

# Pilkington Danmark A/S

Ejby Industrivej 124, 2600 Glostrup

CVR no. 15 79 04 07

## Annual report 2019/20

Approved at the Company's annual general meeting on 23 November 2020

Chairman:

*A. Richards*

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Allan Richards

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### Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Pilkington Danmark A/S for the financial year 1 April 2019 - 31 March 2020.

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

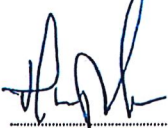
In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2020 and of the results of the Company's operations for the financial year 1 April 2019 - 31 March 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Glostrup, 23 November 2020

Executive Board:

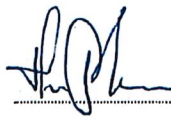


Hans Petterson  
Adm. dir

Board of Directors:



Allan Richards  
Chairman



Hans Petterson



Lars-Ola Bertil Stare



David Nölle

## **Independent auditor's report**

To the shareholder of Pilkington Danmark A/S

### **Conclusion**

We have conducted an extended review of the financial statements of Pilkington Danmark A/S for the financial year 1 April 2019 - 31 March 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2020 and of the results of the Company's operations for the financial year 1 April 2019 - 31 March 2020 in accordance with the Danish Financial Statements Act.

### **Basis for conclusion**

We conducted our extended review in accordance with the Danish Business Authority's standard on extended review for Small entities and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **Independence**

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### **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 that 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 extended review of the financial statements**

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance for our conclusion on the financial statements and perform specifically required supplementary procedures to obtain additional assurance for our conclusion.

An extended review comprises procedures that primarily consist of making enquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

### **Statement on the Management's review**

Management is responsible for the Management's review.

Our conclusion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

### Independent auditor's report

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

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

Copenhagen, 23 November 2020  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Kim Thomsen  
State Authorised Public Accountant  
mne26736

## Management's review

### Company details

Name	Pilkington Danmark A/S
Address, Postal code, City	Ejby Industrivej 124, 2600 Glostrup
CVR no.	15 79 04 07
Established	17 February 1986
Financial year	1 April 2019 - 31 March 2020
Website	<a href="http://www.pilkington.dk">www.pilkington.dk</a>
E-mail	<a href="mailto:info@pilkington.dk">info@pilkington.dk</a>
Telefax	+45 43 96 70 96
Board of Directors	Allan Richards, Chairman Hans Petterson Lars-Ola Bertil Stare David Nölle
Executive Board	Hans Petterson, Adm. dir
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Nordea Bank HSBC Bank

## **Management's review**

### **Business review**

The Company's main activity is to sell automotive glass and accessories hereto.

The Company stores automotive glass and accessories in Glostrup and Kolding.

All sales go to the Danish market.

### **Financial review**

The income statement for 2019/20 shows a profit of DKK 1,512,519 against a profit of DKK 2,511,701 last year, and the balance sheet at 31 March 2020 shows equity of DKK 10,488,902.

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

Pilkington Denmark ApS generally achieved results in the period April - October 2020, which is in line with previous financial year. However, management has noted that the worldwide Covid-19 pandemic has an affect Pilkington Denmark ApS performance and financial position compared to budget for the financial year 2020/21.

The ongoing virus outbreak of Covid-19 have an impact on Pilkington Denmark ApS sales. The potential effect on Pilkington Denmark ApS profit and financial position will naturally depend on the duration and extent of the virus outbreak, which is unknown at the time of the financial reporting.

### **Outlook**

The outlook for 2020/21 is a financial result in line with 2019/20, but if the Covid-19 situation worsens or if our warehouses are hit by the virus the situation could change quickly.

## Financial statements 1 April 2019 - 31 March 2020

### Income statement

Note	DKK	<u>2019/20</u>	<u>2018/19</u>
	<b>Gross profit</b>	12,417,844	10,355,148
2	Staff costs	-10,519,931	-7,863,272
	Depreciation of property, plant and equipment	-89,319	-89,319
	<b>Profit before net financials</b>	1,808,594	2,402,557
	Financial income	3,089,089	1,064,649
3	Financial expenses	-3,385,164	-1,280,505
	<b>Profit before tax</b>	1,512,519	2,186,701
4	Tax for the year	0	325,000
	<b>Profit for the year</b>	<u>1,512,519</u>	<u>2,511,701</u>
	<b>Recommended appropriation of profit</b>		
	Retained earnings	<u>1,512,519</u>	<u>2,511,701</u>
		<u>1,512,519</u>	<u>2,511,701</u>



## Financial statements 1 April 2019 - 31 March 2020

### Balance sheet

Note	DKK	<u>2019/20</u>	<u>2018/19</u>
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
5	<b>Property, plant and equipment</b>		
	Plant and machinery	81,877	171,196
		<u>81,877</u>	<u>171,196</u>
6	<b>Investments</b>		
	Deposits	853,125	825,227
		<u>853,125</u>	<u>825,227</u>
	<b>Total fixed assets</b>	<u>935,002</u>	<u>996,423</u>
	<b>Non-fixed assets</b>		
	<b>Inventories</b>		
	Finished goods and goods for resale	9,683,894	7,727,130
		<u>9,683,894</u>	<u>7,727,130</u>
	<b>Receivables</b>		
	Trade receivables	6,794,995	9,452,850
	Receivables from group entities	91,479	220,728
7	Deferred tax assets	925,000	925,000
	Other receivables	0	72,185
	Prepayments	245,108	78,209
		<u>8,056,582</u>	<u>10,748,972</u>
	<b>Cash</b>	<u>5,841,412</u>	<u>4,229,368</u>
	<b>Total non-fixed assets</b>	<u>23,581,888</u>	<u>22,705,470</u>
	<b>TOTAL ASSETS</b>	<u><u>24,516,890</u></u>	<u><u>23,701,893</u></u>

## Financial statements 1 April 2019 - 31 March 2020

### Balance sheet

Note	DKK	<u>2019/20</u>	<u>2018/19</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	1,000,000	1,000,000
	Retained earnings	9,488,902	7,976,383
	<b>Total equity</b>	<u>10,488,902</u>	<u>8,976,383</u>
	<b>Liabilities other than provisions</b>		
8	<b>Non-current liabilities other than provisions</b>		
	Payables to group entities	0	6,370,365
	Other payables	661,374	0
		<u>661,374</u>	<u>6,370,365</u>
	<b>Current liabilities other than provisions</b>		
	Trade payables	985,202	1,138,233
	Payables to group entities	10,389,290	5,101,562
	Other payables	1,992,122	2,115,350
		<u>13,366,614</u>	<u>8,355,145</u>
	<b>Total liabilities other than provisions</b>	<u>14,027,988</u>	<u>14,725,510</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>24,516,890</u>	<u>23,701,893</u>

- 1 Accounting policies
- 9 Contractual obligations and contingencies, etc.
- 10 Contingent assets
- 11 Collateral
- 12 Related parties

## Financial statements 1 April 2019 - 31 March 2020

### Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 April 2018	1,000,000	5,464,682	6,464,682
Transfer through appropriation of profit	0	2,511,701	2,511,701
<b>Equity at 1 April 2019</b>	<b>1,000,000</b>	<b>7,976,383</b>	<b>8,976,383</b>
Transfer through appropriation of profit	0	1,512,519	1,512,519
<b>Equity at 31 March 2020</b>	<b>1,000,000</b>	<b>9,488,902</b>	<b>10,488,902</b>

## Financial statements 1 April 2019 - 31 March 2020

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Pilkington Danmark A/S for 2019/20 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Revenue

Income from the sale of goods, including sale of automotive glass and accessories hereto, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

#### Gross profit

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

#### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

#### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

#### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

## Financial statements 1 April 2019 - 31 March 2020

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Plant and machinery	5-10 years
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##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

##### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### Impairment of fixed assets

The carrying amount of property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

## Financial statements 1 April 2019 - 31 March 2020

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash and cash equivalents comprise cash, which is subject to an insignificant risk of changes in value.

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

## Financial statements 1 April 2019 - 31 March 2020

### Notes to the financial statements

DKK	<u>2019/20</u>	<u>2018/19</u>
<b>2 Staff costs</b>		
Wages/salaries	9,182,514	7,025,914
Pensions	806,069	628,329
Other social security costs	121,293	76,541
Other staff costs	410,055	132,488
	<u>10,519,931</u>	<u>7,863,272</u>
Average number of full-time employees	<u>22</u>	<u>18</u>
<b>3 Financial expenses</b>		
Interest expenses, group entities	257,868	182,831
Other financial expenses	3,127,296	1,097,674
	<u>3,385,164</u>	<u>1,280,505</u>
<b>4 Tax for the year</b>		
Deferred tax adjustments in the year	0	-325,000
	<u>0</u>	<u>-325,000</u>
<b>5 Property, plant and equipment</b>		
DKK		<u>Plant and machinery</u>
Cost at 1 April 2019		1,360,814
Cost at 31 March 2020		1,360,814
Impairment losses and depreciation at 1 April 2019		1,189,618
Depreciation in the year		89,319
Impairment losses and depreciation at 31 March 2020		1,278,937
<b>Carrying amount at 31 March 2020</b>		<u>81,877</u>
Depreciated over		<u>5-10 years</u>
<b>6 Investments</b>		
DKK		<u>Deposits</u>
Cost at 1 April 2019		825,227
Additions in the year		27,898
Cost at 31 March 2020		853,125
<b>Carrying amount at 31 March 2020</b>		<u>853,125</u>

## Financial statements 1 April 2019 - 31 March 2020

### Notes to the financial statements

#### 7 Deferred tax assets

At 31 March 2020, the Company recognised a tax asset of DKK 925 thousand. The tax asset is attributable to tax loss carryforwards.

Based on budgets and forecast up to 31 March 2022, Management considers it probable that future tax income will be available, where unutilised losses may be used.

Of the deferred tax assets, DKK 617 thousand falls due after more than 1 year after the balance sheet date.

#### 8 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 0 falls due for payment after more than 5 years after the balance sheet date.

#### 9 Contractual obligations and contingencies, etc.

##### Other financial obligations

Other rent and lease liabilities:

DKK	2019/20	2018/19
Rent and lease liabilities	1,591,710	1,256,179

Rent and lease liabilities include a rent obligation in non-terminable rent agreements with remaining contract terms of 0-1 years. Furthermore, the Company has liabilities under operating leases with remaining contract terms of 1-5 years.

#### 10 Contingent assets

The Company has an unrecognised tax assets of DKK 37.5 million, which mainly relates to tax losses.

#### 11 Collateral

No security for loans had been placed at 31 March 2020.

#### 12 Related parties

##### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Nippon Sheet Glass Co (highest ranking)	Japan	<a href="http://www.nsg.com">www.nsg.com</a>
Pilkington Group Limited (lowest ranking)	UK	<a href="http://www.pilkington.com">www.pilkington.com</a>