	<u>(1,823,622)</u>
<b>Profit/loss for the year</b>		<b><u>4,834,987</u></b>	<b><u>5,917,466</u></b>
<b>Proposed distribution of profit/loss</b>			
Reserve for net revaluation according to the equity method		236,315	403,328
Retained earnings		<u>4,598,672</u>	<u>5,514,138</u>
		<b><u>4,834,987</u></b>	<b><u>5,917,466</u></b>

**Parent balance sheet at 31.12.2015**

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Other fixtures and fittings, tools and equipment		904,377	1,080,413
Leasehold improvements		409,038	82,206
<b>Property, plant and equipment</b>	<b>5</b>	<b><u>1,313,415</u></b>	<b><u>1,162,619</u></b>
Investments in group enterprises		1,170,754	949,570
Other receivables		219,150	219,150
<b>Fixed asset investments</b>	<b>6</b>	<b><u>1,389,904</u></b>	<b><u>1,168,720</u></b>
<b>Fixed assets</b>		<b><u>2,703,319</u></b>	<b><u>2,331,339</u></b>
Manufactured goods and goods for resale		45,424,626	37,991,275
<b>Inventories</b>		<b><u>45,424,626</u></b>	<b><u>37,991,275</u></b>
Trade receivables		7,303,568	7,641,125
Receivables from group enterprises		2,056,043	1,355,493
Deferred tax assets		51,570	0
Other short-term receivables		313,701	24,368
<b>Receivables</b>		<b><u>9,724,882</u></b>	<b><u>9,020,986</u></b>
<b>Cash</b>		<b><u>3,503,757</u></b>	<b><u>853,844</u></b>
<b>Current assets</b>		<b><u>58,653,265</u></b>	<b><u>47,866,105</u></b>
<b>Assets</b>		<b><u>61,356,584</u></b>	<b><u>50,197,444</u></b>



## Parent balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Contributed capital	7	200,000	200,000
Reserve for net revaluation according to the equity method		880,580	659,396
Retained earnings		<u>18,227,512</u>	<u>13,613,709</u>
<b>Equity</b>		<b><u>19,308,092</u></b>	<b><u>14,473,105</u></b>
Provisions for deferred tax		<u>0</u>	<u>416,388</u>
<b>Provisions</b>		<b><u>0</u></b>	<b><u>416,388</u></b>
Bank loans		19,870,589	19,553,408
Trade payables		13,021,040	7,204,797
Payables to group enterprises		628,850	5,996,736
Payables to shareholders and management		0	46,631
Income tax payable		440,835	0
Other payables		7,805,478	2,251,319
Deferred income	8	<u>281,700</u>	<u>255,060</u>
<b>Current liabilities other than provisions</b>		<b><u>42,048,492</u></b>	<b><u>35,307,951</u></b>
<b>Liabilities other than provisions</b>		<b><u>42,048,492</u></b>	<b><u>35,307,951</u></b>
<b>Equity and liabilities</b>		<b><u>61,356,584</u></b>	<b><u>50,197,444</u></b>
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Mortgages and securities	11		
Related parties with controlling interest	12		
Ownership	13		

## Parent statement of changes in equity for 2015

	<b>Contri- buted capi- tal DKK</b>	<b>Reserve for net revaluation according to the equi- ty method DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	200,000	659,396	12,216,567	13,075,963
Increase (decrease) of equity through changes in accounting policies	0	0	1,397,142	1,397,142
Exchange rate adjustments	0	(15,131)	15,131	0
Profit/loss for the year	0	236,315	4,598,672	4,834,987
<b>Equity end of year</b>	<b>200,000</b>	<b>880,580</b>	<b>18,227,512</b>	<b>19,308,092</b>

## Notes to parent financial statements

	<b>2015</b>	<b>2014</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	9,642,250	9,891,867
Pension costs	1,227,832	701,374
Other social security costs	242,493	201,589
Other staff costs	371,332	261,849
	<b>11,483,907</b>	<b>11,056,679</b>
Number of employees at balance sheet date	<b>29</b>	<b>29</b>
	<b>2015</b>	<b>2014</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Other financial income</b>		
Financial income arising from group enterprises	140,422	122,109
Other financial income	1,028	1,085
	<b>141,450</b>	<b>123,194</b>
	<b>2015</b>	<b>2014</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Other financial expenses</b>		
Financial expenses from group enterprises	0	239,106
Other financial expenses	982,777	683,967
	<b>982,777</b>	<b>923,073</b>
	<b>2015</b>	<b>2014</b>
	<b>DKK</b>	<b>DKK</b>
<b>4. Tax on profit/loss from ordinary activities</b>		
Tax on current year taxable income	1,511,647	1,722,203
Change in deferred tax for the year	(38,770)	113,729
Adjustment concerning previous years	0	(12,119)
Effect of changed tax rates	0	(191)
	<b>1,472,877</b>	<b>1,823,622</b>

## Notes to parent financial statements

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>	
<b>5. Property, plant and equipment</b>			
Cost beginning of year	3,037,363	132,950	
Additions	436,813	394,971	
Disposals	(560,182)	0	
<b>Cost end of year</b>	<b>2,913,994</b>	<b>527,921</b>	
Depreciation and impairment losses beginning of the year	(1,956,950)	(50,744)	
Depreciation for the year	(418,570)	(68,139)	
Reversal regarding disposals	365,903	0	
<b>Depreciation and impairment losses end of the year</b>	<b>(2,009,617)</b>	<b>(118,883)</b>	
<b>Carrying amount end of year</b>	<b>904,377</b>	<b>409,038</b>	
	<b>Investments in group enterprises DKK</b>	<b>Other receivables DKK</b>	
<b>6. Fixed asset investments</b>			
Cost beginning of year	290,174	219,150	
<b>Cost end of year</b>	<b>290,174</b>	<b>219,150</b>	
Revaluations beginning of year	659,396	0	
Exchange rate adjustments	(15,131)	0	
Share of profit/loss for the year	236,315	0	
<b>Revaluations end of year</b>	<b>880,580</b>	<b>0</b>	
<b>Carrying amount end of year</b>	<b>1,170,754</b>	<b>219,150</b>	
	<b>Number</b>	<b>Par value DKK</b>	<b>Nominal value DKK</b>
<b>7. Contributed capital</b>			
Shares	200	1,000	200,000
	<b>200</b>		<b>200,000</b>

The parent's share capital had remained DKK 200,000 over the past 5 years.

## Notes to parent financial statements

### 8. Short-term deferred income

Deferred income comprises service centre payments that are not recognised as income until in the subsequent financial year once the recognition criteria are satisfied.

	<u>2015</u> <u>DKK</u>	<u>2014</u> <u>DKK</u>
<b>9. Unrecognised rental and lease commitments</b>		
Commitments under rental agreements or leases until expiry	<u>6,171,550</u>	<u>6,485,216</u>

### 10. Contingent liabilities

The Company participates in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

### 11. Mortgages and securities

Bank debt is secured on a charge on receivables worth a nominal DKK 7,500,000.

### 12. Related parties with controlling interest

Parent Accell Danmark ApS, Tobaksgården 6, 8700 Horsens, Denmark, Participating interest.

### 13. Ownership

Information about shareholders holding 5% or more of the share capital or the voting rights:

Accell Danmark ApS, Tobaksgården 6, 8700 Horsens, Denmark