

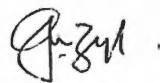
# Toyota Logistics Services Denmark ApS

Fynsvej 9  
5500 Middelfart  
CVR no. 26 28 20 55

**Annual Report for 2018/19**

Adopted at the Annual General  
Meeting on 23 August 2019

Chairman



## **Statement by Management on the Annual Report**

The Executive Board has today considered and approved the Annual Report of Toyota Logistics Services Denmark ApS for the financial year 1 April 2018 - 31 March 2019.

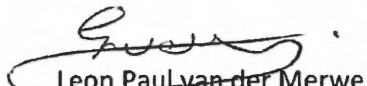
The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

In my opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 March 2019 and of the results of the Company's operations for the financial year 1 April 2018 - 31 March 2019.

I recommend the adoption of the Annual Report at the Annual General Meeting.

Middelfart, 23 August 2019

**Executive Board**

  
Leon Paul van der Merwe  
CEO

## Contents

	<b>Page</b>
<b>Statements</b>	
Statement by Management on the Annual Report	1
Independent Auditor's Report	2
<b>Management's Review</b>	
Company Details	5
<b>Financial Statements</b>	
Accounting Policies	6
Income Statement 1 April 2018 - 31 March 2019	9
Balance Sheet 31 March 2019	10
Statement of changes in equity	12
Notes to the Financial Statements	13

## **Independent Auditor's Report**

### ***To the Shareholder of Toyota Logistics Services Denmark ApS***

#### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2019, and of the results of the Company's operations for the financial year 1 April 2018 - 31 March 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Toyota Logistics Services Denmark ApS for the financial year 1 April 2018 - 31 March 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("The Financial Statements").

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

#### **Management's Responsibilities for the Financial Statements**

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

In preparing the Financial Statements, Management is responsible for assessing the 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 Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

## **Independent Auditor's Report**

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.
- 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.

## Independent Auditor's Report

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.

Hellerup, 23 August 2019

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31

  
Leif Ulbæk Jensen  
State Authorised Public Accountant  
mne23327

  
Anders Røjleskov  
State Authorised Public Accountant  
mne28699



## Company Details

### The Company

Toyota Logistics Services Denmark ApS  
Fynsvej 9  
5500 Middelfart

CVR no.: 26 28 20 55

Reporting period: 1 April 2018 - 31 March 2019

Domicile: Middelfart

### Executive Board

Leon Paul van der Merwe, CEO

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

### Bankers

Danske Bank  
Holmens Kanal 2  
1092 København K

Citibank  
Vesterbrogade 1 L, 5.  
1620 København V

## **Accounting Policies**

The Annual Report of Toyota Logistics Services Denmark ApS for 2018/19 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied are consistent with those of last year.

The Annual Report for 2018/19 is presented in DKK.

### **Basis of recognition and measurement**

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### **Translation policies**

Danish kroner is used as reporting and functional currency as most of the Company's transactions are in DKK. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

### **Income statement**

#### **Revenue**

Income from the supply of services is recognised as revenue when the service is delivered.

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

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.



## Accounting Policies

### Other external expenses

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

### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment. Depreciation is provided on the basis of current assessments of the depreciation method, useful life and residual value of the assets.

### Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the onaccount taxation scheme.

### Tax on profit/loss for the year

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

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

### Balance sheet

#### Property, plant and equipment

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

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

	Useful life
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	20 years

Depreciation period and residual value are reassessed annually.

## **Accounting Policies**

Assets costing less than DKK 25,000 are expensed in the year of acquisition.

### **Impairment of fixed assets**

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount.

### **Receivables**

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

### **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums etc.

### **Deferred tax assets and liabilities**

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### **Financial debts**

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

## Income Statement 1 April 2018 - 31 March 2019

	<u>Note</u>	<u>2018/19</u> DKK	<u>2017/18</u> DKK
<b>Revenue</b>		<b>30.035.676</b>	<b>27.002.119</b>
Other external expenses		<u>-8.931.038</u>	<u>-9.005.087</u>
<b>Gross profit</b>		<b>21.104.638</b>	<b>17.997.032</b>
Staff expenses	2	-18.354.209	-15.680.843
Depreciation, amortisation and impairment of property, plant and equipment	3	-394.819	-288.089
Other operating expenses		<u>-86.919</u>	<u>0</u>
<b>Profit/loss before financial income and expenses</b>		<b>2.268.691</b>	<b>2.028.100</b>
Financial income		371	819
Financial expenses		<u>-41.531</u>	<u>-30.994</u>
<b>Profit/loss before tax</b>		<b>2.227.531</b>	<b>1.997.925</b>
Tax on profit/loss for the year	4	<u>-498.948</u>	<u>-457.829</u>
<b>Net profit/loss for the year</b>		<b><u>1.728.583</u></b>	<b><u>1.540.096</u></b>
<b>Proposed distribution of profit</b>			
Proposed dividend for the year		<u>1.728.583</u>	<u>1.540.096</u>
		<b><u>1.728.583</u></b>	<b><u>1.540.096</u></b>

## Balance Sheet 31 March 2019

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
<b>Assets</b>			
Other fixtures and fittings, tools and equipment		2.153.205	1.786.874
Leasehold improvements		<u>258.163</u>	<u>298.772</u>
<b>Property, plant and equipment</b>	5	<u><b>2.411.368</b></u>	<u><b>2.085.646</b></u>
<b>Fixed assets total</b>		<u><b>2.411.368</b></u>	<u><b>2.085.646</b></u>
Receivables from group enterprises		7.819.970	7.544.153
Other receivables		722.147	1.030.086
Corporation tax		23.800	93.998
Prepayments		<u>1.216.402</u>	<u>1.184.651</u>
<b>Receivables</b>		<u><b>9.782.319</b></u>	<u><b>9.852.888</b></u>
<b>Cash at bank and in hand</b>		<u><b>0</b></u>	<u><b>584.645</b></u>
<b>Current assets total</b>		<u><b>9.782.319</b></u>	<u><b>10.437.533</b></u>
<b>Assets total</b>		<u><b>12.193.687</b></u>	<u><b>12.523.179</b></u>

## Balance Sheet 31 March 2019

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
<b>Liabilities and equity</b>			
Share capital		125.000	125.000
Retained earnings		3.784.526	3.784.526
Proposed dividend for the year		<u>1.728.583</u>	<u>1.540.096</u>
<b>Equity</b>		<u><b>5.638.109</b></u>	<u><b>5.449.622</b></u>
Provision for deferred tax		<u>147.831</u>	<u>125.083</u>
<b>Provisions total</b>		<u><b>147.831</b></u>	<u><b>125.083</b></u>
Banks		7.412	0
Trade payables		1.534.685	2.512.775
Payables to group enterprises		2.186.016	1.943.432
Other payables		<u>2.679.634</u>	<u>2.492.267</u>
<b>Short-term debt</b>		<u><b>6.407.747</b></u>	<u><b>6.948.474</b></u>
<b>Debt total</b>		<u><b>6.407.747</b></u>	<u><b>6.948.474</b></u>
<b>Liabilities and equity total</b>		<u><b>12.193.687</b></u>	<u><b>12.523.179</b></u>
Main activity	1		
Rental agreements and lease commitments	6		
Related parties and group relation	7		
Subsequent events	8		



## Statement of changes in equity

	<u>Share capital</u>	<u>Retained</u>	<u>Proposed</u>	<u>Total</u>
	DKK	earnings	dividend for	DKK
		DKK	the year	
			DKK	
Equity at 1 April 2018	125.000	3.784.526	1.540.096	5.449.622
Ordinary dividend paid	0	0	-1.540.096	-1.540.096
Net profit/loss for the year	0	0	1.728.583	1.728.583
<b>Equity at 31 March 2019</b>	<b>125.000</b>	<b>3.784.526</b>	<b>1.728.583</b>	<b>5.638.109</b>

## Notes to the Financial Statements

### 1 Main activity

The Company's main activity is carryon storage and logistics activities in relation to original spare parts and ancillary equipment for Toyota and Lexus automobiles in Denmark, Sweden and other places and any related activities within the automobile industry.

	<u>2018/19</u> DKK	<u>2017/18</u> DKK
<b>2 Staff expenses</b>		
Wages and salaries	16.631.042	14.272.359
Pensions	1.295.259	1.143.324
Other staff expenses	<u>427.908</u>	<u>265.160</u>
<b>Staff expenses total</b>	<b><u>18.354.209</u></b>	<b><u>15.680.843</u></b>
Average number of employees	<u>34</u>	<u>31</u>
<b>3 Depreciation, amortisation and impairment of property, plant and equipment</b>		
Depreciation of property, plant and equipment	<u>394.819</u>	<u>288.089</u>
	<b><u>394.819</u></b>	<b><u>288.089</u></b>
Which breaks down as follows:		
Other fixtures and fittings, tools and equipment	356.030	251.925
Leasehold improvements	<u>38.789</u>	<u>36.164</u>
	<b><u>394.819</u></b>	<b><u>288.089</u></b>

## Notes to the Financial Statements

	<u>2018/19</u>	<u>2017/18</u>
	DKK	DKK
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	476.200	405.999
Deferred tax for the year	22.748	40.970
Adjustment of deferred tax concerning previous years	0	10.860
	<u>498.948</u>	<u>457.829</u>

## 5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve- ments	Total
	DKK	DKK	DKK
Cost at 1 April 2018	6.645.006	687.806	7.332.812
Additions for the year	901.510	0	901.510
Disposals for the year	<u>-362.116</u>	<u>-10.400</u>	<u>-372.516</u>
Cost at 31 March 2019	<u>7.184.400</u>	<u>677.406</u>	<u>7.861.806</u>
Impairment losses and depreciation at 1 April 2018	4.858.132	389.034	5.247.166
Depreciation for the year	356.030	38.789	394.819
Reversal of depreciations of sold assets	<u>-182.967</u>	<u>-8.580</u>	<u>-191.547</u>
Impairment losses and depreciation at 31 March 2019	<u>5.031.195</u>	<u>419.243</u>	<u>5.450.438</u>
<b>Carrying amount at 31 March 2019</b>	<u>2.153.205</u>	<u>258.163</u>	<u>2.411.368</u>
Depreciated over	<u>3-10 years</u>	<u>20 years</u>	

## Notes to the Financial Statements

	<u>2019</u> DKK	<u>2018</u> DKK
<b>6 Rental agreements and lease commitments</b>		
<b>Rental and lease commitments</b>		
Operating lease commitments.		
Total future lease payments:		
Within 1 year	32.840	49.260
Between 1 and 5 years	<u>0</u>	<u>32.840</u>
	<u><b>32.840</b></u>	<u><b>82.100</b></u>

The Company has entered into a rent commitment until 31 December 2022 which at the balance sheet date totals DKK 14,711,760. The Company has guaranteed payments of DKK 2,823,121.

## 7 Related parties and group relation

### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company Toyota Motor Europe NV/SA, Belgium and Toyota Motor Co. Japan.

The Group Annual Report for Toyota Motor Corporation may be obtained at the following address:

Toyota-Cho, Toyota City, Aichi Prefecture 471-8571, Japan

## 8 Subsequent events

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