

Aktieselskabet Thos. Sonne Junr.

Koesmosevej 48-58, Kauslund, 5500 Middelfart

CVR no. 24 15 71 13

Annual report 2017

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

on March 16th 20 18

Eva Talsgaard
chairman of the annual general meeting

Aktieselskabet Thos. Sonne Junr.
Annual report 2017
CVR no. 24 15 71 13

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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 Aktieselskabet Thos. Sonne Junr. for the financial year 1 January – 31 December 2017.

The annual report, which has not been audited, is presented in accordance with the Danish Financial Statements Act. The Board of Directors considers the requirements for omitting an audit to have been met.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's activities for the financial year 1 January – 31 December 2017.

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.


Middelfart, 16 March 2018

Executive Board:



Per Jesper Essunger

Board of Directors:



Eva Christina Täljegård
Chairman



Joakim Lindvall



Per Jesper Essunger

The general meeting has decided that the financial statements for the coming financial year will not be audited.



Independent auditor's report on compilation of financial statements

To the Management of Aktieselskabet Thos. Sonne Junr.

We have compiled the financial statements of Aktieselskabet Thos. Sonne Junr. for the financial year 1 January – 31 December 2017 based on the Company's bookkeeping records and other information provided by you.

The financial statements comprise accounting policies, income statement, balance sheet and notes.

We performed our work in accordance with ISRS 4410 Engagements to Compile Financial Statements.

We have applied our expertise to assist you in preparing and presenting the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Auditors Act and FSR – Danish auditors' ethical rules, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by you for the compilation of the financial statements. Consequently, we do not express an audit opinion or a review conclusion as to whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Kolding, 16 March 2018

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Nikolaj Møller Hansen
State Authorised
Public Accountant
MNE no. 33220

Michael E. K. Rasmussen
State Authorised
Public Accountant
MNE no. 41364

Management's review

Operating review

Principal activities

The Company's activities are to rent business property to Heléns Rør A/S.

Significant changes in the Company's activities and financial position

Results for the year are satisfactory. Results for next year are expected to be at level with the year under review.

Events after the balance sheet date

No events have occurred after the balance sheet date significantly affecting the Company's financial position at 31 December 2017.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2017	2016
Gross profit		2,313	2,311
Depreciation		-576	-576
Operating profit		1,737	1,735
Financial income		0	3
Other financial expenses	2	-75	-91
Profit before tax		1,662	1,647
Tax on profit for the year	3	-366	-362
Profit for the year		1,296	1,285
Proposed profit appropriation			
Retained earnings		1,296	1,285
		1,296	1,285

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017	2016
ASSETS			
Fixed assets			
Property, plant and equipment			
Land and buildings	4	11,392	11,968
		<u>11,392</u>	<u>11,968</u>
Total fixed assets		<u>11,392</u>	<u>11,968</u>
Current assets			
Receivables			
Receivables from group entities		0	2,654
Deferred tax		392	443
		<u>392</u>	<u>3,097</u>
Total current assets		<u>392</u>	<u>3,097</u>
TOTAL ASSETS		<u>11,784</u>	<u>15,065</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		952	952
Retained earnings		4,760	3,464
Total equity		<u>5,712</u>	<u>4,416</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Payables to group entities	5	5,412	10,302
Corporate tax		315	0
Other payables		345	347
		<u>6,072</u>	<u>10,649</u>
Total liabilities other than provisions		<u>6,072</u>	<u>10,649</u>
TOTAL EQUITY AND LIABILITIES		<u>11,784</u>	<u>15,065</u>

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Balance at 1 January 2017	952	3,464	4,416
Transferred over the profit appropriation	0	1,296	1,296
Balance at 31 December 2017	952	4,760	5,712

The share capital represents DKK 952 thousand and consists of 952 shares with a nominal value of DKK 1,000 each. No shares carry special rights.

The share capital has not undergone any changes during the past five years.

Financial statements 1 January – 31 December

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1 Accounting policies

The annual report of Aktieselskabet Thos. Sonne Junr. for 2017 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

Income statement

Revenue

Income from rent of the Company's property to the Parent Company is accrued during the period to which income relates.

Other operating costs

Other operating costs comprise of administration.

Financial income and expenses

Financial income and expenses comprise interest income and expense, realised and unrealised gains and losses on 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

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1 Accounting policies (continued)

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

The Company is jointly taxed with Benteler Automotive Tønder A/S (CVR no. 32 57 11 90), which is the administrative company for the joint taxation.

Balance sheet

Property, plant and equipment

Land and buildings 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. Borrowing costs are not recognised in cost.

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:

Buildings	25 years
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Land is not depreciated.

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

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.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Impairment of fixed 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.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

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.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as the discount rate.

Cash at bank and in hand

Cash at bank and in hand comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

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1 Accounting policies (continued)

Equity

Dividends

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. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

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

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

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

Financial statements 1 January – 31 December

Notes

DKK'000	<u>2017</u>	<u>2016</u>
2 Other financial expenses		
Interest expense from group entities	75	91
	<u>75</u>	<u>91</u>
3 Tax		
Deferred tax regulation	51	362
Current tax for the year	315	0
	<u>366</u>	<u>362</u>
4 Property, plant and equipment		
DKK'000		<u>Land and buildings</u>
Cost at January 2017		16,000
Cost at December 2017		<u>16,000</u>
Depreciation at 1 January 2017		4,032
Depreciation		576
Depreciation at 31 December 2017		<u>4,608</u>
Carrying amount at 31 December 2017		<u><u>11,392</u></u>

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5 Payables to group entities

The outstanding amount is on demand terms and reduced on a regular basis, as the Parent Company has confirmed that the debt will not be required to be repaid unless it is reasonable in relation to the Company's financial position or its creditors.

6 Average number of full-time employees

	2017	2016
Average number of full-time employees	<u>0</u>	<u>0</u>

7 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with Benteler Automotive Tønder A/S and Heléns Rør A/S. Under the joint taxation rules, the Company is liable for any corporation tax of the jointly taxed companies until this is settled with the tax authorities. In addition, the Company is jointly and severally liable for Danish withholding taxes on dividends, interest and royalties within the joint taxation entity.

8 Related parties

Aktieselskabet Thos. Sonne Junr.'s related parties comprise the following:

Control

Aktieselskabet Thos. Sonne Junr. is included in the consolidated financial statements of Heléns Rør AB, Vastergårdsvågen 16, Box 101, S-30104 Halmstad, which is the smallest group in which the Company is included as a subsidiary.