

## **Procter & Gamble Danmark ApS**

Kirkebjerg Parkvej 9  
2605 Brøndby  
Business Registration No  
20960531

## **Annual report 01.07.2018 - 30.06.2019**

The Annual General Meeting adopted the annual report on 28.11.2019

### **Chairman of the General Meeting**

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Name: Jacob Hjortshøj

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## Entity details

### Entity

Procter & Gamble Danmark ApS  
Kirkebjerg Parkvej 9  
2605 Brøndby

Central Business Registration No (CVR): 20960531

Registered in: Brøndby

Financial year: 01.07.2018 - 30.06.2019

### Board of Directors

Jacob Hjortshøj, chairman  
Matthew John Tipple  
Nicolai Fisker Kristiansen

### Executive Board

Andrew Eric Mill

### 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 Procter & Gamble Danmark ApS for the financial year 01.07.2018 - 30.06.2019.

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 30.06.2019 and of the results of its operations for the financial year 01.07.2018 - 30.06.2019.

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, 28.11.2019

### Executive Board

Andrew Eric Mill

### Board of Directors

Jacob Hjortshøj  
chairman

Matthew John Tipple

Nicolai Fisker Kristiansen

# Independent auditor's report

## To the shareholder of Procter & Gamble Danmark ApS

### Opinion

We have audited the financial statements of Procter & Gamble Danmark ApS for the financial year 01.07.2018 - 30.06.2019, 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 30.06.2019 and of the results of its operations for the financial year 01.07.2018 - 30.06.2019 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.

## Independent auditor's report

We also:

- 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.

## **Independent auditor's report**

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

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, 28.11.2019

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33963556

Flemming Larsen  
State Authorised Public Accountant  
Identification No (MNE) mne27790

## Management commentary

### Primary activities

The Company's activity consists of distributing Procter & Gamble products in Denmark. As consideration for this, the Company receives commission.

### Development in activities and finances

The profit realised by the Company in the financial year amounts to DKK 9,374 thousand (2017/18 profit DKK 8,518) which Management considers satisfactory.

### Events during the financial year 2018/19

No significant events have taken place in 2018/19.

### Outlook

Management expects a similar profit in the financial year 2019/20.

### 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 2018/19

	<u>Notes</u>	<u>2018/19</u> <u>DKK'000</u>	<u>2017/18</u> <u>DKK'000</u>
Revenue	1	56.290	55.524
Other external expenses		<u>(24.246)</u>	<u>(20.607)</u>
<b>Gross profit/loss</b>		<b>32.044</b>	<b>34.917</b>
Staff costs	2	(19.256)	(23.403)
Depreciation, amortisation and impairment losses	3	<u>(307)</u>	<u>(270)</u>
<b>Operating profit/loss</b>		<b>12.481</b>	<b>11.244</b>
Other financial income		1	4
Other financial expenses	4	<u>(389)</u>	<u>(373)</u>
<b>Profit/loss before tax</b>		<b>12.093</b>	<b>10.875</b>
Tax on profit/loss for the year	5	<u>(2.719)</u>	<u>(2.357)</u>
<b>Profit/loss for the year</b>		<b>9.374</b>	<b>8.518</b>
<b>Proposed distribution of profit/loss</b>			
Ordinary dividend for the financial year		0	50.000
Retained earnings		<u>9.374</u>	<u>(41.482)</u>
		<b>9.374</b>	<b>8.518</b>

## Balance sheet at 30.06.2019

	<u>Notes</u>	<u>2018/19 DKK'000</u>	<u>2017/18 DKK'000</u>
Other fixtures and fittings, tools and equipment		923	469
Leasehold improvements		71	193
<b>Property, plant and equipment</b>	6	<u>994</u>	<u>662</u>
Other receivables		145	145
Deferred tax		93	98
<b>Fixed asset investments</b>	7	<u>238</u>	<u>243</u>
<b>Fixed assets</b>		<u>1.232</u>	<u>905</u>
Trade receivables		32.894	25.738
Receivables from group enterprises		30.877	101.265
Other receivables		32	1.103
Prepayments		216	300
<b>Receivables</b>		<u>64.019</u>	<u>128.406</u>
<b>Cash</b>		<u>9.475</u>	<u>4.734</u>
<b>Current assets</b>		<u>73.494</u>	<u>133.140</u>
<b>Assets</b>		<u>74.726</u>	<u>134.045</u>

## Balance sheet at 30.06.2019

	<u>Notes</u>	<u>2018/19</u> <u>DKK'000</u>	<u>2017/18</u> <u>DKK'000</u>
Contributed capital		20.000	20.000
Retained earnings		10.842	1.468
Proposed dividend		<u>0</u>	<u>50.000</u>
<b>Equity</b>		<b><u>30.842</u></b>	<b><u>71.468</u></b>
Bank loans		0	926
Trade payables		16.559	13.282
Payables to group enterprises		4.727	28.655
Income tax payable		1.676	172
Other payables		<u>20.922</u>	<u>19.542</u>
<b>Current liabilities other than provisions</b>		<b><u>43.884</u></b>	<b><u>62.577</u></b>
<b>Liabilities other than provisions</b>		<b><u>43.884</u></b>	<b><u>62.577</u></b>
<b>Equity and liabilities</b>		<b><u>74.726</u></b>	<b><u>134.045</u></b>
Unrecognised rental and lease commitments	8		
Transactions with related parties	9		
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## Statement of changes in equity for 2018/19

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Proposed dividend DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	20.000	1.468	50.000	71.468
Ordinary dividend paid	0	0	(50.000)	(50.000)
Profit/loss for the year	0	9.374	0	9.374
<b>Equity end of year</b>	<b>20.000</b>	<b>10.842</b>	<b>0</b>	<b>30.842</b>

## Notes

### 1. Revenue

Revenue consists of commission income comprised by commission on the sale of the Procter & Gamble Groups products to Danish customers carried out by Procter & Gamble Danmark ApS.

	<b>2018/19</b>	<b>2017/18</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>2. Staff costs</b>		
Wages and salaries	16.942	20.659
Pension costs	1.663	1.840
Other social security costs	453	601
Other staff costs	198	303
	<b>19.256</b>	<b>23.403</b>
Average number of employees	<b>22</b>	<b>24</b>

	<b>2018/19</b>	<b>2017/18</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>3. Depreciation, amortisation and impairment losses</b>		
Depreciation of property, plant and equipment	307	270
	<b>307</b>	<b>270</b>

	<b>2018/19</b>	<b>2017/18</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>4. Other financial expenses</b>		
Financial expenses from group enterprises	329	346
Other interest expenses	60	27
	<b>389</b>	<b>373</b>

	<b>2018/19</b>	<b>2017/18</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>5. Tax on profit/loss for the year</b>		
Current tax	2.712	2.406
Change in deferred tax	5	8
Adjustment concerning previous years	2	(57)
	<b>2.719</b>	<b>2.357</b>

## Notes

	<b>Other fixtures and fittings, tools and equipment DKK'000</b>	<b>Leasehold improve- ments DKK'000</b>
<b>6. Property, plant and equipment</b>		
Cost beginning of year	2.938	2.258
Additions	639	0
Disposals	<u>(1.513)</u>	<u>0</u>
<b>Cost end of year</b>	<b><u>2.064</u></b>	<b><u>2.258</u></b>
Depreciation and impairment losses beginning of year	(2.469)	(2.065)
Depreciation for the year	(185)	(122)
Reversal regarding disposals	<u>1.513</u>	<u>0</u>
<b>Depreciation and impairment losses end of year</b>	<b><u>(1.141)</u></b>	<b><u>(2.187)</u></b>
<b>Carrying amount end of year</b>	<b><u>923</u></b>	<b><u>71</u></b>
	<b>Other receivables DKK'000</b>	<b>Deferred tax DKK'000</b>
<b>7. Fixed asset investments</b>		
Cost beginning of year	145	98
Disposals	<u>0</u>	<u>(5)</u>
<b>Cost end of year</b>	<b><u>145</u></b>	<b><u>93</u></b>
<b>Carrying amount end of year</b>	<b><u>145</u></b>	<b><u>93</u></b>
	<b>2018/19 DKK'000</b>	<b>2017/18 DKK'000</b>
<b>8. Unrecognised rental and lease commitments</b>		
Liabilities under rental or lease agreements until maturity in total	<b><u>4.808</u></b>	<b><u>3.886</u></b>

## 9. Transactions with related parties

Only non-arm's length transactions with related parties are disclosed in the financial statements. All related party transactions carried out during the financial year have been made on an arm's length basis.

## Notes

### **10. Group relations**

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

The Procter & Gamble Company, Cincinnati, Ohio, USA

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

The Procter & Gamble Company, Cincinnati, Ohio, USA

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these 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.

### 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 rate 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.

### Income statement

#### Revenue

Revenue consists of commission income comprised by commission on the sale of the Procter & Gamble Groups products to Danish customers carried out by Procter & Gamble Danmark ApS.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

#### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.



## Accounting policies

### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, 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 property, plant and equipment.

### Other financial income

Other financial income comprises dividends etc received on other investments, interest income, payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, payables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

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

#### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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.

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:

Other fixtures and fittings, tools and equipment	3-15 years
Leasehold improvements	7 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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.

### Receivables

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

## Accounting policies

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value 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.

### Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

### Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

### Other financial liabilities

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

### Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.