

Dansk Ventil Center A/S

Ferrarivej 14  
7100 Vejle


CVR no. 21 78 19 91

## Annual report 2016

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

31 May 2017

chairman



**Dansk Ventil Center A/S**  
Annual report 2016  
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 2016.

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

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

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 be approved at the annual general meeting.

Vejle, 31 May 2017

Executive Board:

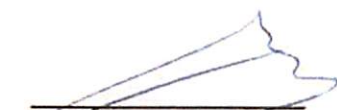


Michael Brinch  
Sørensen



Claus Christoffersen

Board of Directors:



Paul Menno Vos  
Chairman



Gijsbert K. Koorn



Michael Brinch  
Sørensen



## **Independent auditor's report**

**To the shareholder of Dansk Ventil Center A/S**

### **Opinion**

We have audited the financial statements of Dansk Ventil Center A/S for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet and notes, including 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 Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

### **Basis for opinion**

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

### **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.

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



## Independent auditor's report

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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

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

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



## Independent auditor's report

audit.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

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

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

Aarhus, 31 May 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98



Jakob Westerdahl  
State Authorised  
Public Accountant

Dansk Ventil Center A/S  
Annual report 2016  
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## Management's review

### Company details

Dansk Ventil Center A/S  
Ferrarivej 14  
7100 Vejle

Telephone: +45 75 72 33 00  
Fax: +45 75 72 75 15  
Website: [www.dvcas.dk](http://www.dvcas.dk)  
E-mail: [mail@dvcas.dk](mailto: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

Paul Menno Vos, Chairman  
Gijsbert K. Koorn  
Michael Brinch Sørensen

### Executive Board

Michael Brinch Sørensen  
Claus Christoffersen

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Bredskifte Allé 13  
DK-8210 Aarhus V

## **Management's review**

### **Operating review**

#### **Principal activities**

The Company's main activity is to trade in valves and related goods.

#### **Development in activities and financial position**

The income statement of the Company for 2016 shows a profit of DKK 7,174,378, and at 31 December 2016, equity stood at DKK 16,741,728.

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

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



## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2016	2015
<b>Gross profit</b>		27,474,705	32,475,814
Staff costs	2	-17,700,690	-20,979,879
Depreciation of property, plant and equipment		-448,386	-225,126
<b>Operating profit</b>		9,325,629	11,270,809
Financial income		242,779	1,109,934
Financial expenses	3	-363,966	-551,820
<b>Profit before tax</b>		9,204,442	11,828,923
Tax on profit for the year		-2,030,064	-2,819,307
<b>Profit for the year</b>		7,174,378	9,009,616

### Proposed profit appropriation

Proposed dividend for the financial year	7,174,378	9,009,000
Retained earnings	0	616
	7,174,378	9,009,616

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2016	2015
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>			
Fixtures and fittings, tools and equipment		387,340	504,343
Leasehold improvements		790,844	992,639
		<u>1,178,184</u>	<u>1,496,982</u>
<b>Investments</b>			
Deposits		503,846	503,846
		<u>503,846</u>	<u>503,846</u>
<b>Total fixed assets</b>		<u>1,682,030</u>	<u>2,000,828</u>
<b>Current assets</b>			
<b>Inventories</b>			
Finished goods and goods for resale		14,592,657	15,184,240
		<u>14,592,657</u>	<u>15,184,240</u>
<b>Receivables</b>			
Trade receivables		9,466,243	6,705,135
Receivables from group entities		3,110,287	2,399,500
Other receivables		46,080	122,178
Deferred tax asset		2,683	162,181
Prepayments		180,446	127,551
		<u>12,805,739</u>	<u>9,516,545</u>
<b>Cash at bank and in hand</b>		<u>1,763,657</u>	<u>3,551,228</u>
<b>Total current assets</b>		<u>29,162,053</u>	<u>28,252,013</u>
<b>TOTAL ASSETS</b>		<u><u>30,844,083</u></u>	<u><u>30,252,841</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		501,000	501,000
Proposed dividends for the year		7,174,378	9,009,000
Retained earnings		9,066,350	9,039,406
<b>Total equity</b>		<b>16,741,728</b>	<b>18,549,406</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Credit institutions		0	16,431
Trade payables		2,909,782	1,890,169
Payables to group entities		4,273,042	229,338
Corporation tax		1,868,600	2,897,873
Other payables		4,825,321	6,534,188
Deferred income		225,610	135,436
		14,102,355	11,703,435
<b>Total liabilities</b>		<b>14,102,355</b>	<b>11,703,435</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>30,844,083</b>	<b>30,252,841</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Dansk Ventil Center A/S for 2016 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

— Going forward, the residual value of property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

A reclassification has been made from other staff expenses to other income. The related comparative figures have been restated accordingly.

Apart from the above, 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.

#### 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 and 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Changes in the fair value of derivative financial instruments designated as and 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 asset or liability. 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, 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 measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

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

#### Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

#### Goods and material costs

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

#### Other external costs

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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 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, financial costs regarding finance leases, 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.

##### Tax on profit 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

Fixtures and fittings, tools 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. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

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 as follows:

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

The useful life and residual value are reassessed annually. Changes are accounted for as accounting estimates, and the effect on depreciation is recognised prospectively.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

#### Impairment of non-current assets

The carrying amount of property, plant and equipment is subjected 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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

###### *Dividend*

The expected dividend payment for the year is disclosed as a separate item under equity.

##### 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

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

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.

#### 2 Staff costs

DKK	2016	2015
Wages and salaries	14,535,765	18,394,524
Pensions	1,601,195	1,618,521
Other social security costs	285,589	324,040
Other staff expenses	1,278,140	642,794
	<u>17,700,689</u>	<u>20,979,879</u>
Average number of full-time employees	<u>34</u>	<u>36</u>

#### 3 Financial expenses

Interest paid to group entities	89,580	94,018
Other financial expenses	274,386	457,802
	<u>363,966</u>	<u>551,820</u>

#### 4 Contractual obligations, contingencies, etc.

##### Rental agreements and leases

Rent obligation and lease obligations under operating leases.

DKK	2016	2015
<b>Total future lease payments</b>		
Within 1 year	3,420,287	2,667,597
Between 1 and 5 years	10,229,692	10,099,651
After 5 years	706,830	0

##### 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

## Financial statements 1 January – 31 December

### Notes

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.

#### 5 Related parties

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

##### Control

ERIKS Denmark Holding ApS, Oddesundvej 5, 6715 Esbjerg N, holds the majority of the shares in the Company,

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.