

Dansk Ventil Center A/S
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DK-7100 Vejle

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Dansk Ventil Center A/S

Annual report 2015

The annual report was presented and adopted at the
Company's annual general meeting

on 31-05  20 16

chairman

CVR no. 21 78 19 91

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Dansk Ventil Center A/S for the financial year 1 January – 31 December 2015.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January – 31 December 2015.

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

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

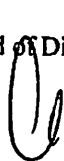
Vejle, 31 May 2016

Executive Board:

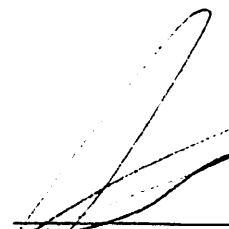


Michael Brinch
Sørensen


Board of Directors:



Olof Karsten Hoppe
Chairman



Gysbert Koenraad
Koorn



Michael Brinch
Sørensen



Independent auditor's report

To the shareholders of Dansk Ventil Center A/S

Independent auditor's report on the financial statements

We have audited the financial statements of Dansk Ventil Center A/S for the financial year 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the 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 as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of 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 Company'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 evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's activities for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

In accordance with the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Aarhus, 31 May 2016

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Jakob Westerdahl
State Authorised
Public Accountant

Management's review

Company details

Dansk Ventil Center A/S
Ferrarivej 14
DK-7100 Vejle

Telephone:	+45 75 72 33 00
Telefax	+45 75 72 75 15
Website:	www.dvcas.dk
E-mail:	mail@dvcas.dk
CVR no.:	21 78 19 91
Established	1 July 1999
Registered office:	Vejle
Financial year:	1 January – 31 December

Board of Directors

Olof Karsten Hoppe
Gijsbert Koenraad Koorn
Michael Brinch Sørensen

Executive Board

Michael Brinch Sørensen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
8210 Aarhus V

Lawyers

Andersen Partners
Jernbanegade 31
6000 Kolding

Management's review

Operating review

Principal activities

As in previous years the Company's main activity has been trade in valves and related goods.

Development in the year

The income statement of the Company for 2015 shows a profit of DKK 9,009,616, and at 31 December 2015 the balance sheet of the Company shows equity of DKK 18,549,406.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Financial statements 1 January – 31 December

Accounting policies

The annual report of Dansk Ventil Center A/S for 2015 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

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

Foreign currency translation

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

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currencies are measured at the transaction rates.

Financial statements 1 January – 31 December

Accounting policies

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised as other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a fair value hedge of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a hedge of future transactions are recognised as other receivables or other payables and in equity until the realisation of the hedged transactions. If the future transaction results in the recognition of assets or liabilities, amounts that were previously recognised in equity are transferred to the cost of the assets or liabilities. If the future transaction results in income or costs, amounts that were previously recognised in equity are transferred to the income statement for the period when the hedged item affects the income statement.

For derivative financial instruments not qualifying for treatment as hedging instruments, changes in fair value are recognised in the income statement on an ongoing basis.

Income statement

Gross profit

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Income from the sale of goods for resale, primarily comprising the sale of valves, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be reliably measured and is expected to be received.

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

Financial statements 1 January – 31 December

Accounting policies

Goods and material costs

Goods and material costs comprise raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Depreciation and impairment losses

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

Other operating costs

Other operating costs comprise items secondary to the activities of the entities, including losses on the disposal of and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Financial statements 1 January – 31 December

Accounting policies

Tax on profit/loss for the year

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

The Company is jointly taxed with its Parent Company and its wholly owned Danish subsidiaries and the ultimate Parent Company's other Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish entities in proportion to their taxable income. Mammoet Wind A/S (CVR No. 26 53 39 53) is the administrative company.

Balance sheet

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	7 years

Financial statements 1 January – 31 December

Accounting policies

Impairment of non-current assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Financial statements 1 January – 31 December

Accounting policies

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2015	2014
Gross profit		<u>31,534,808</u>	<u>26,825,446</u>
Staff costs	1	-20,038,873	-18,096,413
Depreciation of and impairment losses on property, plant and equipment	2	<u>-225,126</u>	<u>-99,913</u>
Profit before financial income and expenses		11,270,809	8,629,120
Financial income		1,109,934	290,230
Financial expenses	3	<u>-551,820</u>	<u>-362,595</u>
Profit before tax		11,828,923	8,556,755
Tax on profit for the year	4	<u>-2,819,307</u>	<u>-2,113,485</u>
Profit for the year		<u>9,009,616</u>	<u>6,443,270</u>
 Proposed distribution of profit			
Proposed dividend for the year		9,009,000	6,450,000
Retained earnings		<u>616</u>	<u>-6,730</u>
		<u>9,009,616</u>	<u>6,443,270</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2015	2014
ASSETS			
Non-current assets			
Property, plant and equipment	5		
Fixtures and fittings, tools and equipment		504,343	155,241
Leasehold improvements		992,639	508,657
		<u>1,496,982</u>	<u>663,898</u>
Investments	6		
Deposits		503,846	396,045
		<u>503,846</u>	<u>396,045</u>
Total non-current assets		<u>2,000,828</u>	<u>1,059,943</u>
Current assets			
Inventories			
Goods for resale		15,184,240	13,237,710
		<u>15,184,240</u>	<u>13,237,710</u>
Receivables			
Trade receivables		6,705,135	9,166,056
Receivables from group entities		2,399,500	17,871
Other receivables		122,178	51,513
Deferred tax asset		162,181	76,015
Prepayments		127,551	154,870
		<u>9,516,545</u>	<u>9,466,325</u>
Cash at bank and in hand		<u>3,551,228</u>	<u>2,615,584</u>
Total current assets		<u>28,252,013</u>	<u>25,319,619</u>
TOTAL ASSETS		<u>30,252,841</u>	<u>26,379,562</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2015	2014
EQUITY AND LIABILITIES			
Equity	7		
Share capital		501,000	501,000
Retained earnings		9,039,406	9,065,735
Proposed dividends for the financial year		9,009,000	6,450,000
Total equity		<u>18,549,406</u>	<u>16,016,735</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Credit institutions		16,431	30,076
Convertible instruments of debt		0	312,609
Trade payables		1,890,169	2,830,791
Payables to group entities		229,338	1,259,161
Corporation tax		2,897,873	2,008,828
Other payables		6,534,188	3,777,523
Deferred income		135,436	143,839
		<u>11,703,435</u>	<u>10,362,827</u>
Total liabilities other than provisions		<u>11,703,435</u>	<u>10,362,827</u>
TOTAL EQUITY AND LIABILITIES		<u>30,252,841</u>	<u>26,379,562</u>
Contingent assets, liabilities and other financial obligations	8		
Related parties and ownership	9		

Financial statements 1 January – 31 December

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DKK	<u>2015</u>	<u>2014</u>
1 Staff costs		
Wages and salaries	18,394,524	16,220,160
Pensions	1,618,521	1,582,578
Other social security expenses	324,040	305,620
Other staff expenses	-298,212	-11,945
	<u>20,038,873</u>	<u>18,096,413</u>
Average number of full-time employees	<u>36</u>	<u>36</u>
2 Depreciation of and impairment losses on property, plant and equipment		
Depreciation of property, plant and equipment	<u>225,126</u>	<u>99,913</u>
	<u>225,126</u>	<u>99,913</u>
Which is specified as follows:		
Fixtures and fittings, tools and equipment	137,048	81,703
Leasehold improvements	88,078	18,210
	<u>225,126</u>	<u>99,913</u>
3 Financial expenses		
Interest paid to group entities	94,018	199,838
Other financial expenses	457,802	162,757
	<u>551,820</u>	<u>362,595</u>

Financial statements 1 January – 31 December

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4 Tax on profit/loss for the year

DKK	2015	2014
Current tax for the year	2,897,873	2,008,828
Deferred tax for the year	-86,166	104,657
Tax on equity entries	7,600	0
	<u>2,819,307</u>	<u>2,113,485</u>

5 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January	1,771,910	526,867
Additions for the year	486,152	572,060
Disposals for the year	-113,206	0
Cost at 31 December	<u>2,144,856</u>	<u>1,098,927</u>
Impairment losses and depreciation at 1 January	1,616,671	18,210
Depreciation for the year	137,048	88,078
Disposals for the year	-113,206	0
Impairment losses and depreciation at 31 December	<u>1,640,513</u>	<u>106,288</u>
Carrying amount at 31 December	<u>504,343</u>	<u>992,639</u>

6 Investments

DKK	Other receivables
Cost at 1 January	396,045
Additions for the year	107,801
Cost at 31 December	<u>503,846</u>
Carrying amount at 31 December	<u>503,846</u>

Financial statements 1 January – 31 December

Notes

7 Equity

DKK	Share capital	Retained earnings	Proposed dividends for the year	Total
Equity at 1 January	501,000	9,065,735	6,450,000	16,016,735
Ordinary dividends paid	0	0	-6,450,000	-6,450,000
Other equity entries	0	-26,945	0	-26,945
Net profit/loss for the year	0	616	9,009,000	9,009,616
Equity at 31 December	501,000	9,039,406	9,009,000	18,549,406

The share capital consists of shares of a nominal value of DKK 1,000 or multiples of this. No shares carry any special rights.

The share capital has developed as follows:

DKK	2015	2014	2013	2012	2011
Share capital at 1 January	501,000	501,000	501,000	625,000	625,000
Capital decrease	0	0	0	-124,000	0
Share capital at 31 December	501,000	501,000	501,000	501,000	625,000

Financial statements 1 January – 31 December

Notes

8 Contingent assets, liabilities and other financial obligations

	<u>DKK</u>
Rental agreements and leases	
Rent obligation and lease obligations under operating leases.	
Total future lease payments:	
Within 1 year	2,667,597
Between 1 and 5 years	10,099,651
After 5 years	<u>0</u>
	<u>12,767,248</u>

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax. The jointly taxed entities' total known net liability to SKAT (the Danish tax authorities) are disclosed in the administrative company's financial statements, Mammoet Wind A/S, CVR No. 26 53 39 53. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

9 Related parties and ownership

Dansk Ventil Center A/S' related parties comprise the following:

Control

Majority shareholder: ERIKS Denmark Holding ApS, Esbjerg

Dansk Ventil Center A/S is included in the consolidated financial statements of SHV Holdings N.V. The consolidated financial statements of SHV Holdings N.V. can be obtained at the following address:

SHV Holdings N.V.
P.O. Box 2065
3500 GB Utrecht
The Netherlands