

Nordic Air Filtration A/S

Bergenvvej 1
4900 Nakskov

CVR No. 15110899

Annual Report 2015/16

25. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 30 June 2016



Per Jørgensen
Chairman of the meeting

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Management's Statement

Today, Management has considered and adopted the Annual Report of Nordic Air Filtration A/S for the financial year 1 February 2015 - 31 January 2016.

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 assets, liabilities and financial position of the Company at 31 January 2016 and of the results of the Company's operations and cash flow for the financial year 1 February 2015 - 31 January 2016.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

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

Nakskov, 18 May 2016

Executive Board



André Radley Grundahl

Supervisory Board



Jens Röttgering
Chairman



Robert Stösser



Christopher Heine



André Radley Grundahl

Independent Auditor's Report

To the shareholders of Nordic Air Filtration A/S

Report on the Financial Statements

We have audited the Financial Statements of Nordic Air Filtration A/S for the financial year 1 February 2015 - 31 January 2016 comprising Accounting Policies, Income Statement, Balance Sheet, Cash Flow Statement and Notes. The Annual Report is presented in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with the Danish Financial Statements Act, and for such internal controls as Management determines is necessary to enable preparation of Financial Statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We have conducted our audit in accordance with international standards on auditing and additional requirements under Danish auditor regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain a high degree of assurance as to whether the Financial Statements are free from material misstatements.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation of 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 Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

In our opinion, 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 qualifications.

Opinion


In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 January 2016 and of the results of the Company's operations and cash flows for the financial year 1 February 2015 - 31 January 2016 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Maribo, 18 May 2016

aage maagensen
statsautoriseret revisionsaktieselskab
CVR-nr. 12901038


Kristian Due Andersen
State Authorised Public Accountant


Knud Engberg
Registered Public Accountant

Company details

Company	Nordic Air Filtration A/S Bergenevej 1 4900 Nakskov
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Website	www.nordic-air-filtration.com
CVR No.	15110899
Date of formation	1 April 1991
Registered office	Lolland
Financial year	1 February 2015 - 31 January 2016
Supervisory Board	Jens Röttgering, Chairman Robert Stösser Christopher Heine André Radley Grundahl
Executive Board	André Radley Grundahl
Auditors	aage maagensen statsautoriseret revisionsaktieselskab C. E. Christiansens Vej 56 4930 Maribo CVR-no.: 12901038

Management's Review

The Company's principal activities

The main activities of the Company are manufacturing and sale of filter cartridges for industrial use in static- and pulse dust collectors and filter elements for use in the Gas Turbine Industry.

The products are mainly sold on the export markets.

Development in activities and financial matters

The profit of the year is satisfactory.

The result t.DKK 5,540 is as expected in according to the Budget 2015/16.

The activities have resulted in satisfactory cash flow.

Financing and expected development

For the year 2016/17 a positive operation result compared to the result for 2015/16 is expected, as well as positive cash flow operations.

The development of the Company's economic situation will be influenced by the developments in the export markets.

Price risks

The price level of the Company's raw materials is fluctuating and therefore presents a risk as price increase only to a limited extent can be include in the prices of finished products.

Currency exposure

Because a significant part of the goods are exported and the main part of raw materials are imported, the result, cash flow and equity are affected by the changes in interest rates and exchange rates for a number of currencies. The Company does not make use of any instruments to hedge the exchange rate risks.

Foreign exchange adjustment of t.DKK 43 is recognised as an expence to the profit and loss account.

The Company has not carried out any speculative exchange rate transactions.

Interest rate exposure

Moderate changes in the level of interest will have no considerable direct effect on earnings. Interest rate swap is established in relation to mortgage debt.

Environmental and safety conditions

Through investments and production planning the Company has obtained all necessary environmental authorizations. The Company is constantly aiming at investments and working routines, including improvements of safety conditions.

Research and development activities

Development activities are carried out successively. Development activicites primarily comprise the development of new products and production methods and comprise external expenses.

External costs are capitalized in pursuance of section 83 of the Danish Financial Statements Act.

Consolidation

Nordic Air A/S is a 100% owned subsidiary of Hengst Holding GmbH

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the Company substantially.

Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:

Numbers appear in thousands

	2015/16	2014/15	2013/14	2012/13	2011/12
Gross profit	44.361	40.991	42.211	40.678	43.830
Operating profit/loss	7.886	5.045	7.632	3.654	7.321
Net financial income and expenses	-645	-481	-733	-1.739	-2.503
Profit/loss for the year	5.540	3.576	5.160	1.419	3.594
Total equity	27.530	21.910	23.040	20.984	19.843
Total assets	69.710	61.580	55.967	63.726	67.472
Operating activities	3.068	6.688	12.247	7.493	6.861
Investing activities	-906	-5.863	-797	-3.980	-2.558
Financing activities	-4.672	-2.675	-6.027	3.908	-1.096
Investments in tangible assets	935	6.107	842	3.944	2.306
Average number of staff	78	77	79	89	93
Return on capital employed (%)	12	9	13	6	11
Solvency ratio (%)	39	36	41	33	29

For definitions of key ratios, see Accounting and Valuation Principles.

Accounting Policies

Reporting Class

The Annual Report of Nordic Air Filtration A/S for 2015/16 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

Derivative financial instruments

Derivative financial instruments are measured at cost and subsequently at fair value at initial recognition in the Balance Sheet. Positive and negative fair values of derivative financial instruments are included in other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments classified as and fulfilling the criteria for hedging the fair value of a recognised asset or liability are recognised in the Income Statement together with any changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments classified as and fulfilling the conditions for hedging future assets and liabilities are recognised in other receivables or other payables and in equity. In the event that the future transaction results in the recognition of assets or liabilities, any amounts previously recognised in equity will be transferred to the cost of the asset or the liability, respectively. In the event that the future transaction results in income or expenses, any amounts previously recognised in equity will be transferred to the Income Statement in the period in which the hedged item affects the Income Statement.

For derivative financial instruments that do not fulfil the conditions for treatment as hedging instruments, changes in the fair value will continuingly be recognised in the Income Statement.

General Information

Basis of recognition and measurement

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

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

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Market value change derived from financial instruments in order to hedge cash flows is recognized directly in equity.

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue

The net turnover from the sale of manufactured goods and goods for resale are recognized in the profit and loss account when delivery is made and risk has passed to the buyer. Revenue is recognized net of VAT, duties and sales discounts.

Raw materials and consumables

Costs for raw materials and consumables comprise purchase of goods and services for resale.

Other external expenses

Other external expenses comprise expenses regarding premises, sale and administration.

Staff expenses

Staff expenses comprise wages and salaries, pensions, social security costs and other staff expenses.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Completed development projects	3-5 years	0%
Properties	10-30 years	0-20%
Plant and machinery	5-10 years	0%
Fixtures, fittings, tools and equipment	3-5 years	0%

Land is not amortised.

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under amortisation.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the profit and loss account by the portion attributable to the profit for the year, and classified directly to equity by the portion attributable to entries directly on equity.

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

Accounting Policies

Deferred tax is recognized and measured at 22% applying the liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities. The tax-based value of the assets is calculated based on the planned use of each asset.

Accounting Policies

Balance Sheet

Intangible assets

Clearly defined and identifiable development projects where the technical rate of utilisation, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the Income Statement as they incur.

Development costs are calculated at the costs directly incurred and a share of the costs attributable to the individual development projects.

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

The cost of self-constructed assets comprises payroll and materials costs etc. directly incurred for the production as well as the share of the production costs indirectly attributable for this.

Interest expenses on loans for financing the manufacture of property, plant and equipment are not included in the costs.

Leasing assets

Tangible assets that are leased and meet the conditions for financial leasing are treated according to the same guidelines as those applying to purchased assets.

The cost of financially leased assets is measured at the lower value of the purchase prices according to the leases and the present value of the lease payments, determined on the basis of the interest rate implicit in the leases.

Inventories

Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is lower.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Work in progress and manufactured goods are measured at manufacturing price comprising cost of goods sold and direct payroll costs.

Merchandise are measured at cost comprising purchase price plus delivery costs.

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

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Equity

Proposed dividend for the year is recognised as a separate item in equity.

Accounting Policies

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used by elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Other provisions

Other provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when, at the balance sheet date, the company has a legal or actual obligation and it is likely that settlement will result in the company spending financial resources.

Provisions that are expected to be settled later than a year from the balance sheet date are measured at the present value and the expected payments. Other provisions are measured at net realisable value.

Financial liabilities

Fixed-rate loans such as mortgage loans and loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

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

Lease commitments

Lease commitments are measured at the present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the individual leases.

Accruals and deferred income, equity and liabilities

Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Accounting Policies

Accounting policies Cash Flow Statement

The Cash Flow Statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flow from the operating activity is determined as the profit/loss for the year adjusted for changes in working capital and non-cash income statement items such as amortisation and impairment losses and provisions. The working capital comprises current assets less short-term liabilities, exclusive of the items that are included in cash and cash equivalents.

Cash flow from the investing activity comprises cash flows from purchase and sale of intangible, tangible and investments.

Cash flow from the financing activity comprises cash flows from raising and repaying long-term liabilities and payments to and from the owners.

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Explanation of financial ratios

Key figures and financial ratios are determined based on "Recommendations & Financial Ratios" issued by the Danish Society of Financial Analysts.

Return on capital employed (%)	=	$\frac{(\text{Operating profit} + \text{Financial income}) \times 100}{\text{Avg. assets}}$
Equity interest (equity ratio) (%)	=	$\frac{\text{Total equity} \times 100}{\text{Total liabilities}}$

Income Statement

	Note	2015/16 kr.	2014/15 kr.
Gross profit		44.360.967	40.991.377
Employee benefits expense	1	-33.753.146	-33.655.161
Depreciation and impairment losses of tangible fixed assets and intangible fixed assets	2	-2.722.095	-2.291.011
Profit from ordinary operating activities		7.885.726	5.045.205
Finance income	3	226.149	365.332
Finance expenses	4	-871.112	-846.372
Profit from ordinary activities before tax		7.240.763	4.564.165
Tax expense on ordinary activities	5	-1.701.238	-988.615
Profit		5.539.525	3.575.550
Proposed distribution of results			
Retained earnings		5.539.525	3.575.550
		5.539.525	3.575.550

Balance Sheet as of 31. January

	Note	2016 kr.	2015 kr.
Assets			
Completed development projects	6	368.744	283.132
Intangible fixed assets		368.744	283.132
Land and buildings	7	13.471.541	14.042.072
Plant and machinery	8	9.237.268	6.285.959
Fixtures, fittings, tools and equipment	9	541.535	447.466
Property, plant and equipment in progress and prepayments for property, plant and equipment	10	853.186	5.230.000
Tangible fixed assets		24.103.530	26.005.497
Fixed assets		24.472.274	26.288.629
Raw materials and consumables		14.043.901	14.257.054
Manufactured goods and goods for resale		1.134.600	963.860
Prepayments for goods		206.191	0
Inventories		15.384.692	15.220.914
Short-term trade receivables		17.238.070	16.398.547
Short-term receivables from group enterprises		11.086.616	138.961
Other short-term receivables		1.013.331	1.425.910
Deferred income	11	409.545	116.561
Receivables		29.747.562	18.079.979
Cash and cash equivalents		105.343	1.990.489
Current assets		45.237.597	35.291.382
Assets		69.709.871	61.580.011

Balance Sheet as of 31. January

	Note	2016 kr.	2015 kr.
Liabilities and equity			
Contributed capital		500.000	500.000
Retained earnings		27.029.675	21.409.711
Equity	12	27.529.675	21.909.711
Provisions for deferred tax	13	1.509.977	1.076.200
Other provisions	14	646.000	794.000
Provisions		2.155.977	1.870.200
Mortgage debt		5.929.474	6.312.534
Debt to other credit institutions		3.433.043	5.768.242
Other payables		675.145	780.294
Lease commitments		3.969.804	5.945.074
Long-term liabilities	15	14.007.466	18.806.144
Short-term part of long-term liabilities	15	4.259.000	4.221.000
Debt to other credit institutions		1.878.165	1.253.271
Prepayments received from customers		164.572	0
Trade payables		11.623.000	8.169.068
Tax payables		1.296.171	0
Other payables		6.747.582	5.296.717
Deferred income, liabilities	16	48.263	53.900
Short-term liabilities		26.016.753	18.993.956
Liabilities		40.024.219	37.800.100
Liabilities and equity		69.709.871	61.580.011
Ownership	17		
Related parties	18		
Contingent liabilities	19		
Collaterals and assets pledges as security	20		
Liabilities under off-balance sheet leases	21		

Cash Flow Statement

	2015/16 kr.	2014/15 kr.
Profit	5.539.525	3.575.550
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets	2.722.095	2.291.011
Adjustments of interest and similar incomes	-226.149	-365.332
Adjustments of interest and similar expenses	871.112	846.372
Adjustments of tax expense	1.163.890	99.315
Adjustments for deferred tax	537.348	889.300
Other provisions	-148.000	-321.400
Decrease (increase) in inventories	-163.778	-2.346.392
Decrease (increase) in receivables	-11.667.583	-296.272
Decrease (increase) in trade payables	5.067.731	2.780.045
Cash flow from operating activities before financial items	3.696.191	7.152.197
Interest received	226.149	365.332
Interest paid	-854.696	-829.957
Cash flows from operating activities	3.067.644	6.687.572
Purchase of intangible assets	-235.584	-62.100
Purchase of property, plant and equipment	-934.605	-6.107.326
Sales of property, plant and equipment	264.449	306.530
Cash flows from investing activities	-905.740	-5.862.896
Repayments of long-term liabilities	-4.671.945	-4.052.777
Conclusion of lease obligations	0	5.778.072
Dividend paid	0	-4.400.000
Cash flows from financing activities	-4.671.945	-2.674.705
Net increase (decrease) in cash and cash equivalents	-2.510.041	-1.850.029
Cash and cash equivalents, beginning balance	737.219	2.587.248
Cash and cash equivalents, ending balance	-1.772.822	737.219
Cash and cash equivalents specified:		
Cash and cash equivalents	105.343	1.990.489
Short-term debt to banks	-1.878.165	-1.253.270
Cash and cash equivalents in total	-1.772.822	737.219

Notes

	2015/16	2014/15
1. Employee benefits expense		
Wages and salaries	30.408.963	30.291.811
Post-employment benefit expense	2.486.711	2.407.044
Social security contributions	540.387	625.386
Other employee expense	317.085	330.920
	<u>33.753.146</u>	<u>33.655.161</u>
<i>Hereof remuneration to management</i>		
Management and Board of directors	1.406.148	1.278.460
	<u>1.406.148</u>	<u>1.278.460</u>
Average number of employees	<u>78</u>	<u>77</u>
Incitationsprogram Management and Board:		
2015/16: DKK 60.000		
2014/15: DKK 224.510		
2. Depreciations		
Development projects	149.972	223.374
Land and buildings	708.125	704.460
Plant and machinery	1.625.137	1.380.296
Other fixtures and fittings, tools and equipments	238.861	193.361
Profit/loss from the disposals of operating equipm	0	-210.480
	<u>2.722.095</u>	<u>2.291.011</u>
3. Finance income		
Other finance income from group enterprises	226.149	11.484
Other finance income	0	353.848
	<u>226.149</u>	<u>365.332</u>
4. Finance expenses		
Finance expenses arising from group enterprises	32	0
Other finance expenses	871.080	846.372
	<u>871.112</u>	<u>846.372</u>
5. Tax expense on ordinary activities		
Current tax	1.188.600	0
Change in deferred tax	537.348	889.300
Tax on changes in equity	-24.710	99.315
	<u>1.701.238</u>	<u>988.615</u>

Notes

	2016	2015
6. Completed development projects		
Cost at the beginning of the year	2.837.242	2.775.142
Addition during the year, incl. improvements	235.584	62.100
Cost at the end of the year	3.072.826	2.837.242
Depreciation and amortisation at the beginning of the year	-2.554.110	-2.330.736
Amortisation for the year	-149.972	-223.374
Impairment losses and amortisation at the end of the year	-2.704.082	-2.554.110
Carrying amount at the end of the year	368.744	283.132
7. Land and buildings		
Cost at the beginning of the year	20.181.957	20.181.957
Addition during the year, incl. improvements	137.594	0
Cost at the end of the year	20.319.551	20.181.957
Depreciation and amortisation at the beginning of the year	-6.139.885	-5.435.425
Amortisation for the year	-708.125	-704.460
Impairment losses and amortisation at the end of the year	-6.848.010	-6.139.885
Carrying amount at the end of the year	13.471.541	14.042.072
Land and buildings valued according to public land assessment DKK 16.100.000.		
8. Plant and machinery		
Cost at the beginning of the year	16.712.161	17.049.105
Reclassification to fixtures, fittings, tools and equipment	-39.533	0
Addition during the year, incl. improvements	4.879.110	1.357.326
Disposal during the year	-412.147	-1.694.270
Cost at the end of the year	21.139.591	16.712.161
Depreciation and amortisation at the beginning of the year	-10.426.202	-10.644.125
Reclassification to fixtures, fittings, tools and equipment	1.318	0
Amortisation for the year	-1.625.137	-1.380.296
Reversal of impairment losses and amortisation of disposed assets	147.698	1.598.219
Impairment losses and amortisation at the end of the year	-11.902.323	-10.426.202
Carrying amount at the end of the year	9.237.268	6.285.959
Carrying amount of recognised assets not owned by the Company	7.101.192	4.099.316

Notes

	2016	2015
9. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	1.763.083	1.763.083
Reclassification from plant and machinery	39.533	0
Addition during the year, incl. improvements	294.715	0
Cost at the end of the year	2.097.331	1.763.083
Depreciation and amortisation at the beginning of the year	-1.315.617	-1.122.256
Reclassification from plant and machinery	-1.318	0
Amortisation for the year	-238.861	-193.361
Impairment losses and amortisation at the end of the year	-1.555.796	-1.315.617
Carrying amount at the end of the year	541.535	447.466
10. Property, plant and equipment in progress and prepayments for property, plant and equipment		
Cost at the beginning of the year	5.230.000	480.000
Addition during the year, incl. improvements	853.186	5.230.000
Disposal during the year	-5.230.000	-480.000
Cost at the end of the year	853.186	5.230.000
Carrying amount at the end of the year	853.186	5.230.000
Carrying amount of recognised assets not owned by the Company	0	5.230.000
11. Deferred income		
Prepaid insurance premiums	178.800	21.800
Prepaid services	81.030	94.761
Other prepayments	149.715	0
Balance at the end of the year	409.545	116.561

12. Statement of changes in equity

	Contributed capital	Retained earnings	Proposed dividend	I alt
Equity, beginning balance	500.000	21.409.711	0	21.909.711
Profit for the year	0	5.539.525	0	5.539.525
Revaluation reserve financial instrument	0	105.149	0	105.149
Tax on changes in financial instrument	0	-24.710	0	-24.710
	500.000	27.029.675	0	27.529.675

The share capital has remained unchanged for the last 5 years.

Notes

	2016	2015
13. Provisions for deferred tax		
Intangible fixed assets	81.124	62.289
Tangible fixed assets	1.511.118	1.380.056
Current assets	-104.529	-109.318
Liabilities	22.264	24.055
Tax losses carried forward	0	-280.882
Balance at the end of the year	1.509.977	1.076.200

14. Other provisions		
Warranty provision for goods	646.000	794.000
Balance at the end of the year	646.000	794.000

	Due after 1 year	Due within 1 year	Due after 5 years
15. Long-term liabilities			
Mortgage debt	5.929.474	386.000	4.562.000
Debt to other credit institutions	3.433.043	2.351.000	0
Financial instrument	675.145	0	0
Lease commitments	3.969.804	1.522.000	0
	14.007.466	4.259.000	4.562.000

Leasing commitments (financial leasing) consist of production machinery. Final payment of purchase option is included in the debt.

16. Deferred income, liabilities		
Periodic interest	48.263	53.900
Balance at the end of the year	48.263	53.900

17. Ownership

The following shareholders hold more than 5% of the company's share capital:
Hengst Holding GmbH

18. Related parties

Related parties with a controlling interest in the company:
Nordic Air Filtration A/S have the following related parties with control:
Hengst Holding GmbH
Münster
Germany

Nordic Air Filtration A/S' related parties with significant influence includes group companies and associated companies and the companies board of directors, management and managerial staff as well as these persons related family members. Related parties furthermore includes companies in which the first mentioned persons have significant interests.

Notes

19. Contingent liabilities

The Entity participates until 29 January 2016 in a Danish joint taxation arrangement in which Midwesco Filter Resources, Denmark A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporatin Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and for 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

The company grants ordinary trade guarantees towards the customers.

20. Collaterals and securities

Mortgage debt is secured by way of mortgage on properties of nominally DKK 7.927k. The mortgage also comprise the plant and machinery related to the property.

The debt in bank is secured by way a deposited deed on properties DKK 5.200k nominal. Recognised amount of mortgaged properties DKK 13.471.541.

The debt in bank is secured by way a businessmortgage DKK 8.850k nominal. Recognised amount of montgaged assets:

Trade debt DKK 17.238.070

Inventories DKK 15.384.692

Intangible fixes assets DKK 368.744

Total mortgaged assets businessmortgage DKK 32.991.506.

Normal performance guarantee DKK 48.215

21. Liabilities under leases

Obligations according to rental or lease contracts until expiration:

2015/16: DKK. 1.368.790

2014/15: DKK. 593.904