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Plast Team A/S
Skodsborgvej 315
2850 Nærum
Central Business Registration No
19719685

Annual report 2016

The Annual General Meeting adopted the annual report on 20.04.2017

Chairman of the General Meeting



Name: Bente Kjær Jensen

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Entity details

Entity

Plast Team A/S
Skodsborgvej 315
2850 Nærum

Central Business Registration No: 19719685

Registered in: Copenhagen

Financial year: 01.01.2016 - 31.12.2016

Phone: +4545560220

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Website: www.plast-team.com

E-mail: plast@plast.com

Board of Directors

Henrik Bernt Sanders, chairman

Jacob Andersen

Frank Leiberg Nissen

Torben Hartvigsen

Executive Board

Jacob Andersen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Plast Team A/S for the financial year 01.01.2016 - 31.12.2016.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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

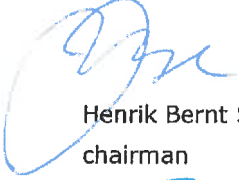
We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 20.04.2017

Executive Board

Jacob Andersen
CEO


Board of Directors


Henrik Bernt Sanders
chairman


Torben Hartvigsen


Jacob Andersen


Frank Leiberg Nissen

Independent auditor's report

To the shareholder of Plast Team A/S

Opinion

We have audited the financial statements of Plast Team A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared 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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 20.04.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556



Kim Takata Mücke

State Authorised Public Accountant

Management commentary

	2016	2015	2014	2013	2012
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial highlights					
Key figures					
Gross profit	14.996	22.672	25.043	23.253	20.378
Operating profit/loss	291	5.192	6.463	7.669	6.981
Net financials	6.176	(3.679)	(4.896)	(4.069)	(3.507)
Profit/loss for the year	7.067	1.219	897	2.818	2.192
Total assets	118.104	125.167	129.826	138.945	155.035
Investments in property, plant and equipment	826	7.547	7.329	2.487	3.611
Equity	59.166	53.690	53.927	55.753	55.680
Ratios					
Return on equity (%)	12,5	2,3	1,6	5,1	3,9
Equity ratio (%)	50,1	42,9	41,5	40,1	35,9

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios
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.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

The Company's activity is production and marketing of household plastic products. The Group's products are primarily sold in the Nordic countries and the rest of Europe.

Development in activities and finances

In the financial year 2016, the Company realised a gross profit of DKK 14,996k compared to DKK 22,672k in the previous year. The decrease in gross profit is primarily due to non-recurring income in 2015.

The result after tax of DKK 7,067k compared to DKK 1,219k in the previous year is considered very satisfactory.

Effective from 1 January 2016, the Parent, Nordic Houseware Group A/S, took over the management activities and certain back-office functions as well as related tangible fixed assets from the Company. In addition Nordic Houseware Group A/S took over the Company's shareholding in ROOM Copenhagen A/S and related loans and receivables. Among other things, the transfer is reflected in the income statement through a reduction in staff costs and an increase in other operating expenses.

Events after the balance sheet date

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

Income statement for 2016

	<u>Notes</u>	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
Gross profit		14.996	22.672
Staff costs	1	(3.960)	(14.408)
Depreciation, amortisation and impairment losses	2	(246)	(1.750)
Other operating expenses		<u>(10.499)</u>	<u>(1.322)</u>
Operating profit/loss		291	5.192
Income from investments in group enterprises		8.963	766
Other financial income	3	328	331
Other financial expenses	4	<u>(3.115)</u>	<u>(4.776)</u>
Profit/loss before tax		6.467	1.513
Tax on profit/loss for the year	5	<u>600</u>	<u>(294)</u>
Profit/loss for the year	6	<u>7.067</u>	<u>1.219</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
Acquired licences		0	681
Intangible assets	7	0	681
Plant and machinery		2.832	2.405
Other fixtures and fittings, tools and equipment		0	371
Property, plant and equipment in progress		0	2.926
Property, plant and equipment	8	2.832	5.702
Investments in group enterprises		40.770	36.073
Receivables from group enterprises		31.200	3.641
Investments in associates		0	15.000
Receivables from associates		0	10.000
Deposits		0	696
Deferred tax		4.250	3.650
Fixed asset investments	9	76.220	69.060
Fixed assets		79.052	75.443
Manufactured goods and goods for resale		5.559	9.709
Inventories		5.559	9.709
Trade receivables		23.619	26.190
Receivables from group enterprises		6.419	9.650
Other receivables		3.021	584
Prepayments	10	56	690
Receivables		33.115	37.114
Cash		378	2.901
Current assets		39.052	49.724
Assets		118.104	125.167

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
Contributed capital		2.500	2.500
Reserve for net revaluation according to the equity method		26.833	22.136
Retained earnings		<u>29.833</u>	<u>29.054</u>
Equity		<u>59.166</u>	<u>53.690</u>
Provisions for investments in group enterprises	11	<u>1.674</u>	<u>4.002</u>
Provisions		<u>1.674</u>	<u>4.002</u>
Bank loans		758	1.144
Debt to other credit institutions		<u>4.166</u>	<u>4.583</u>
Non-current liabilities other than provisions	12	<u>4.924</u>	<u>5.727</u>
Current portion of long-term liabilities other than provisions	12	2.067	2.067
Bank loans		27.844	33.419
Trade payables		1.205	4.914
Payables to group enterprises		17.515	12.434
Other payables		<u>3.709</u>	<u>8.914</u>
Current liabilities other than provisions		<u>52.340</u>	<u>61.748</u>
Liabilities other than provisions		<u>57.264</u>	<u>67.475</u>
Equity and liabilities		<u>118.104</u>	<u>125.167</u>
Unrecognised rental and lease commitments	13		
Mortgages and securities	14		
Transactions with related parties	15		

Statement of changes in equity for 2016

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	2.500	22.136	29.054	53.690
Exchange rate adjustments	0	(1.588)	0	(1.588)
Profit/loss for the year	0	6.285	779	7.064
Equity end of year	2.500	26.833	29.833	59.166

Notes

	2016	2015
	DKK'000	DKK'000
1. Staff costs		
Wages and salaries	3.720	14.628
Pension costs	172	882
Other social security costs	68	164
Staff costs classified as assets	0	(1.266)
	3.960	14.408
Average number of employees	9	20
Remuneration of management is not disclosed as there is only one person in management.		
	2016	2015
	DKK'000	DKK'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	0	818
Depreciation of property, plant and equipment	246	431
Profit/loss from sale of intangible assets and property, plant and equipment	0	501
	246	1.750
	2016	2015
	DKK'000	DKK'000
3. Other financial income		
Other financial income	328	331
	328	331
	2016	2015
	DKK'000	DKK'000
4. Other financial expenses		
Exchange rate adjustments	137	546
Other financial expenses	2.978	4.230
	3.115	4.776
	2016	2015
	DKK'000	DKK'000
5. Tax on profit/loss for the year		
Change in deferred tax for the year	(600)	294
	(600)	294

Notes

	2016	2015
	DKK'000	DKK'000
6. Proposed distribution of profit/loss		
Transferred to reserve for net revaluation according to the equity method	6.285	245
Retained earnings	782	974
	7.067	1.219
		Acquired licences DKK'000
7. Intangible assets		
Cost beginning of year		5.232
Disposals		(5.232)
Cost end of year		0
Amortisation and impairment losses beginning of year		(4.551)
Reversal regarding disposals		4.551
Amortisation and impairment losses end of year		0
Carrying amount end of year		0

Notes

	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
8. Property, plant and equipment			
Cost beginning of year	3.124	1.413	2.926
Additions	826	0	0
Disposals	(170)	(1.413)	(2.926)
Cost end of year	3.780	0	0
Depreciation and impairment losses beginning of the year	(719)	(1.042)	0
Depreciation for the year	(246)	0	0
Reversal regarding disposals	17	1.042	0
Depreciation and impairment losses end of the year	(948)	0	0
Carrying amount end of year	2.832	0	0

Notes

	Investments in group enterprises DKK'000	Receivables from group enterprises DKK'000	Investments in associates DKK'000	Receivables from associates DKK'000
9. Fixed asset investments				
Cost beginning of year	13.937	3.641	15.000	10.000
Additions	0	31.200	0	0
Disposals	0	(3.641)	(15.000)	(10.000)
Cost end of year	13.937	31.200	0	0
Revaluations beginning of year	22.136	0	0	0
Exchange rate adjustments	(1.588)	0	0	0
Share of profit/loss for the year	8.963	0	0	0
Investments with negative equity depreciated over receivables	(350)	0	0	0
Investments with negative equity transferred to provisions	(2.328)	0	0	0
Revaluations end of year	26.833	0	0	0
Carrying amount end of year	40.770	31.200	0	0

Notes

	Deposits DKK'000	Deferred tax DKK'000
9. Fixed asset investments		
Cost beginning of year	696	3.650
Additions	0	0
Disposals	(696)	600
Cost end of year	0	4.250
Revaluations beginning of year	0	0
Exchange rate adjustments	0	0
Share of profit/loss for the year	0	0
Investments with negative equity depreciated over receivables	0	0
Investments with negative equity transferred to provisions	0	0
Revaluations end of year	0	0
Carrying amount end of year	0	4.250

	Registered in	Corpo- rate form	Equity inte- rest %
Investments in group enterprises comprise:			
Plast Team Poland sp. z.o.o.	Poland	sp.z.o.o	100,0
Plast Team Vertriebs GmbH	Germany	GmbH	100,0

10. Prepayments

Prepayments consists of prepaid expenses.

11. Provisions for investments in group enterprises

Provisions for investments in group enterprises comprise the negative equity of a subsidiary, net of write-down of receivables against the same subsidiary.

Notes

	Instalments within 12 months 2016 DKK'000	Instalments within 12 months 2015 DKK'000	Instalments beyond 12 months 2016 DKK'000
12. Liabilities other than provisions			
Bank loans	400	400	758
Debt to other credit institutions	1.667	1.667	4.166
	2.067	2.067	4.924

No instalments due 5 years after the balance sheet date.

In addition, the Company has short-term bank debt of DKK 27,844k consisting of factoring and overdraft facilities.

	2016 DKK'000	2015 DKK'000
13. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	707	7.589

14. Mortgages and securities

Floating charges of totally DKK 66,000k have been established as security for loan agreements covering assets with a total book value of DKK 42,281k.

	2016 DKK'000	2015 DKK'000
Trade receivables pledged as security for bank debt	23,619	22,222
Long-term receivables have been pledged as security for bank debt	0	13,641
Shares in subsidiaries pledged as security for bank debt	40,770	36,073

Plast Team A/S guarantees for bank debt in the subsidiary Plast Team Vertriebs GmbH and the related company ROOM COPENHAGEN A/S. At 31. December 2016 the related bank debt equaled DKK 13,685k.

The Company has provided a guarantee to a supplier of DKK 25.285k (2015: DKK 26.400k).

Notes

15. Transactions with related parties

The following related parties have a controlling interest in the group:

Name	Registered office	Basis of influence
Nordic Houseware Group A/S	2850 Nærum	Shareholder, parent company
Jacob Andersen Holding ApS	2680 Solrød Strand	Ultimate parent company
Jacob Andersen	2680 Solrød Strand	Ultimate majority shareholder

Transactions with related parties are based on arm's length terms.

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.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

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

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each financial statement item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Danish kroner are used as the reporting and measurement currency. All other currencies are regarded as foreign currencies.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of goods for resale and finished goods is recognized in the income statement when delivery and transfer of risk has been made.

Accounting policies

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Other operating income

Other operating income consist of consultancy services for Nordic Houseware Group A/S, the immediate parent company.

Cost of sales

Cost of sales comprise the raw materials and consumables consumed to achieve revenue for the year and freight for the year.

Staff costs

Staff expenses comprise wages and salaries as well as payroll expenses.

Depreciation, amortisation and impairment losses

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

Other operating expenses

Other operating expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

Income from investments in group enterprises

Income from investments in subsidiaries include the proportionate share of profit/loss according to the equity-method.

Other financial income

Other financial income are recognized in the income statement at the amounts relating to the financial year. Other financial income comprise interest income and exchange gains.

Other financial expenses

Other financial expenses are recognized in the income statement at the amounts relating to the financial year. Other financial expenses comprise exchange losses, interest and other financial expenses.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is part of a joint taxation. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Accounting policies

Balance sheet

Intellectual property rights etc

Intellectual property rights acquired are measured at cost less accumulated amortisation and impairment losses. Acquired licences are amortised over the term of the agreement, though never over more than 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition. For self-constructed assets, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Depreciation is based on cost reduced by any residual value and is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	3-12 years
Other fixtures and fittings, tools and equipment	3-5 years

Estimated useful lives and residual values are reassessed annually.

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

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in group enterprises

Investments in subsidiaries are recognised and measured under the equity method.

Investments in subsidiaries include the proportionate ownership share of the equity of each subsidiary.

The total net revaluation of investments in subsidiaries is shown separately in equity in "Reserve for net revaluation under the equity method". The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries.

Subsidiaries with a negative net value are recognised and presented at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the subsidiary is presented as provisions.

Accounting policies

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

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

Investments in associates

Investments in associates are measured at cost and are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

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

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.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion.

The cost of goods for resale, raw materials and consumables comprises purchase price plus delivery costs.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions relate to negative equity values in subsidiaries as described under "Investments in group enterprises".

Accounting policies

Other financial liabilities

Fixed-interest loans are recognized initially at the proceeds received, net of loan costs incurred. Subsequently, the loans are measured at amortised cost where the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Cash flow statement

A cash flow statement is presented for the entire Group, wherefore we refer to the annual report of Nordic Houseware Group A/S.