

**BPW Finans A/S  
Central Business Registration No  
19201112  
Vranderupvej 2  
6000 Kolding**

**Annual report 2015**

The Annual General Meeting adopted the annual report on 20.05.2016

**Chairman of the General Meeting**

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Name: Christian Peter Kotz

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## **Entity details**

### **Entity**

BPW Finans A/S  
Vranderupvej 2  
6000 Kolding

Central Business Registration No: 19201112

Registered in: Kolding

Financial year: 01.01.2015 - 31.12.2015

Phone: 75525200

Internet: [www.bpw.dk](http://www.bpw.dk)

E-mail: [bpw@bpw.dk](mailto:bpw@bpw.dk)

### **Board of Directors**

Christian Peter Kotz, Chairman

Axel Kierkegaard

Michael Pfeiffer

Thorsten Winterberg

### **Executive Board**

Dennis Jensen

### **Entity auditors**

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

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

The Board of Directors and the Executive Board have today considered and approved the annual report of BPW Finans A/S 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.

Kolding, 20.05.2016

### **Executive Board**

Dennis Jensen

### **Board of Directors**

Christian Peter Kotz  
Chairman

Axel Kierkegaard

Michael Pfeiffer

Thorsten Winterberg

## **Independent auditor's reports**

### **To the owners of BPW Finans A/S Report on the financial statements**

We have audited the consolidated financial statements and parent financial statements of BPW Finans A/S 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.

### **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 statements.

## Independent auditor's reports

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 statements. When reading the management commentary we observed, however, that it does not include policies on the underrepresented gender.

Kolding, 20.05.2016

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Leo Gilling

State Authorised Public Accountant

Finn Schlebaum

State Authorised Public Accountant

CVR-nr. 33963556

## Management commentary

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>
<b>Financial high-lights</b>					
<b>Key figures</b>					
Revenue	2.046.705	1.924.890	1.737.614	1.626.247	1.556.804
Gross profit/loss	288.521	279.777	270.305	259.699	249.662
Operating profit/loss	19.259	43.167	55.251	51.405	59.634
Net financials	(4.628)	(12.329)	(4.682)	(210)	(2.019)
Profit/loss for the year	7.388	16.576	36.385	40.020	42.289
Total assets	1.305.543	1.074.960	1.020.862	943.628	802.736
Investments in property, plant and equipment	46.721	31.017	24.620	73.125	31.324
Equity	563.273	549.689	528.632	502.528	455.340
<b>Ratios</b>					
Gross margin (%)	14,1	14,5	15,6	16,0	16,0
Return on equity (%)	1,3	3,1	7,1	8,4	9,7
Profit ratio (%)	0,9	2,2	3,2	3,2	3,8
Rate of return (%)	1,5	4,0	5,4	5,4	7,4
Equity ratio (%)	43,1	51,1	51,8	53,3	56,7

## **Management commentary**

### **Primary activities**

The Group's primary activity consists in production and sale of components, spare parts and coachwork accessories for trailers and trucks as well as sale of industrial components for selected industrial segments.

The Group's products are sold on the European market.

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

In the financial year, the Group has realised a profit before tax of DKK 14,631k against a profit of DKK 30,838k in 2014. Equity then amounts to DKK 563,273k equal to an equity ratio of 43,2%.

The development in the group enterprises' traditional business areas has been stable and positive as expected. The launched product and market development initiatives have lasted for longer than expected as it has been a focus area that also these new areas are able to meet the high requirements of product quality and security of supply, which is the Group's brand. This negatively impacts the profit of the year with significant non-recurring costs.

On this background, Management considers the profit for 2015 less than satisfactory.

### **Outlook**

Increasing competition is observed within the underlying trading companies' activity areas and therefore the Parent Group has initiated strategic measures to compensate for this development in the long run. The investments made in the underlying manufacturing companies are expected to generate increasing profits and consequently contribute positively to this development.

Based on the above, Management expects a profit in the region of or slightly above the profit realised for 2014.

### **Particular risks**

According to Management's assessment, there are no particular business risks or financial risks apart from what is to be considered usual for the business.

The Group enterprises mainly trade in euro but also to a great extent primarily in European currencies outside the euro zone. Currency hedging is made on the basis of an individual assessment.

### **Environmental performance**

Management assesses that the Group's activities do not have negative impact on the external environment.



## **Management commentary**

### **Research and development activities**

Investments in product and market development have continued in 2015. Most of these investments have been expensed, and as the investments have not yet generated significant earnings, they have had a negative impact on the Group's financial performance for the year.

In Management's opinion, these new market areas will contribute positively to the Group's profit in the years to come.

### **Consolidation**

In management's opinion, all material information to assess the Group's and the Parent's financial position and financial performance for the year is disclosed in the consolidated and parent financial statements as well as in this commentary.

### **Corporate social responsibility**

The Company has no CSR policy.

Management is fully conscious of the Group's corporate social responsibility. The Group follow the current legislation in the individual countries.

### **Underrepresented gender**

To ensure its competitiveness, the Group is dependent on always being able to hire the most qualified employee for a specific job. This applies to the Board of Directors as well as to next management level. In cases where the qualifications are completely identical, the Group intends to ensure a gender balance to the extent possible.

Target figures for the underrepresented gender have been compiled with the intention of fulfilling the legislative requirements in this field. It is expected that the policies will result in the company having 1-2 women on the board within 3-4 years.

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

No significant 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 (big).

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

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

## **Accounting policies**

### **Income statement**

#### **Revenue**

Revenue from the sale of manufactured goods and 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.

#### **Changes in inventories of finished goods and work in progress**

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes ordinary write-downs of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

#### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

#### **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.

#### **Income from investments in associates**

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

## Accounting policies

### 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.

### 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

### Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually five years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

### Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

### Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

## Accounting policies

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. For self-manufactured assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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:

Buildings	25-30 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	3-10 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.

The Company's share of the enterprises' profit or losses after elimination of unrealised intra-group profits and losses minus or plus amortisation of positive or negative goodwill is recognised in the income statement.

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.

### Inventories

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

## **Accounting policies**

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

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.

### **Provisions for pensions and similar liabilities**

Provisions for pensions and similar liabilities are measured at net realisable value equal to the present value of expected payments by the individual pension schemes etc.

### **Other provisions**

Other provisions primarily concerns provision related to persons in the German subsidiaries of the Group.

On sale of goods with a right to return, a provision is made to cover the profit on the goods that are expected to be returned and possible costs in connection with the returns.

### **Other financial liabilities**

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

## Accounting policies

### 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.

### 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.

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 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The Entity's operating gearing.
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.
Profit ratio (%)	$\frac{\text{Operating profit (loss)} \times 100}{\text{Revenue}}$	The Company's ability to make a profit in proportion to how much money is tied in assets.



## Accounting policies

Rate of return (%)

$$\frac{\text{Operating profit (Loss)} \times 100}{\text{Total assets}}$$

The Company's earning capacity

Equity ratio (%)

$$\frac{\text{Equity} \times 100}{\text{Total assets}}$$

The financial strength of the Entity.

## Consolidated income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Revenue	1	2.046.705	1.924.890
Changes in inventories of finished goods and work in progress		(2.128)	(10.483)
Other operating income		4.361	0
Cost of sales		(1.658.199)	(1.540.725)
Other external expenses	4	<u>(102.218)</u>	<u>(93.905)</u>
<b>Gross profit/loss</b>		<b>288.521</b>	<b>279.777</b>
Staff costs	2	(232.598)	(210.749)
Depreciation, amortisation and impairment losses	3	<u>(36.664)</u>	<u>(25.861)</u>
<b>Operating profit/loss</b>		<b>19.259</b>	<b>43.167</b>
Income from investments in associates		(222)	(7.874)
Other financial income	5	3.983	4.107
Other financial expenses	6	<u>(8.389)</u>	<u>(8.562)</u>
<b>Profit/loss from ordinary activities before tax</b>		<b>14.631</b>	<b>30.838</b>
Tax on profit/loss from ordinary activities	7	<u>(7.243)</u>	<u>(14.262)</u>
<b>Profit/loss for the year</b>		<b><u>7.388</u></b>	<b><u>16.576</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>7.388</u>	<u>16.576</u>
		<b><u>7.388</u></b>	<b><u>16.576</u></b>

## Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Acquired intangible assets		7.610	6.630
Goodwill		21.746	6.748
<b>Intangible assets</b>	8	<u><b>29.356</b></u>	<u><b>13.378</b></u>
Land and buildings		159.417	161.187
Plant and machinery		34.753	39.070
Other fixtures and fittings, tools and equipment		22.865	20.361
Property, plant and equipment in progress		8.845	3.266
<b>Property, plant and equipment</b>	9	<u><b>225.880</b></u>	<u><b>223.884</b></u>
Investments in group enterprises		276	2.237
Receivables from group enterprises		55.970	55.840
Other receivables		5.917	7.117
<b>Fixed asset investments</b>	10	<u><b>62.163</b></u>	<u><b>65.194</b></u>
<b>Fixed assets</b>		<u><b>317.399</b></u>	<u><b>302.456</b></u>
Raw materials and consumables		28.925	38.209
Work in progress		6.420	8.230
Manufactured goods and goods for resale		307.792	246.912
<b>Inventories</b>		<u><b>343.137</b></u>	<u><b>293.351</b></u>
Trade receivables		471.522	408.095
Receivables from group enterprises		2.410	5.072
Deferred tax assets	13	8.321	3.138
Other short-term receivables		13.736	13.116
Prepayments		9.839	4.903
<b>Receivables</b>		<u><b>505.828</b></u>	<u><b>434.324</b></u>
<b>Cash</b>		<u><b>139.179</b></u>	<u><b>44.829</b></u>
<b>Current assets</b>		<u><b>988.144</b></u>	<u><b>772.504</b></u>
<b>Assets</b>		<u><u><b>1.305.543</b></u></u>	<u><u><b>1.074.960</b></u></u>

## Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital		50.000	50.000
Retained earnings		<u>513.273</u>	<u>499.689</u>
<b>Equity</b>		<b><u>563.273</u></b>	<b><u>549.689</u></b>
Provisions for pensions and similar liabilities		17.546	15.545
Provisions for deferred tax	13	1.485	2.736
Other provisions	14	<u>2.978</u>	<u>0</u>
<b>Provisions</b>		<b><u>22.009</u></b>	<b><u>18.281</u></b>
Subordinate loan capital		1.017	0
Payables to group enterprises		176.905	80.406
Other payables		<u>0</u>	<u>661</u>
<b>Non-current liabilities other than provisions</b>	15	<b><u>177.922</u></b>	<b><u>81.067</u></b>
Current portion of long-term liabilities other than provisions	15	0	5.000
Bank loans		74.990	38.211
Trade payables		89.855	61.026
Payables to group enterprises		234.437	238.561
Income tax payable		10.835	7.616
Other payables		<u>132.222</u>	<u>75.509</u>
<b>Current liabilities other than provisions</b>		<b><u>542.339</u></b>	<b><u>425.923</u></b>
<b>Liabilities other than provisions</b>		<b><u>720.261</u></b>	<b><u>506.990</u></b>
<b>Equity and liabilities</b>		<b><u>1.305.543</u></b>	<b><u>1.074.960</u></b>
Subsidiaries	11		
Unrecognised rental and lease commitments	17		
Contingent liabilities	18		
Consolidation	19		

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

	<b>Contri- buted capi- tal DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	50.000	499.689	549.689
Exchange rate adjustments	0	6.120	6.120
Value adjustments	0	(395)	(395)
Other adjustments	0	471	471
Profit/loss for the year	0	7.388	7.388
<b>Equity end of year</b>	<b>50.000</b>	<b>513.273</b>	<b>563.273</b>

## Consolidated cash flow statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Operating profit/loss		19.259	43.167
Amortisation, depreciation and impairment losses		36.664	25.861
Other provisions		4.979	0
Working capital changes	16	<u>(21.150)</u>	<u>(29.032)</u>
<b>Cash flow from ordinary operating activities</b>		<b>39.752</b>	<b>39.996</b>
Financial income received		3.983	4.107
Financial income paid		(8.389)	(8.562)
Income taxes refunded/(paid)		<u>(11.586)</u>	<u>(9.860)</u>
<b>Cash flows from operating activities</b>		<b>23.760</b>	<b>25.681</b>
Acquisition etc of intangible assets		(4.296)	(5.438)
Sale of intangible assets		0	107
Acquisition etc of property, plant and equipment		(23.091)	(31.017)
Sale of property, plant and equipment		2.868	38.497
Acquisition of fixed asset investments		0	(24.989)
Acquisition of enterprises		(42.525)	0
Disposal of enterprises		1.779	0
Loans		(42)	0
Instalments received		1.242	0
Other cash flows from investing activities		<u>6.988</u>	<u>4.481</u>
<b>Cash flows from investing activities</b>		<b>(57.077)</b>	<b>(18.359)</b>
Loans raised		96.499	23.310
Instalments on loans etc		<u>(5.661)</u>	<u>(10.130)</u>
<b>Cash flows from financing activities</b>		<b>90.838</b>	<b>13.180</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>57.521</b>	<b>20.502</b>
Cash and cash equivalents beginning of year		6.618	(13.884)
Currency translation adjustments of cash and cash equivalents		<u>50</u>	<u>0</u>
<b>Cash and cash equivalents end of year</b>		<b>64.189</b>	<b>6.618</b>
Cash and cash equivalents at year-end are composed of:			
Cash		139.179	44.829
Short-term debt to banks		<u>(74.990)</u>	<u>(38.211)</u>
<b>Cash and cash equivalents end of year</b>		<b>64.189</b>	<b>6.618</b>

## Notes to consolidated financial statements

	<b>2015</b> <b>DKK'000</b>	<b>2014</b> <b>DKK'000</b>
<b>1. Revenue</b>		
EU countries	1.975.858	1.810.840
Other European countries	64.234	114.050
Africa and Middle East	5.356	0
Other countries	1.257	0
	<b>2.046.705</b>	<b>1.924.890</b>
	<b>2015</b> <b>DKK'000</b>	<b>2014</b> <b>DKK'000</b>
<b>2. Staff costs</b>		
Wages and salaries	193.864	175.184
Pension costs	11.484	23.479
Other social security costs	27.250	12.086
	<b>232.598</b>	<b>210.749</b>
Average number of employees	<b>665</b>	<b>433</b>
	<b>Remune- ration of manage- ment 2015 DKK'000</b>	<b>Remune- ration of manage- ment 2014 DKK'000</b>
Total amount for management categories	5.201	4.548
	<b>5.201</b>	<b>4.548</b>
	<b>2015</b> <b>DKK'000</b>	<b>2014</b> <b>DKK'000</b>
<b>3. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	6.590	4.969
Depreciation of property, plant and equipment	22.740	19.620
Impairment losses on property, plant and equipment	8.234	0
Profit/loss from sale of intangible assets and property, plant and equipment	(900)	1.272
	<b>36.664</b>	<b>25.861</b>

## Notes to consolidated financial statements

	<b>2015</b>	<b>2014</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>4. Fees to the auditor appointed by the Annual General Meeting</b>		
Statutory audit services	929	1.104
Other assurance engagements	108	35
Tax services	264	30
Other services	78	8
	<b>1.379</b>	<b>1.177</b>
	<b>2015</b>	<b>2014</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>5. Other financial income</b>		
Financial income arising from group enterprises	1.841	1.620
Other financial income	2.142	2.487
	<b>3.983</b>	<b>4.107</b>
	<b>2015</b>	<b>2014</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>6. Other financial expenses</b>		
Financial expenses from group enterprises	2.752	2.319
Other financial expenses	5.637	6.243
	<b>8.389</b>	<b>8.562</b>
	<b>2015</b>	<b>2014</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>7. Tax on profit/loss from ordinary activities</b>		
Tax on current year taxable income	14.892	13.656
Change in deferred tax for the year	(6.760)	(2.645)
Adjustment concerning previous years	(889)	3.251
	<b>7.243</b>	<b>14.262</b>



## Notes to consolidated financial statements

	<b>Acquired intangible assets DKK'000</b>	<b>Goodwill DKK'000</b>
<b>8. Intangible assets</b>		
Cost beginning of year	29.402	41.209
Exchange rate adjustments	(2)	252
Additions	4.278	18.307
Disposals	(12.581)	0
<b>Cost end of year</b>	<b>21.097</b>	<b>59.768</b>
Amortisation and impairment losses beginning of year	(22.772)	(34.461)
Exchange rate adjustments	(21)	(246)
Amortisation for the year	(3.275)	(3.315)
Reversal regarding disposals	12.581	0
<b>Amortisation and impairment losses end of year</b>	<b>(13.487)</b>	<b>(38.022)</b>
<b>Carrying amount end of year</b>	<b>7.610</b>	<b>21.746</b>

## Notes to consolidated financial statements

	<b>Land and buildings DKK'000</b>	<b>Plant and machinery DKK'000</b>	<b>Other fix- tures and fittings, tools and equipment DKK'000</b>	<b>Property, plant and equipment in progress DKK'000</b>
<b>9. Property, plant and equipment</b>				
Cost beginning of year	273.647	138.697	95.079	3.266
Addition through merger and business combinations	1.234	15.872	6.524	0
Exchange rate adjustments	3.665	2.175	1.250	16
Transfer to and from other items	(324)	0	0	324
Additions	1.605	8.563	7.009	5.914
Disposals	(22)	(3.609)	(1.409)	(675)
<b>Cost end of year</b>	<b>279.805</b>	<b>161.698</b>	<b>108.453</b>	<b>8.845</b>
Depreciation and impairment losses beginning of the year	(112.460)	(99.627)	(74.718)	0
Exchange rate adjustments	(598)	(1.427)	(811)	0
Transfer to and from other items	(954)	(10.907)	(4.192)	0
Impairment losses for the year	0	(8.234)	0	0
Depreciation for the year	(6.387)	(9.528)	(6.825)	0
Reversal regarding disposals	11	2.778	958	0
<b>Depreciation and impairment losses end of the year</b>	<b>(120.388)</b>	<b>(126.945)</b>	<b>(85.588)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>159.417</b>	<b>34.753</b>	<b>22.865</b>	<b>8.845</b>

## Notes to consolidated financial statements

	<b>Investments in group enter- prises DKK'000</b>	<b>Receivables from group enterprises DKK'000</b>	<b>Other recei- vables DKK'000</b>
<b>10. Fixed asset investments</b>			
Cost beginning of year	3.551	55.840	7.117
Exchange rate adjustments	0	130	0
Additions	0	0	42
Disposals	(2.242)	0	(1.242)
<b>Cost end of year</b>	<b>1.309</b>	<b>55.970</b>	<b>5.917</b>
Impairment losses beginning of year	(1.314)	0	0
Exchange rate adjustments	3	0	0
Share of profit/loss for the year	(694)	0	0
Reversal regarding disposals	972	0	0
<b>Impairment losses end of year</b>	<b>(1.033)</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>276</b>	<b>55.970</b>	<b>5.917</b>

	<b>Registered in</b>	<b>Corpo- rate form</b>	<b>Equity inte- rest %</b>
<b>11. Subsidiaries</b>			
Transport-Teknik A/S	Kolding, Denmark	A/S	100,0
HBN Teknik A/S	Ringsted, Denmark	A/S	100,0
Besko A/S	Aarhus, Denmark	A/S	100,0
Hesterberg & Söhne GmbH & Co. KG	Ennepetal, Germany	KG	100,0
Hestal Umformung GmbH	Ennepetal, Germany	GmbH	100,0
BPW Ltd.	Leicester, UK	Ltd.	100,0
Transpec Ltd.	Dublin, Ireland	Ltd.	100,0
FP&S Parts Ltd.	Norwich, UK	Ltd.	100,0
EMS Truck and Trailer Parts Ltd.	Northampton, UK	Ltd.	100,0
BPW Polska Sp.Z.o.o.	Warszawa, Poland	Sp.Zoo	100,0
Marpeto Polska Sp. Z.o.o.	Warszawa, Poland	Sp.Zoo	100,0
BPW Benelux N.V.	Herstal, Belgium	N.V.	100,0

## Notes to consolidated financial statements

	<u>Registered in</u>	<u>Equity inte- rest %</u>
<b>12. Associates</b>		
TL Services GmbH, Germany	Rostock, Ger- many	16,7
<b>13. Deferred tax</b>		
	<b>2015</b>	<b>2014</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Intangible assets	(1.393)	(1.856)
Property, plant and equipment	364	(3.610)
Inventories	1.191	0
Receivables	98	2.591
Provisions	15	1.278
Liabilities other than provisions	52	0
Tax losses carried forward	6.509	1.999
	<b>6.836</b>	<b>402</b>
<b>14. Other provisions</b>		
Other provisions comprise provisions relating to the purchase of subsidiaries.		
<b>15. Long-term liabilities other than provisions</b>		
	<b>Instal- ments within 12 months 2014</b>	<b>Outstan- ding after 5 years</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Subordinate loan capital	0	1.017
Payables to group enterprises	5.000	109.966
Other payables	0	0
	<b>5.000</b>	<b>110.983</b>
<b>16. Change in working capital</b>		
	<b>2015</b>	<b>2014</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Increase/decrease in inventories	5.856	(14.495)
Increase/decrease in receivables	2.752	(54.268)
Increase/decrease in trade payables etc	(29.758)	39.731
	<b>(21.150)</b>	<b>(29.032)</b>

## Notes to consolidated financial statements

	<u>2015</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>
<b>17. Unrecognised rental and lease commitments</b>		
Commitments under rental agreements or leases until expiry	<u>29.060</u>	<u>24.159</u>

### 18. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which BPW Finans A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

### 19. Consolidation

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

BPW Bergische Achsen, Wiehl, Germany

## Parent income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Revenue	1	8.374	5.235
Other external expenses	4	<u>(2.118)</u>	<u>(2.200)</u>
<b>Gross profit/loss</b>		<b>6.256</b>	<b>3.035</b>
Staff costs	2	(6.051)	(1.889)
Depreciation, amortisation and impairment losses	3	<u>(1.747)</u>	<u>(970)</u>
<b>Operating profit/loss</b>		<b>(1.542)</b>	<b>176</b>
Income from investments in group enterprises		4.438	18.111
Other financial income	5	5.609	4.369
Other financial expenses	6	<u>(1.663)</u>	<u>(2.366)</u>
<b>Profit/loss from ordinary activities before tax</b>		<b>6.842</b>	<b>20.290</b>
Tax on profit/loss from ordinary activities	7	<u>546</u>	<u>(3.714)</u>
<b>Profit/loss for the year</b>		<b><u>7.388</u></b>	<b><u>16.576</u></b>
<b>Proposed distribution of profit/loss</b>			
Reserve for net revaluation according to the equity method		4.439	25.942
Retained earnings		<u>2.949</u>	<u>(9.366)</u>
		<b><u>7.388</u></b>	<b><u>16.576</u></b>

## Parent balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Goodwill		1.429	2.129
<b>Intangible assets</b>	8	<u>1.429</u>	<u>2.129</u>
Land and buildings		13.765	14.812
<b>Property, plant and equipment</b>	9	<u>13.765</u>	<u>14.812</u>
Investments in group enterprises		439.663	409.028
Receivables from group enterprises		156.839	160.986
<b>Fixed asset investments</b>	10	<u>596.502</u>	<u>570.014</u>
<b>Fixed assets</b>		<u>611.696</u>	<u>586.955</u>
Receivables from group enterprises		8.285	23.370
Prepayments	11	353	0
<b>Receivables</b>		<u>8.638</u>	<u>23.370</u>
<b>Cash</b>		<u>10.115</u>	<u>3.212</u>
<b>Current assets</b>		<u>18.753</u>	<u>26.582</u>
<b>Assets</b>		<u>630.449</u>	<u>613.537</u>

## Parent balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital	12	50.000	50.000
Reserve for net revaluation according to the equity method		289.248	278.613
Retained earnings		<u>224.025</u>	<u>221.076</u>
<b>Equity</b>		<b><u>563.273</u></b>	<b><u>549.689</u></b>
Provisions for deferred tax	13	<u>1.096</u>	<u>1.277</u>
<b>Provisions</b>		<b><u>1.096</u></b>	<b><u>1.277</u></b>
Payables to group enterprises		<u>55.970</u>	<u>55.840</u>
<b>Non-current liabilities other than provisions</b>		<b><u>55.970</u></b>	<b><u>55.840</u></b>
Bank loans		2.463	1.568
Trade payables		758	53
Payables to group enterprises		2.637	151
Income tax payable		2.213	3.566
Other payables		<u>2.039</u>	<u>1.393</u>
<b>Current liabilities other than provisions</b>		<b><u>10.110</u></b>	<b><u>6.731</u></b>
<b>Liabilities other than provisions</b>		<b><u>66.080</u></b>	<b><u>62.571</u></b>
<b>Equity and liabilities</b>		<b><u>630.449</u></b>	<b><u>613.537</u></b>
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Transactions with related parties	16		



## Parent statement of changes in equity for 2015

	<b>Contributed capital DKK'000</b>	<b>Reserve for net revalua- tion accord- ing to the equity meth- od DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	50.000	278.613	221.076	549.689
Exchange rate adjustments	0	6.120	0	6.120
Value adjustments	0	(395)	0	(395)
Other adjustments	0	471	0	471
Profit/loss for the year	0	4.439	2.949	7.388
<b>Equity end of year</b>	<b>50.000</b>	<b>289.248</b>	<b>224.025</b>	<b>563.273</b>

## Notes to parent financial statements

	<b>2015</b> <b>DKK'000</b>	<b>2014</b> <b>DKK'000</b>
<b>1. Revenue</b>		
Denmark	8.374	5.235
	<b>8.374</b>	<b>5.235</b>
	<b>2015</b> <b>DKK'000</b>	<b>2014</b> <b>DKK'000</b>
<b>2. Staff costs</b>		
Wages and salaries	5.568	1.889
Pension costs	318	0
Other social security costs	2	0
Other staff costs	163	0
	<b>6.051</b>	<b>1.889</b>
Average number of employees	<b>6</b>	<b>2</b>
	<b>Remune- ration of manage- ment 2015 DKK'000</b>	<b>Remune- ration of manage- ment 2014 DKK'000</b>
Total amount for management categories	2.488	1.586
	<b>2.488</b>	<b>1.586</b>
	<b>2015</b> <b>DKK'000</b>	<b>2014</b> <b>DKK'000</b>
<b>3. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	700	700
Depreciation of property, plant and equipment	1.047	1.125
Profit/loss from sale of intangible assets and property, plant and equipment	0	(855)
	<b>1.747</b>	<b>970</b>

## Notes to parent financial statements

	<b>2015</b>	<b>2014</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>4. Fees to the auditor appointed by the Annual General Meeting</b>		
Statutory audit services	238	274
Other assurance engagements	108	0
Tax services	264	0
Other services	78	8
	<b>688</b>	<b>282</b>
	<b>2015</b>	<b>2014</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>5. Other financial income</b>		
Financial income arising from group enterprises	5.329	3.973
Interest income	264	391
Interest regarding tax paid on account	16	5
	<b>5.609</b>	<b>4.369</b>
	<b>2015</b>	<b>2014</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>6. Other financial expenses</b>		
Financial expenses from group enterprises	1.389	1.424
Interest expenses	333	904
Exchange rate adjustments	(59)	38
	<b>1.663</b>	<b>2.366</b>
	<b>2015</b>	<b>2014</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>7. Tax on profit/loss from ordinary activities</b>		
Tax on current year taxable income	755	574
Change in deferred tax for the year	(182)	(155)
Adjustment concerning previous years	(1.119)	3.251
Effect of changed tax rates	0	44
	<b>(546)</b>	<b>3.714</b>

## Notes to parent financial statements

	<b>Goodwill DKK'000</b>
<b>8. Intangible assets</b>	
Cost beginning of year	6.998
<b>Cost end of year</b>	<b>6.998</b>
Amortisation and impairment losses beginning of year	(4.869)
Amortisation for the year	(700)
<b>Amortisation and impairment losses end of year</b>	<b>(5.569)</b>
<b>Carrying amount end of year</b>	<b>1.429</b>
	<b>Land and buildings DKK'000</b>
<b>9. Property, plant and equipment</b>	
Cost beginning of year	44.257
<b>Cost end of year</b>	<b>44.257</b>
Depreciation and impairment losses beginning of the year	(29.445)
Depreciation for the year	(1.047)
<b>Depreciation and impairment losses end of the year</b>	<b>(30.492)</b>
<b>Carrying amount end of year</b>	<b>13.765</b>

## Notes to parent financial statements

	<b>Investments in group enter- prises DKK'000</b>	<b>Receivables from group enterprises DKK'000</b>
<b>10. Fixed asset investments</b>		
Cost beginning of year	130.415	160.986
Exchange rate adjustments	0	220
Additions	20.000	21.446
Disposals	0	(25.813)
<b>Cost end of year</b>	<b>150.415</b>	<b>156.839</b>
Revaluations beginning of year	278.613	0
Exchange rate adjustments	6.120	0
Adjustments on equity	471	0
Share of profit/loss for the year	4.146	0
Adjustment of intra-group profits	293	0
Fair value adjustments	(395)	0
<b>Revaluations end of year</b>	<b>289.248</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>439.663</b>	<b>156.839</b>

## 11. Prepayments

Prepayments mainly comprises costs for re-invoicing.

	<b>Number</b>	<b>Par value DKK'000</b>	<b>Nominal value DKK'000</b>
<b>12. Contributed capital</b>			
Shares	50.000	1	50.000
	<b>50.000</b>		<b>50.000</b>

## 13. Deferred tax

	<b>2015 DKK'000</b>	<b>2014 DKK'000</b>
Intangible assets	314	468
Property, plant and equipment	782	809
	<b>1.096</b>	<b>1.277</b>

## 14. Unrecognised rental and lease commitments

	<b>2015 DKK'000</b>	<b>2014 DKK'000</b>
Commitments under rental agreements or leases until expiry	546	0

## Notes to parent financial statements

### 15. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which BPW Finans A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

### 16. Transactions with related parties

The following related parties have a controlling interest in the BPW Finans A/S Group:

<u>Name</u>	<u>Registered office</u>	<u>Basis of influence</u>
BPW Bergische Achsen Kommanditgesellschaft	Wiehl, Tyskland	Ultimate owner