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## **August Faller A/S**

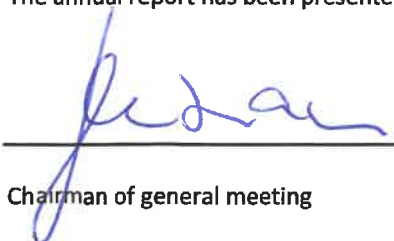
**Hammerholmen 1  
2650 Hvidovre**

**CVR no. 25 46 01 11**

**Annual report 2018**

The annual report has been presented and approved on the Company's ordinary general meeting on

2-5/2019



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Chairman of general meeting

**CONTENTS**

	<b><u>Page</u></b>
Company details	1
Statement by Management on the annual report	2
Independent auditor's report	3 - 4
Management's review	5
Accounting policies	6 - 9
Key figures and financial ratios	10
Income statement for 2018	11
Balance of 31 December 2018	12 - 13
Statement of changes in equity for 2018	14
Cash flow statement for 2018	15
Notes	16 - 18

**COMPANY DETAILS**

<b>Reporting entity</b>	August Faller A/S Hammerholmen 1 2650 Hvidovre	
	CVR no.:	25 46 01 11
	Date of foundation:	May 30, 2000
	Registered office:	Hvidovre
	Reporting period:	1 January 2018 - 31 December 2018
<b>Board of Directors</b>	Daniel Karlheinz Keesman, Chairman Markus Werner Fritz Jörg Ewald Helmut Frischkorn	
<b>Executive Board</b>	Christian Haurum Holmskov	
<b>Company auditors</b>	Kallermann Revision A/S - statsautoriseret revisionsfirma Stationspladsen 1 og 3 3000 Helsingør	
	CVR no.:	30 19 52 64
<b>Financial institution</b>	Danske Bank A/S	

**STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT**

The Board of Directors and the Executive Board have today considered and approved the annual report for the financial year 1 January - 31 December 2018 for August Faller A/S.

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 Company's financial position at 31 December 2018 and of its financial performance for the financial year 1 January - 31 December 2018.

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.

Hvidovre, 18 April 2019

**Executive board**

Christian Haurum Holmskov

**Board of Directors**

Daniel Karlheinz Keesman  
Chairman



Markus Werner Fritz



Jörg Ewald Helmut Frischkorn

## INDEPENDENT AUDITOR'S REPORT

### To the shareholders of August Faller A/S

#### Auditor's report on the financial statements

##### Opinion

We have audited the Financial Statements of August Faller A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for the Company. 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 financial position at 31 December 2018 and of the result of the Company's operations as well as the cash flows for the financial year 1 January - 31 December 2018 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 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 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.

#### Auditor's Responsibility 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 of accounting information 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 judgment and maintain professional skepticism throughout the audit. 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.

**INDEPENDENT AUDITOR'S REPORT**

- 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 audit.

**Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Elsinore, 18 April 2019

Kallermann Revision A/S - statsautoriseret revisionsfirma

CVR no. 30 19 52 64



Peter Kallermann

State Authorized Public Accountant

MNE no.: mne8285

**MANAGEMENT'S REVIEW****Primary activities**

The Company develops, produces and sells customer specific secondary packaging solutions including folding cartons. The primary target groups are pharmaceutical and healthcare companies.

**Uncertainty relating to recognition and measurement**

The annual report is not affected by uncertainty in the recognition and measurement.

**Development in activities and finances**

The result for the year shows a profit of 7.064 DKK'000, which is considered to be satisfactory.

The result is positively affected by 1.831 DKK'000 due to the sale of two production machines.

The equity amounts to 29.344 DKK'000 at 31 December 2018.

**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.

**Outlook**

The company has reached a high operational level to be attractive as a supplier to the targeted customer groups. On this basis, we are also looking forward to increasing the number of costumers as well as the revenue in 2019.

**Specific risks in addition to commonly occurring hazards in industry****Currency risks**

Currency risks related so supplier relationships are insignificant and not hedged because the Company believes that continuous hedging of such will not be optimal from an overall risk and lost consideration. It does not take speculative currency positions. There is no exchange risk on customer relationships, as the bulk of its production is sold in the domestic market.

**Interest rate risk**

Moderate changes in interest rates will not have any significant direct impact on earnings.

**Environmental conditions**

It remains a major effort to reduce the environmental disadvantages and costs. We are, however, committed to continue to focus on the consumption of electricity, water and heating as well as cardboard and waste management.

**Product quality**

The efforts towards the improvement of product quality as well as the workflow related to quality assurance and control has led to a result that error and complaint levels are at the cutting edge of our industry.

## **ANNUAL REPORT**

### **ACCOUNTING POLICIES**

This annual report of August Faller A/S for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with additional selected elements from reporting class C.

The accounting policies applied for these financial statements are consistent with those applied 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 recognized in the income statement as financial income or expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses.

Long-term assets purchased in foreign currency are translated at the exchange rate at the transaction date.

#### **Description of methods of leases**

All leases are defined as operating leases. Operating lease payments and other lease payments are recognized in the income statement over the lease term. The Company's total liabilities relating to operating leases and other leases are disclosed in the notes under contingent liabilities.

### **INCOME STATEMENT**

#### **Revenue**

Revenue from sales of commodities and end products, which comprise secondary packaging and folding cartons, is recognized in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. The time for transfer of the most significant advantages and risks is based on the standardized delivery terms based on incoterms(R) 2010. Revenue from sales of goods, where delivery on buyer's request is postponed, is recognized in the income, when the ownership of the goods passes to buyer.

Revenue is measured to fair value of the agreed fee ex. VAT and taxes charged on behalf of third parties. All discounts granted in connection with the sale are recognized in the revenue.

#### **Gross profit (loss)**

With reference to the Danish Financial Statements Act section 32 revenue with deduction of cost of sales and external cost is condensed into one item called gross profit.

#### **External expenses**

Other external expenses comprise expenses for distribution, sale, marketing, bad debts, operational costs etc.

#### **Staff costs**

Staff costs comprise salaries and wages including holiday pay and pensions as well as social security costs, etc for the Company's staff. Received compensations from the authorities have been deducted in staff costs.

#### **Other operating income and expenses**

Other operating income and expenses comprise income and expenses of a secondary nature as viewed in relation to the Company's primary activities, including profit/loss when divesting property, plant and equipment.



## ANNUAL REPORT

### ACCOUNTING POLICIES

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, leasing costs, 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.

#### Income tax

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity. The tax expense relating to the profit/loss for the year is recognized in the income statement, and the tax expense relating to changes directly recognized in equity is recognized directly in equity.

### BALANCE SHEET

#### Property, plant and equipment

Building sites and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. The basis of depreciation is cost less estimated residual value after the end of useful life. No depreciations are made on building sites.

Cost comprises the acquisition price and costs directly attributable to the acquisition until the time when it is ready to be put into operation. Concerning self-constructed assets the cost comprises direct and indirectly expenses to materials, components, subcontractors, wages and borrowing costs from specific and general borrowing, which directly relate to the construction of the single asset.

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.

Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings, 25 years

Property, plant and equipment, 5-10 years

Other fixtures and fittings, tools and equipment, 3-7 years

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are re-assessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognized.

In case of changes in the depreciation period or the residual value, the effect on the amortisation charges is recognized prospectively as a change in accounting estimates.

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

#### Investments

Deposits are measured at cost.

## **ANNUAL REPORT**

### **ACCOUNTING POLICIES**

#### **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 and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Cost for produced finished products as well as manufacturing goods are measured at cost for raw material, consumables, and direct and indirect production costs. In indirect production costs are included indirect materials and wages as well as maintenance of and depreciations on used machines, factory plants and equipment as well as costs in connection with factory administration and management concerning the products.

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 sales price.

#### **Receivables**

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

#### **Prepayments**

Prepayments recognized in short-term assets, comprise costs concerning the following accounting year.

#### **Equity**

Reserve for net revaluation of investments according to the equity method

Net revaluation of investments in subsidiaries is recognized at cost in the reserve for net revaluation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognized at a negative amount.

#### **Dividends**

Proposed dividends are recognized as a liability at the date when 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.

#### **Tax payables and deferred tax**

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognized on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income.

Deferred tax is measured on basis of the tax rules and tax rates, which are valid according to the legislation on the balance sheet date, when deferred tax is expected to become actual tax. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognized under other non-current assets at the expected value of their utilisation; 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 and jurisdiction.

**ANNUAL REPORT****ACCOUNTING POLICIES**

Current tax receivable and payable is recognized 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. Allowances under the tax prepayment scheme are included in the income statement as financial items.

**Liabilities other than provisions**

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

Other financial liabilities are measured at net realisable value.

**CASH FLOW STATEMENT****Explanation of entity's definition of cash and cash equivalents**

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the Company's cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, installments on interest-bearing debt and payment of dividend.

Cash and cash equivalents comprise cash and short-term bonds, which can be transferred into cash with only few risks of change in value.

## ANNUAL REPORT

## KEY FIGURES AND FINANCIAL RATIOS

	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000	2014 DKK'000
Gross profit	47.467	41.136	46.389	36.384	28.171
Other ordinary income included in gross profit	1.831	0	7.098	0	0
Profit (loss) from ordinary operating activities	9.126	4.551	10.986	1.442	-6.906
Profit (loss)	7.064	3.357	8.066	324	-6.250
Assets	51.204	43.150	39.899	43.389	45.111
Equity	29.344	22.280	18.923	10.857	10.533
Cash flows from (used in) operating activities	7.658	4.686	6.926	2.256	-3.576
Cash flows from (used in) investing activities	-351	-5.137	13.535	-779	-2.233
Cash flows from (used in) financing activities	-6.485	-6.564	-10.589	-1.144	6.312
Net interest-bearing debt (assets)	-5.073	2.173	1.400	14.732	16.209
Average number of employees	74	67	66	67	59
Return on capital employed	31,0%	22,0%	56,0%	25,0%	-10,0%
Equity ratio	62,0%	54,0%	45,0%	25,0%	23,0%
Return on equity	35,0%	21,0%	69,0%	3,0%	-46,0%

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

Ratios calculation formula:

Return on capital employed:

$\text{EBITDA} \times 100 / \text{Average invested capital}$

Average invested capital:

Fixed assets and net current assets

Equity ratio:

$\text{Equity} \times 100 / \text{Average equity}$

Return on equity:

$\text{Profit/losses for the year} \times 100 / \text{Average equity}$

## ANNUAL REPORT

## INCOME STATEMENT FOR 2018

	Notes	2018 DKK'000	2017 DKK'000
<b>Gross profit</b>		<b>47.467</b>	<b>41.136</b>
Staff costs	2	-36.867	-34.433
Depreciation, amortisation and impairment losses		-1.474	-2.152
<b>Profit (loss) from ordinary operating activities</b>		<b>9.126</b>	<b>4.551</b>
Financial income	3	308	103
Financial expenses	4	-343	-350
<b>Profit (loss) from ordinary activities before tax</b>		<b>9.091</b>	<b>4.304</b>
Tax	5	-2.027	-947
<b>PROFIT/LOSS FOR THE YEAR</b>		<b>7.064</b>	<b>3.357</b>
<b>Proposed distribution of results:</b>			
Proposed dividend		10.000	0
Reserve for net revaluation of investment assets		-595	-595
Retained earnings		-2.341	3.952
		<b>7.064</b>	<b>3.357</b>

## ANNUAL REPORT

## BALANCE OF 31 DECEMBER 2018

	Notes	2018 DKK'000	2017 DKK'000
<b>ASSETS</b>			
Land and buildings		12.159	13.012
Plant and machinery		3.222	1.528
Fixtures, fittings, tools and equipment		407	542
<b>Property, plant and equipment</b>	6	<b>15.788</b>	<b>15.082</b>
Deposits, investments and receivables		2.187	2.182
<b>Long-term investments and receivables</b>		<b>2.187</b>	<b>2.182</b>
<b>FIXED ASSETS</b>		<b>17.975</b>	<b>17.264</b>
Raw materials and consumables		3.877	4.014
Work in progress		1.323	756
Manufactured goods and goods for resale		1.089	1.028
Prepayments for goods		0	53
<b>Inventories</b>		<b>6.289</b>	<b>5.851</b>
Trade receivables		12.366	12.482
Receivables from group enterprises		11.849	5.979
Tax receivables		57	0
Other receivables		380	279
Deferred income assets		558	419
<b>Receivables</b>		<b>25.210</b>	<b>19.159</b>
<b>Cash and cash equivalents</b>		<b>1.730</b>	<b>876</b>
<b>CURRENT ASSETS</b>		<b>33.229</b>	<b>25.886</b>
<b>ASSETS</b>		<b>51.204</b>	<b>43.150</b>

## ANNUAL REPORT

## BALANCE OF 31 DECEMBER 2018

	Notes	2018 DKK'000	2017 DKK'000
<b>EQUITY AND LIABILITIES</b>			
Contributed capital	7	4.000	4.000
Revaluation reserve		5.676	6.271
Retained earnings		9.668	12.009
Proposed dividend recognised in equity		10.000	0
<b>EQUITY</b>		<b>29.344</b>	<b>22.280</b>
Provisions for deferred tax		1.973	1.659
<b>PROVISIONS</b>		<b>1.973</b>	<b>1.659</b>
Mortgage debt		7.780	8.398
<b>Long-term liabilities other than provisions</b>	8	<b>7.780</b>	<b>8.398</b>
Debt to banks		47	15
Trade payables		2.497	2.340
Payables to group enterprises		118	0
Tax payables		0	208
Other payables		8.827	7.635
Short-term part of long-term liabilities other than provisions		618	615
<b>Short-term liabilities other than provisions</b>		<b>12.107</b>	<b>10.813</b>
<b>LIABILITIES OTHER THAN PROVISIONS</b>		<b>19.887</b>	<b>19.211</b>
<b>EQUITY AND LIABILITIES</b>		<b>51.204</b>	<b>43.150</b>
Related parties	9		
Contingent liabilities	10		
Mortgages and collaterals	11		
Ownership	12		
Deferred tax assets and liabilities	13		

## ANNUAL REPORT

## STATEMENT OF CHANGES IN EQUITY FOR 2018

	2018 DKK'000	2017 DKK'000
<b>Contributed capital:</b>		
Capital, 1 January 2018	4.000	4.000
<b>Capital, 31 December 2018</b>	<b>4.000</b>	<b>4.000</b>
<b>Revaluation reserve:</b>		
Reserve, 1 January 2018	6.271	6.866
Decrease	-595	-595
<b>Reserve, 31 December 2018</b>	<b>5.676</b>	<b>6.271</b>
<b>Retained earnings:</b>		
Retained earnings, 1 January 2018	12.009	8.057
Increase	0	3.952
Decrease	-2.341	0
<b>Retained earnings, 31 December 2018</b>	<b>9.668</b>	<b>12.009</b>
<b>Proposed dividend:</b>		
Dividend, 1 January 2018	0	0
Increase	10.000	0
<b>Dividend, 31 December 2018</b>	<b>10.000</b>	<b>0</b>
<b>Equity, 31 December 2018</b>	<b>29.344</b>	<b>22.280</b>



## ANNUAL REPORT

## CASH FLOW STATEMENT FOR 2018

	2018 DKK'000	2017 DKK'000
Profit (loss)	7.064	3.357
Writedowns of fixed assets ex. sales etc.	1.474	2.152
Adjustments of profit on realisations of fixed assets	-1.831	0
Adjustments of interest and similar expenses	0	1
Adjustments of tax expense	1.713	977
Adjustments for deferred tax	314	-30
Decrease (increase) in inventories	-438	227
Decrease (increase) in receivables	-124	-1.555
Decrease (increase) in trade payables	1.459	896
Income taxes paid (refund)	-1.973	-1.339
<b>Cash flows from operating activities</b>	<b>7.658</b>	<b>4.686</b>
Purchase of property, plant and equipment, classified as investing activities	-2.289	-2.955
Sales of property, plant and equipment, classified as investing activities	1.943	0
Purchase of deposits, investments and receivables	-5	-2.182
<b>Cash flows from investing activities</b>	<b>-351</b>	<b>-5.137</b>
Repayments of long-term liabilities, classified as financing activities	-615	-427
Repayment of long-term debt to credit institutions	0	-9.276
Raising of long-term debt to credit institutions	0	9.440
Repayment of debt to group enterprises	0	-322
Increase loan to group enterprises	-5.870	-5.979
<b>Cash flows from financial activities</b>	<b>-6.485</b>	<b>-6.564</b>
Net increase (decrease) in cash and cash equivalents	822	-7.015
Cash and cash equivalents, beginning balance	876	7.915
Short-term debt to banks, beginning balance	-15	-39
<b>Cash and cash equivalents, ending balance</b>	<b>1.683</b>	<b>861</b>

## ANNUAL REPORT

## NOTES

**1. Other operating income**

The result is positively affected by 1.831 DKK'000 due to the sale of two productions machines.

	<b>2018 DKK'000</b>	<b>2017 DKK'000</b>
<b>2. Staff costs</b>		
Wages and salaries	34.519	32.137
Post-employment benefit expense	1.726	1.666
Social security contributions	622	630
<b>Employee benefits expense</b>	<b>36.867</b>	<b>34.433</b>
<b>Average number of employees</b>	<b>74</b>	<b>67</b>
<b>3. Other finance income</b>		
Interest income from group enterprises	242	91
Other adjustments of finance income	66	12
<b>Other finance income</b>	<b>308</b>	<b>103</b>
<b>4. Other finance expenses</b>		
Other interest expenses	343	350
<b>Other finance expenses</b>	<b>343</b>	<b>350</b>
<b>5. Tax</b>		
Current tax expense	1.689	977
Adjustments for deferred tax	314	-30
Adjustments for current tax of prior period	24	0
<b>Tax expense on ordinary activities</b>	<b>2.027</b>	<b>947</b>
<b>6. Property, plant and equipment</b>		
<b>Land and buildings:</b>		
Cost, 1 January 2018	34.309	31.888
Regulation	-8	0
Additions	164	2.421
<b>Cost, 31 December 2018</b>	<b>34.465</b>	<b>34.309</b>
Accumulated revaluation, 1 January 2018	6.806	6.806
<b>Accumulated revaluation, 31 December 2018</b>	<b>6.806</b>	<b>6.806</b>
Accumulated depreciation, 1 January 2018	-28.103	-27.131
Regulation	6	0
Depreciation	-1.015	-972
<b>Accumulated depreciation, 31 December 2018</b>	<b>-29.112</b>	<b>-28.103</b>
<b>Land and buildings, 31 December 2018</b>	<b>12.159</b>	<b>13.012</b>

## ANNUAL REPORT

## NOTES

	2018 DKK'000	2017 DKK'000
<b>6. Property, plant and equipment, continued</b>		
<b>Plant and machinery</b>		
Cost, 1 January 2018	51.321	51.054
Regulation	-204	0
Additions	1.924	267
Disposals	-13.062	0
<b>Cost, 31 December 2018</b>	<b>39.979</b>	<b>51.321</b>
Accumulated depreciation, 1 January 2018	-49.793	-48.760
Regulation	384	0
Depreciation	-298	-1.033
Reversals of depreciation on disposed plant and machinery	12.950	0
<b>Accumulated depreciation, 31 December 2018</b>	<b>-36.757</b>	<b>-49.793</b>
<b>Plant and machinery, 31 December 2018</b>	<b>3.222</b>	<b>1.528</b>
<b>Fixtures, fittings, tools and equipment:</b>		
Cost, 1 January 2018	6.001	5.734
Regulation	-4.600	0
Additions	201	267
<b>Cost, 31 December 2018</b>	<b>1.602</b>	<b>6.001</b>
Accumulated depreciation, 1 January 2018	-5.459	-5.311
Regulation	4.425	0
Depreciation	-161	-148
<b>Accumulated depreciation, 31 December 2018</b>	<b>-1.195</b>	<b>-5.459</b>
<b>Fixtures, fittings, tools and equipment, 31 December 2018</b>	<b>407</b>	<b>542</b>

If the appreciation for land and buildings had not been made, the accounting value would have been recognized in the balance sheet with 6.701 DKK'000 per 31 December 2018.

**7. Contributed capital**

The share capital is divided into shares of 10.000 DKK or multiples thereof.

**8. Long-term liabilities**

Long-term liabilities other than provisions, ending balance	8.398	9.013
Long-term liabilities other than provisions due in 1 year	-618	-615
Long-term liabilities other than provisions due between 1 and 5 years	-2.509	-2.492
<b>Long-term liabilities other than provisions due after 5 years and more</b>	<b>5.271</b>	<b>5.906</b>

**9. Related parties**

The following related party has a controlling interest in August Faller A/S:

August Faller International GmbH  
Freiburgerstrasse 25, DE-79183 Waldkirch  
Main shareholder

**ANNUAL REPORT****NOTES****10. Contingent liabilities**

The company has short-term lease commitments for plant, machinery and vehicles for 2.300 DKK'000 and long-term lease commitments for 13.278 DKK'000. The company has rent commitments for land and buildings for 1.023 DKK'000.

**11. Mortgages and collaterals**

As security for accounts with credit institutions is deposited owner's mortgage nom. 21.048 DKK'000 in matr. no. 43 CV, Avedøre Holme.

**12. Ownership**

The Company has registered the following shareholder to hold more than 5% of the voting share capital or of the nominal value of the share capital:

August Faller International GmbH  
Freiburgerstrasse 25  
DE-79183 Waldkirch

**13. Deferred tax assets and liabilities**

Provisions concerning deferred tax comprise deferred tax relating to property, plant and equipment and inventories.