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# ***Toyota Logistics Services Denmark ApS***

Fynsvej 9, DK-5500 Middelfart

## **Annual Report for 1 April 2016 - 31 March 2017**

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CVR No 26 28 20 55

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
28/8 2017

Johan van Zyl  
Chairman



**pwc**

# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Company Information</b>	
Company Information	4
<b>Financial Statements</b>	
Income Statement 1 April 2016 - 31 March 2017	5
Balance Sheet at 31 March 2017	6
Notes to the Financial Statements	8

## **Management's Statement**

The Executive Board has today considered and adopted the Annual Report of Toyota Logistics Services Denmark ApS for the financial year 1 April 2016 - 31 March 2017.

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

In my opinion the Financial Statements give a true and fair view of the financial position at 31 March 2017 of the Company and of the results of the Company operations for 2016/17.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Middelfart, 10 August 2017

### **Executive Board**

Hiroaki Nanahara

# 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 2017 and of the results of the Company's operations for the financial year 1 April 2016 - 31 March 2017 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 2016 - 31 March 2017, which comprise income statement, balance sheet 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 judgement and maintain professional scepticism 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.

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, 10 August 2017

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Leif Ulbæk Jensen  
statsautoriseret revisor

Anders Røjleskov  
statsautoriseret revisor

## Company Information

### **The Company**

Toyota Logistics Services Denmark ApS  
Fynsvej 9  
DK-5500 Middelfart

Telephone: + 45 6020 9100

CVR No: 26 28 20 55

Financial period: 1 April - 31 March

Municipality of reg. office: Middelfart

### **Executive Board**

Hiroaki Nanahara

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

### **Bankers**

Danske Bank  
Holmens Kanal 2  
1092 København K

Citibank  
H C Andersens Boulevard 12, PO Box 243  
1553 København V

## Income Statement 1 April 2016 - 31 March 2017

	Note	2016/17 DKK	2015/16 DKK
<b>Revenue</b>		<b>24,766,205</b>	<b>24,628,654</b>
Other external expenses		-8,768,206	-8,701,755
<b>Gross profit/loss</b>		<b>15,997,999</b>	<b>15,926,899</b>
Staff expenses	2	-13,853,765	-13,870,971
Depreciation, amortisation and impairment of property, plant and equipment	3	-277,944	-215,815
Other operating expenses		-8,315	0
<b>Profit/loss before financial income and expenses</b>		<b>1,857,975</b>	<b>1,840,113</b>
Financial income		57	1,009
Financial expenses		-26,040	-18,039
<b>Profit/loss before tax</b>		<b>1,831,992</b>	<b>1,823,083</b>
Tax on profit/loss for the year	4	-385,545	-520,328
<b>Net profit/loss for the year</b>		<b>1,446,447</b>	<b>1,302,755</b>

## Distribution of profit

### Proposed distribution of profit

Proposed dividend for the year	1,446,447	1,302,755
	<b>1,446,447</b>	<b>1,302,755</b>

## Balance Sheet at 31 March 2017

### Assets

	Note	2017 DKK	2016 DKK
Other fixtures and fittings, tools and equipment		613,846	775,192
Leasehold improvements		334,936	371,100
<b>Property, plant and equipment</b>	5	<b>948,782</b>	<b>1,146,292</b>
<b>Fixed assets</b>		<b>948,782</b>	<b>1,146,292</b>
Receivables from group enterprises		6,999,523	8,827,973
Other receivables		673,536	563,311
Corporation tax		61,132	71,575
Prepayments		1,252,066	1,246,918
<b>Receivables</b>		<b>8,986,257</b>	<b>10,709,777</b>
<b>Cash at bank and in hand</b>		<b>519,458</b>	<b>351,614</b>
<b>Currents assets</b>		<b>9,505,715</b>	<b>11,061,391</b>
<b>Assets</b>		<b>10,454,497</b>	<b>12,207,683</b>



# Balance Sheet at 31 March 2017

## Liabilities and equity

	Note	2017 DKK	2016 DKK
Share capital		125,000	125,000
Retained earnings		3,784,526	3,784,526
Proposed dividend for the year		1,446,447	1,302,755
<b>Equity</b>	6	<b>5,355,973</b>	<b>5,212,281</b>
Provision for deferred tax		73,253	146,485
<b>Provisions</b>		<b>73,253</b>	<b>146,485</b>
Trade payables		643,136	2,311,290
Payables to group enterprises		1,934,081	2,100,839
Other payables		2,448,054	2,436,788
<b>Short-term debt</b>		<b>5,025,271</b>	<b>6,848,917</b>
<b>Debt</b>		<b>5,025,271</b>	<b>6,848,917</b>
<b>Liabilities and equity</b>		<b>10,454,497</b>	<b>12,207,683</b>
Key activities	1		
Contingent assets, liabilities and other financial obligations	7		
Related parties	8		
Subsequent events	9		
Accounting Policies	10		

# Notes to the Financial Statements

## 1 Key activities

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>2016/17</u> DKK	<u>2015/16</u> DKK
<b>2 Staff expenses</b>		
Wages and salaries	12,451,395	12,531,009
Pensions	1,099,196	1,183,924
Other staff expenses	303,174	156,038
	<u><b>13,853,765</b></u>	<u><b>13,870,971</b></u>
<b>Average number of employees</b>	<u><b>29</b></u>	<u><b>32</b></u>
<b>3 Depreciation, amortisation and impairment of property, plant and equipment</b>		
Depreciation of property, plant and equipment	<u>277,944</u>	<u>215,815</u>
	<u><b>277,944</b></u>	<u><b>215,815</b></u>
Which is specified as follows:		
Other fixtures and fittings, tools and equipment	241,780	179,651
Leasehold improvements	36,164	36,164
	<u><b>277,944</b></u>	<u><b>215,815</b></u>
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	458,777	428,425
Deferred tax for the year	-73,232	91,903
	<u><b>385,545</b></u>	<u><b>520,328</b></u>

## Notes to the Financial Statements

### 5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	DKK	DKK	DKK
Cost at 1 April	9,336,974	687,806	10,024,780
Additions for the year	88,749	0	88,749
Disposals for the year	-4,205,670	0	-4,205,670
Cost at 31 March	<u>5,220,053</u>	<u>687,806</u>	<u>5,907,859</u>
Impairment losses and depreciation at 1 April	8,561,782	316,706	8,878,488
Depreciation for the year	241,780	36,164	277,944
Impairment and depreciation of sold assets for the year	-4,205,670	0	-4,205,670
Reversal of impairment and depreciation of sold assets	8,315	0	8,315
Impairment losses and depreciation at 31 March	<u>4,606,207</u>	<u>352,870</u>	<u>4,959,077</u>
<b>Carrying amount at 31 March</b>	<b><u>613,846</u></b>	<b><u>334,936</u></b>	<b><u>948,782</u></b>

### 6 Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 April	125,000	3,784,526	1,302,755	5,212,281
Ordinary dividend paid	0	0	-1,302,755	-1,302,755
Net profit/loss for the year	0	0	1,446,447	1,446,447
<b>Equity at 31 March</b>	<b><u>125,000</u></b>	<b><u>3,784,526</u></b>	<b><u>1,446,447</u></b>	<b><u>5,355,973</u></b>

## Notes to the Financial Statements

	2017 DKK	2016 DKK
<b>7 Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	53,055	70,740
Between 1 and 5 years	0	53,055
	<b>53,055</b>	<b>123,795</b>

The Company has entered into a rent commitment until 31 March 2019 which at the balance sheet date totals DKK 8,444,448. The Company has guaranteed payments of DKK 2,823,121.

### 8 Related parties

The Company is included in the Group Annual Report of the Parent Company Toyota Motor Europe NV/SA, Avenue du Bourget 60, 1140 Brussels, Belgium and Toyota Motor Co. Japan, Toyota-Cho, Toyota City, Aichi Prefecture 471-8571, Japan: [http://www.toyota-global.com/investors/ir\\_library/annual/pdf/2016/](http://www.toyota-global.com/investors/ir_library/annual/pdf/2016/).

Name	Place of registered office
Toyota Motor Co.	Japan
Toyota Motor Europe NV/SA	Belgium

### 9 Subsequent events

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

# Notes to the Financial Statements

## 10 Accounting Policies

The Annual Report of Toyota Logistics Services Denmark ApS for 2016/17 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 remain unchanged from last year.

The Financial Statements for 2016/17 are presented in DKK.

### 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 the presentation currency. 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

## Income Statement

### Revenue

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

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

### 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:

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

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

Depreciation period and residual value are reassessed annually.

### 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.

### Equity

#### *Dividend*

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

### 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 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.

# Notes to the Financial Statements

## 10 Accounting Policies (continued)

### Financial debts

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