

BÜRKERT-CONTROMATIC A/S  
Hørkær 24, 2730 Herlev

Annual report for the period  
1 January to 31 December 2016  
(49<sup>th</sup> financial year)

Adopted at the annual general meeting  
held on / 2017



---

Chairman

CVR-no. 19 18 58 18

## CONTENTS

### Page

#### **Statements**

Statement by Management on the annual report	4
Independent auditor's report	5

#### **Management's review**

Company details	3
Management's review	8

#### **Financial statements**

Accounting policies	9
Income statement 1 January - 31 December	14
Balance sheet 31 December	15
Statement of Changes in Equity	17
Notes to the annual report	18

## COMPANY DETAILS

<b>The Company</b>	<b>Bürkert-Contromatic A/S</b> Hørkær 24 2730 Herlev  CVR no.: 19 18 58 18  Reporting period: 1 January - 31 December Incorporated: 19. May 1967  Domicile: Herlev
<b>Supervisory Board</b>	<b>Heribert Peter Hans Rohrbeck, Chairman</b> Marco Ivan Steinemann Rune Tarnø
<b>Executive Board</b>	<b>Jens Stig Brammer, general manager</b>
<b>Auditors</b>	<b>Mazars</b> Statsautoriseret Revisionspartnerselskab Østerfælled Torv 10, 2. sal 2100 København Ø
<b>Consolidated financial statement</b>	<b>The Company is included in the consolidated financial statements of the ultimate parent company:</b> <b>Bürkert Verwaltungs-GmbH, Christian-Bürkert-Strasse 13-17, 74653 Ingelfingen, Germany</b>

## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Executive and Supervisory Boards have today discussed and approved the annual report of Bürkert-Contromatic A/S for the financial year 1 January - 31 December 2016.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the the Company's operations for the financial year 1 January - 31 December 2016.

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

We recommend the adoption of the annual report at the annual general meeting.

Herlev, 27 January 2017

**Executive Board**



---

Jens Stig Brammer  
general manager



---

Heribert Peter Hans Rohrbeck  
Chairman

**Supervisory Board**



---

Marco Ivan Steinemann



---

Rune Tarnø

## INDEPENDENT AUDITOR'S REPORT

To the shareholder of Bürkert-Contromatic A/S

### Opinion

We have audited the financial statements of Bürkert-Contromatic A/S for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

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

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's Responsibilities for the financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

## INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

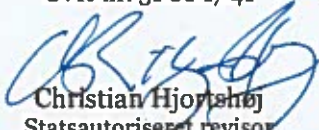
Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

## INDEPENDENT AUDITOR'S REPORT

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 27 January 2017

**MAZARS**  
Statsautoriseret Revisionspartnerselskab  
CVR-nr. 31 06 17 41

  
Christian Hjortshøj  
Statsautoriseret revisor  
(State-authorised public accountant)

## **MANAGEMENT'S REVIEW**

### **Business activities**

The Company is a wholly owned sales company in the international part of the Bürkert Group.

The Company sells products and systems for controlling fluids and gases. The product range consists of a wide range of valve types, sensors and instruments. These products are sold as components or as customized solutions. The Company now also manufactures system solutions to a greater extent.

The most important customers are the processing industry and machine manufacturer.

### **Recognition and measurement uncertainties**

The recognition and measurement of items in the financial statements is not subject to any uncertainty.

### **Unusual matters**

The Company's financial position at 31 December 2016 and the results of its operations for the financial year ended 31 December 2016 are not affected by any unusual matters.

### **Business review**

The Company's income statement for the year ended 31 December shows a profit of DKK 2,824,500, and the balance sheet at 31 December 2016 shows equity of DKK 30,495,841.

### **Knowledge resources**

The Company has no specific knowledge resources.

### **Significant events occurring after end of reporting period**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.



## ACCOUNTING POLICIES

The annual report of Bürkert-Contromatic A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The annual report for 2016 is presented in Danish kroner

### **Changes in accounting policies**

The Danish Financial Statements Act has been changed, meaning that the Company has changed its presentation of its Annual Report from a medium sized class C to a class B enterprise in accordance with § 7 in the Danish Financial Statements Act regarding reporting classes.

The change in reporting class has not resulted in changes in criteria used for recognition and measurement. The change has only effected disclosure requirements.

The accounting policies are otherwise consistent with those of last year.

### **Basis of recognition and measurement**

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company's and the value of the asset can be measured reliably.

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

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

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

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

## ACCOUNTING POLICIES

### **Income statement**

#### **Revenue**

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

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Revenue from services, comprising service contracts and extended warranties relating to products and contracts sold, is recognised on a straight-line basis as the services are provided.

#### **Raw materials and consumables**

Cost of Raw materials and consumables include usage of raw materials and consumables after adjustment of change in inventory of these goods etc. beginning of year to year end. The item includes possible waste and usual write offs on referred inventories.

#### **Other external expenses**

Other external expenses include expenses related 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 pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

#### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

#### **Financial income and expenses**

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

## **ACCOUNTING POLICIES**

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

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

## ACCOUNTING POLICIES

### Balance sheet

#### Tangible assets

Items of tangible assets are measured at cost less accumulated depreciation and impairment losses.

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

Cost includes purchase price and any costs directly attributable to the acquisition until the day the assets is ready for use.

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

Other fixtures and fittings, tools and equipment	3 - 8	years
--	-------	-------

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

#### Stocks

Stocks are measured using the weighted average method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

Cost for raw materials and consumables used extend cost.

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

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

#### Receivables

Receivables are measured at amortised cost, which usually equals nominal value. Provisions for bad debts are made to meet expected selling price.

#### Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

## **ACCOUNTING POLICIES**

### **Equity**

#### ***Dividend***

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

#### **Liabilities**

Other liabilities are measured at net realisable value.

#### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> TDKK
<b>REVENUE</b>		126,057,258	129,253
Raw materials and consumables		-96,975,058	-99,006
Other external expenses		-6,879,694	-7,385
<b>GROSS PROFIT</b>		22,202,506	22,862
Staff costs	1	-18,062,737	-18,243
Depreciation, amortisation and impairment of property, plant and equipment		-337,655	-333
<b>PROFIT BEFORE FINANCIAL INCOME AND EXPENSES</b>		3,802,114	4,286
Financial income		3	0
Financial costs		-124,390	-134
<b>PROFIT BEFORE TAX</b>		3,677,727	4,152
Tax on profit/loss for the year		-853,227	-1,052
<b>Net profit/loss for the year</b>		<u>2,824,500</u>	<u>3,100</u>
<b>Proposed distribution of profit</b>			
Proposed dividend for the year		1,000,000	0
Retained earnings		1,824,500	3,100
		<u>2,824,500</u>	<u>3,100</u>

## BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> TDKK
<b>ASSETS</b>			
Other fixtures and fittings, tools and equipment		568,932	782
<b>Tangible assets</b>	2	<u>568,932</u>	<u>782</u>
Deposits	3	714,946	710
<b>Fixed asset investments</b>		<u>714,946</u>	<u>710</u>
<b>FIXED ASSETS TOTAL</b>		<u>1,283,878</u>	<u>1,492</u>
Raw materials and consumables		7,427	10
Work in progress		33,965	13
Finished goods and goods for resale		13,303,035	14,243
COG in transit		810	23
<b>Stocks</b>		<u>13,345,237</u>	<u>14,289</u>
Trade receivables		13,565,464	13,214
Receivables from subsidiaries		3,121,435	4,279
Other receivables		2,530	11
Corporation tax		20,851	0
Prepayments		150,120	382
<b>Receivables</b>		<u>16,860,400</u>	<u>17,886</u>
<b>Cash at bank and in hand</b>		<u>5,586,729</u>	<u>5,338</u>
<b>CURRENT ASSETS TOTAL</b>		<u>35,792,366</u>	<u>37,513</u>
<b>ASSETS TOTAL</b>		<u><u>37,076,244</u></u>	<u><u>39,005</u></u>

## BALANCE SHEET 31 DECEMBER

	Note	2016 DKK	2015 TDKK
<b>LIABILITIES AND EQUITY</b>			
Share capital		1,700,000	1,700
Retained earnings		27,795,841	25,971
Proposed dividend for the year		1,000,000	0
<b>Equity</b>	4	<b>30,495,841</b>	<b>27,671</b>
Trade payables		935,962	779
Payables to subsidiaries		1,823,247	5,494
Corporation tax		0	354
Other payables		3,821,194	4,707
<b>Short-term debt</b>		<b>6,580,403</b>	<b>11,334</b>
<b>DEBT TOTAL</b>		<b>6,580,403</b>	<b>11,334</b>
<b>LIABILITIES AND EQUITY TOTAL</b>		<b>37,076,244</b>	<b>39,005</b>
Contingent assets, liabilities and other financial obligations	5		



## EQUITY

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed dividend for the year</u>	<u>Total</u>
Equity at 1 January 2016	1,700,000	25,971,341	0	27,671,341
Net profit/loss for the year	0	1,824,500	1,000,000	2,824,500
<b>Equity at 31 December 2016</b>	<b>1,700,000</b>	<b>27,795,841</b>	<b>1,000,000</b>	<b>30,495,841</b>

## NOTES

	2016 DKK	2015 TDKK
<b>1 STAFF COSTS</b>		
Wages and salaries	15,687,694	15,972
Pensions	1,469,530	1,369
Other social security costs	905,513	902
	18,062,737	18,243
 Average number of employees	 28	 26
 <b>2 TANGIBLE ASSETS</b>		 <b>Other fixtures and fittings, tools and equipment</b>
Cost at 1 January 2016		2,887,525
Additions for the year		124,664
Disposals for the year		-264,166
Cost at 31 December 2016		2,748,023
 Impairment losses and depreciation at 1 January 2016		2,105,592
Depreciation for the year		337,665
Reversal of impairment and depreciation of sold assets		-264,166
Impairment losses and depreciation at 31 December 2016		2,179,091
 Carrying amount at 31 December 2016		 568,932

## NOTES

### 3 FIXED ASSET INVESTMENTS

	<u>Deposits</u>
Cost at 1 January 2016	<u>714,946</u>
Cost at 31 December 2016	<u>714,946</u>
<b>Carrying amount at 31 December 2016</b>	<b><u><u>714,946</u></u></b>

### 4 EQUITY

The share capital consists of:

3,400 ordinary shares of DKK 500	<u>1,700,000</u>
	<b><u><u>1,700,000</u></u></b>

There have been no changes in the share capital during the last 5 years.

### 5 CONTINGENT ASSETS, LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

Liabilities according to rent and lease contracts running to expirations amounts to 3.133.737.