

POMPdeLUX ApS

Omega 3

8382 Hinnerup

Central Business Registration

No 29622035

Annual report 2016/17

The Annual General Meeting adopted the annual report on 26.10.2017

Chairman of the General Meeting



Name: Marianne Hoffmann Dyrbøl

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Entity details

Entity

POMPdeLUX ApS

Omega 3

8382 Hinnerup

Central Business Registration No: 29622035

Registered in: Favrskov

Financial year: 01.07.2016 - 30.06.2017

Phone: 86787871

Website: www.pompdelux.dk

Executive Board

Marianne Hoffmann Dyrbøl

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of POMPdeLUX ApS for the financial year 01.07.2016 - 30.06.2017.

The annual report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2017 and of the results of its operations and cash flows for the financial year 01.07.2016 - 30.06.2017.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Aarhus, 26.10.2017

Executive Board


Marianne Hoffmann Dyrbøl

Independent auditor's report

To the shareholders of POMPdeLUX ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of POMPdeLUX ApS for the financial year 01.07.2016 - 30.06.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.06.2017, and of the results of their operations and the consolidated cash flows for the financial year 01.07.2016 - 30.06.2017 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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

Independent auditor's report

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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent auditor's report

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 26.10.2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556


Klaus Tvede-Jensen
statsautoriseret revisor

Management commentary

	2016/17 DKK'000	2015/16 DKK'000	2014/15 DKK'000	2013/14 DKK'000	2012/13 DKK'000
Financial highlights					
Key figures					
Gross profit	64.940	52.298	76.980	66.383	75.996
Operating profit/loss	22.677	11.909	30.722	28.722	45.603
Net financials	(885)	(359)	(1.350)	(6.582)	(1.646)
Profit/loss for the year	16.728	8.547	22.444	16.421	32.981
Total assets	61.389	75.801	59.151	64.267	76.712
Investments in property, plant and equipment	388	2.088	859	4.147	1.346
Equity incl minority interests	29.361	23.196	34.856	24.315	40.158
Ratios					
Return on equity (%)	63,7	29,4	64,4	50,9	81,0
Equity ratio (%)	47,8	30,6	58,9	37,8	52,3

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios

Return on equity (%)

Calculation formula

$$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity incl minority interests}}$$

Ratios

The entity's return on capital invested in the entity by the owners.

Equity ratio (%)

$$\frac{\text{Equity incl minority interests} \times 100}{\text{Total assets}}$$

The financial strength of the entity.

Management commentary

Primary activities

The primary activities of the Group are design of and trade in children's wear.

Development in activities and finances

Profit for the year is DKK 16,728 thousand. Equity amounted to DKK 29,361 thousand at 30 June 2017.

In recent years, the Company has been subject to fundamental organizational restructuring, and Management now begins to see the positive outcome of this. On this background, the profit for the financial year is considered satisfactory.

During the year, there has been focus on foundation of a new platform to ensure the continued development of the business.

Outlook

This development of the platform will continue next year along with its actual implementation and launch.

Management expects that results will be at the same level in the next financial year.

Particular risks

The Group is exposed particularly to fluctuations in foreign currencies. Management is aware of the exposure and follows developments in foreign exchange rates on an ongoing basis.

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.

Consolidated income statement for 2016/17

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2015/16 DKK</u>
Gross profit		64.940.259	52.297.553
Staff costs	1	(38.639.216)	(37.050.523)
Depreciation, amortisation and impairment losses	2	<u>(3.624.226)</u>	<u>(3.338.238)</u>
Operating profit/loss		22.676.817	11.908.792
Other financial income		406.772	1.429.276
Other financial expenses	3	<u>(1.291.428)</u>	<u>(1.788.113)</u>
Profit/loss before tax		21.792.161	11.549.955
Tax on profit/loss for the year	4	<u>(5.063.960)</u>	<u>(3.002.946)</u>
Profit/loss for the year	5	<u>16.728.201</u>	<u>8.547.009</u>

Consolidated balance sheet at 30.06.2017

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2015/16 DKK</u>
Acquired rights		6.089.948	1.572.502
Intangible assets	6	6.089.948	1.572.502
Other fixtures and fittings, tools and equipment		1.657.831	2.463.618
Leasehold improvements		1.488.220	2.192.624
Property, plant and equipment	7	3.146.051	4.656.242
Other receivables		8.799	499.263
Fixed asset investments	8	8.799	499.263
Fixed assets		9.244.798	6.728.007
Manufactured goods and goods for resale		19.254.066	26.123.469
Inventories		19.254.066	26.123.469
Trade receivables		4.294.964	4.548.882
Other receivables		263.809	2.546.301
Income tax receivable		0	1.456.542
Prepayments	9	1.924.287	1.880.684
Receivables		6.483.060	10.432.409
Cash		26.407.084	32.517.004
Current assets		52.144.210	69.072.882
Assets		61.389.008	75.800.889

Consolidated balance sheet at 30.06.2017

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2015/16 DKK</u>
Contributed capital		125.000	125.000
Retained earnings		29.236.441	13.070.932
Proposed dividend		0	10.000.000
Equity		29.361.441	23.195.932
Deferred tax	10	1.319.726	349.729
Provisions		1.319.726	349.729
Bank loans		0	24.786.309
Trade payables		13.915.308	14.412.596
Payables to group enterprises		1.622.276	1.501.966
Income tax payable		1.110.728	1.160.452
Joint taxation contribution payable		2.621.170	1.098.123
Other payables	11	10.676.926	8.643.209
Deferred income	12	761.433	652.573
Current liabilities other than provisions		30.707.841	52.255.228
Liabilities other than provisions		30.707.841	52.255.228
Equity and liabilities		61.389.008	75.800.889
Unrecognised rental and lease commitments	14		
Mortgages and securities	15		
Transactions with related parties	16		
Group relations	17		
Subsidiaries	18		

Consolidated statement of changes in equity for 2016/17

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	125.000	13.070.932	10.000.000	23.195.932
Ordinary dividend paid	0	0	(10.000.000)	(10.000.000)
Exchange rate adjustments	0	(172.732)	0	(172.732)
Other equity postings	0	(499.949)	0	(499.949)
Tax of equity postings	0	109.989	0	109.989
Profit/loss for the year	0	16.728.201	0	16.728.201
Equity end of year	125.000	29.236.441	0	29.361.441

Consolidated cash flow statement for 2016/17

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2015/16 DKK</u>
Operating profit/loss		22.676.817	11.908.792
Amortisation, depreciation and impairment losses		3.624.226	3.338.238
Working capital changes	13	10.627.861	785.621
Other adjustments		(172.733)	(206.617)
Cash flow from ordinary operating activities		36.756.171	15.826.034
Financial income received		406.772	1.254.454
Financial income paid		(1.291.428)	(1.613.291)
Income taxes refunded/(paid)		(1.054.109)	(5.843.751)
Cash flows from operating activities		34.817.406	9.623.446
Acquisition etc of intangible assets		(6.243.192)	(529.811)
Acquisition etc of property, plant and equipment		(388.289)	(2.088.026)
Sale of property, plant and equipment		0	110.000
Acquisition of fixed asset investments		(8.799)	0
Sale of fixed asset investments		499.263	0
Cash flows from investing activities		(6.141.017)	(2.507.837)
Loans raised		0	1.500.000
Dividend paid		(10.000.000)	(20.000.000)
Cash flows from financing activities		(10.000.000)	(18.500.000)
Increase/decrease in cash and cash equivalents		18.676.389	(11.384.391)
Cash and cash equivalents beginning of year		7.730.695	19.115.086
Cash and cash equivalents end of year		26.407.084	7.730.695
Cash and cash equivalents at year-end are composed of:			
Cash		26.407.084	32.517.004
Short-term debt to banks		0	(24.786.309)
Cash and cash equivalents end of year		26.407.084	7.730.695

Notes to consolidated financial statements

	2016/17 DKK	2015/16 DKK
1. Staff costs		
Wages and salaries	34.272.660	32.784.448
Pension costs	3.676.950	3.455.660
Other social security costs	689.606	806.377
Other staff costs	0	4.038
	38.639.216	37.050.523
Average number of employees	81	82
Referring to §98b of the Danish Financial Statement Act, disclosures on management's remuneration have been omitted.		
	2016/17 DKK	2015/16 DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	1.725.746	1.794.044
Depreciation of property, plant and equipment	1.898.480	1.508.927
Profit/loss from sale of intangible assets and property, plant and equipment	0	35.267
	3.624.226	3.338.238
	2016/17 DKK	2015/16 DKK
3. Other financial expenses		
Financial expenses from group enterprises	187.307	0
Interest expenses	1.104.121	1.788.113
	1.291.428	1.788.113
	2016/17 DKK	2015/16 DKK
4. Tax on profit/loss for the year		
Tax on current year taxable income	4.124.692	3.111.656
Change in deferred tax for the year	969.997	(360.000)
Adjustment concerning previous years	(30.729)	251.290
	5.063.960	3.002.946
	2016/17 DKK	2015/16 DKK
5. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	0	10.000.000
Retained earnings	16.728.201	(1.452.991)
	16.728.201	8.547.009

Notes to consolidated financial statements

	Acquired rights DKK	
6. Intangible assets		
Cost beginning of year		16.193.252
Additions		6.243.192
Cost end of year		22.436.444
Amortisation and impairment losses beginning of year		(14.620.750)
Amortisation for the year		(1.725.746)
Amortisation and impairment losses end of year		(16.346.496)
Carrying amount end of year		6.089.948
	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
7. Property, plant and equipment		
Cost beginning of year	6.387.977	2.859.502
Additions	167.690	220.599
Cost end of year	6.555.667	3.080.101
Depreciation and impairment losses beginning of the year	(3.924.359)	(666.878)
Depreciation for the year	(973.477)	(925.003)
Depreciation and impairment losses end of the year	(4.897.836)	(1.591.881)
Carrying amount end of year	1.657.831	1.488.220
		Other receivables DKK
8. Fixed asset investments		
Cost beginning of year		499.263
Additions		8.799
Disposals		(499.263)
Cost end of year		8.799
Carrying amount end of year		8.799
9. Prepayments		

Prepayments comprise incurred costs relation to subsequent financial years. Prepayments are measured at cost.

Notes to consolidated financial statements

	<u>2016/17</u> DKK	<u>2015/16</u> DKK
10. Deferred tax		
Intangible assets	1.340.000	346.000
Property, plant and equipment	(20.274)	61.729
Equity	0	(58.000)
	<u>1.319.726</u>	<u>349.729</u>
Changes during the year		
Beginning of year	349.729	
Recognised in the income statement	969.997	
End of year	<u>1.319.726</u>	

11. Other short-term payables

Other payables include a negative fair value of the forward exchange contracts of DKK 500k. The forward exchange contracts have been acquired to hedge the foreign currency risk of trade payables in USD, CHN and EUR. The exchange loss has been set off against the value adjustments of the hedged payables in the income statement. The forward exchange contracts have a term of 0-1 month. The forward exchange contracts have been entered into with the Company's usual bank.

12. Short-term deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

	<u>2016/17</u> DKK	<u>2015/16</u> DKK
13. Change in working capital		
Increase/decrease in inventories	6.869.403	(2.055.542)
Increase/decrease in receivables	2.492.807	(566.780)
Increase/decrease in trade payables etc	1.265.651	3.407.943
	<u>10.627.861</u>	<u>785.621</u>
	<u>2016/17</u> DKK	<u>2015/16</u> DKK
14. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	<u>5.197.815</u>	<u>7.036.924</u>

Notes to consolidated financial statements

15. Mortgages and securities

The Company has provided a floating charge to Nordea Bank Danmark A/S of DKK 15,000,000. The floating charge is granted on unsecured claims arising from sale the sale of goods and services, inventories, operating equipment as well as intellectual property rights.

The carrying amount is per 30.06.2017 DKK 27,340k.

POMPdeLUX Outlet ApS has provided a guarantee to Ringsted Outlet P/S of DKK 181k and POMPdeLUX ApS has provided a guarantee to Strålfors Information Logistics of DKK 1,078k.

16. Transactions with related parties

Only transactions with related parties that are not carried out at market terms are disclosed in the annual report. No such transactions have been performed in the financial year.

17. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group: MH Holding Sabro ApS, Aarhus.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: MH Holding Sabro ApS, Aarhus.

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>
18. Subsidiaries			
POMPdeLUX NO AS	Oslo	AS	100,0
POMPdeLUX Sverige AB	Malmø	AB	100,0
POMPdeLUX FI Oy	Helsinki	OY	100,0
POMPdeLUX NL B.V	Eindhoven	B.V	100,0
POMPdeLUX DE GmbH	Hamburg	GmbH	100,0
POMPdeLUX A GmbH	Wien	GmbH	100,0
POMPdeLUX CH GmbH	Zürich	GmbH	100,0
POMPdeLUX Outlet ApS	Favrskov	ApS	100,0

Parent income statement for 2016/17

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2015/16 DKK</u>
Gross profit		53.773.893	41.982.875
Staff costs	1	(36.007.823)	(34.897.810)
Depreciation, amortisation and impairment losses	2	(3.624.226)	(3.338.238)
Operating profit/loss		14.141.844	3.746.827
Income from investments in group enterprises		7.016.924	6.178.297
Other financial income	3	21.917	766.001
Other financial expenses	4	(1.490.426)	(1.154.534)
Profit/loss before tax		19.690.259	9.536.591
Tax on profit/loss for the year	5	(2.962.058)	(989.582)
Profit/loss for the year	6	16.728.201	8.547.009

Parent balance sheet at 30.06.2017

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2015/16 DKK</u>
Acquired rights		6.089.948	1.572.502
Intangible assets	7	6.089.948	1.572.502
Other fixtures and fittings, tools and equipment		1.657.831	2.463.618
Leasehold improvements		1.488.220	2.192.624
Property, plant and equipment	8	3.146.051	4.656.242
Investments in group enterprises		16.054.003	11.473.432
Other receivables		0	499.263
Fixed asset investments	9	16.054.003	11.972.695
Fixed assets		25.290.002	18.201.439
Manufactured goods and goods for resale		18.103.301	26.123.469
Inventories		18.103.301	26.123.469
Trade receivables		552.448	473.258
Receivables from group enterprises		2.041.534	888.343
Other receivables		263.809	1.335.290
Prepayments	10	1.906.354	1.841.454
Receivables		4.764.145	4.538.345
Cash		9.250.752	26.292.139
Current assets		32.118.198	56.953.953
Assets		57.408.200	75.155.392

Parent balance sheet at 30.06.2017

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2015/16 DKK</u>
Contributed capital		125.000	125.000
Reserve for net revaluation according to the equity method		15.296.146	10.715.575
Retained earnings		13.940.295	2.355.357
Proposed dividend		0	10.000.000
Equity		29.361.441	23.195.932
Deferred tax	11	1.320.000	350.000
Provisions		1.320.000	350.000
Bank loans		0	24.786.309
Trade payables		11.828.244	12.284.607
Payables to group enterprises		5.693.912	7.399.663
Joint taxation contribution payable		2.017.798	1.098.128
Other payables	12	6.425.372	5.388.180
Deferred income	13	761.433	652.573
Current liabilities other than provisions		26.726.759	51.609.460
Liabilities other than provisions		26.726.759	51.609.460
Equity and liabilities		57.408.200	75.155.392
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Mortgages and securities	16		
Transactions with related parties	17		

Parent statement of changes in equity for 2016/17

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend DKK
Equity beginning of year	125.000	10.715.575	2.355.357	10.000.000
Ordinary dividend paid	0	0	0	(10.000.000)
Exchange rate adjustments	0	(172.732)	0	0
Other equity postings	0	0	(499.949)	0
Tax of equity postings	0	0	109.989	0
Profit/loss for the year	0	4.753.303	11.974.898	0
Equity end of year	125.000	15.296.146	13.940.295	0
				Total DKK
Equity beginning of year				23.195.932
Ordinary dividend paid				(10.000.000)
Exchange rate adjustments				(172.732)
Other equity postings				(499.949)
Tax of equity postings				109.989
Profit/loss for the year				16.728.201
Equity end of year				29.361.441

Notes to parent financial statements

	2016/17	2015/16
	DKK	DKK
1. Staff costs		
Wages and salaries	32.003.636	30.859.010
Pension costs	3.345.360	3.358.707
Other social security costs	658.827	680.093
	36.007.823	34.897.810
Average number of employees	75	75
Referring to §98b of the Danish Financial Statement Act, disclosures on management's remuneration have been omitted.		
	2016/17	2015/16
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	1.725.746	1.794.044
Depreciation of property, plant and equipment	1.898.480	1.508.927
Profit/loss from sale of intangible assets and property, plant and equipment	0	35.267
	3.624.226	3.338.238
	2016/17	2015/16
	DKK	DKK
3. Other financial income		
Financial income arising from group enterprises	21.847	394.801
Interest income	70	433
Exchange rate adjustments	0	370.767
	21.917	766.001
	2016/17	2015/16
	DKK	DKK
4. Other financial expenses		
Financial expenses from group enterprises	588.555	604.113
Interest expenses	302.799	273.624
Exchange rate adjustments	585.595	0
Other financial expenses	13.477	276.797
	1.490.426	1.154.534

Notes to parent financial statements

	2016/17 DKK	2015/16 DKK
5. Tax on profit/loss for the year		
Tax on current year taxable income	2.127.787	1.098.292
Change in deferred tax for the year	865.000	(360.000)
Adjustment concerning previous years	(30.729)	251.290
	2.962.058	989.582
	2016/17 DKK	2015/16 DKK
6. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	0	10.000.000
Transferred to reserve for net revaluation according to the equity method	4.753.303	1.999.828
Retained earnings	11.974.898	(3.452.819)
	16.728.201	8.547.009
Dividend distributed after the balance sheet date		
Extraordinary dividend	11.500.000	0
		Acquired rights DKK
7. Intangible assets		
Cost beginning of year		16.193.252
Additions		6.243.192
Cost end of year		22.436.444
Amortisation and impairment losses beginning of year		(14.620.750)
Amortisation for the year		(1.725.746)
Amortisation and impairment losses end of year		(16.346.496)
Carrying amount end of year		6.089.948

Notes to parent financial statements

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
8. Property, plant and equipment		
Cost beginning of year	6.387.977	2.859.502
Additions	167.690	220.599
Cost end of year	6.555.667	3.080.101
Depreciation and impairment losses beginning of the year	(3.924.359)	(666.878)
Depreciation for the year	(973.477)	(925.003)
Depreciation and impairment losses end of the year	(4.897.836)	(1.591.881)
Carrying amount end of year	1.657.831	1.488.220
	Investments in group enterprises DKK	Other receivables DKK
9. Fixed asset investments		
Cost beginning of year	757.857	499.263
Disposals	0	(499.263)
Cost end of year	757.857	0
Revaluations beginning of year	10.715.575	0
Exchange rate adjustments	(172.732)	0
Share of profit/loss for the year	6.612.154	0
Dividend	(2.263.621)	0
Other adjustments	404.770	0
Revaluations end of year	15.296.146	0
Carrying amount end of year	16.054.003	0

10. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Notes to parent financial statements

	2016/17 DKK	2015/16 DKK
11. Deferred tax		
Intangible assets	1.340.000	346.000
Property, plant and equipment	(20.000)	62.000
Cash and cash equivalents	0	(58.000)
	1.320.000	350.000
Changes during the year		
Beginning of year	350.000	
Recognised in the income statement	970.000	
End of year	1.320.000	

	2016/17 DKK	2015/16 DKK
12. Other payables		
VAT and duties	1.823.744	1.457.837
Wages and salaries, personal income taxes, social security costs, etc payable	708.154	556.603
Holiday pay obligation	3.280.514	3.291.022
Derivative financial instruments	499.949	0
Other costs payable	113.011	82.718
	6.425.372	5.388.180

Other payables include a negativ fair value of the forward exchange contracts of DKK 500k. The forward exchange contracts have been acquired to hedge the foreign currency risk of trade payables in USD, CHN and EUR. The exchange loss has been set off against the value adjustments of the hedged payables in the income statement. The forward exchange contracts have a term of 0-1 month. The forward exchange have been entered into with the Company's usual bank.

13. Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

	2016/17 DKK	2015/16 DKK
14. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	4.645.088	6.236.949

15. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which MH Holding Sabro ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore alternatively liable for income taxes etc. for the jointly taxed entities, but only for the

Notes to parent financial statements

share by which the Entity is included in the Group and for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

For period until 30.06.2015 The Entity serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed entities and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

16. Mortgages and securities

The Company has provided a floating charge to Nordea Bank Danmark A/S of DKK 15,000,000. The floating charge is granted on unsecured claims arising from sale the sale of goods and services, inventories, operating equipment as well as intellectual property rights.

The carrying amount is per 30.06.2017 DKK 27,340k.

POMPdeLUX ApS has provided a guarantee to Strålfors Information Logistics of DKK 1,078k.

17. Transactions with related parties

Only transactions with related parties that are not carried out at market terms are disclosed in the annual report. No such transactions have been performed in the financial year.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C (middle) enterprises.

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year apart from a few reclassifications.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date 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 recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary write-downs of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Accounting policies

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and plant & equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the Parent and all the Parent's other Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc. comprise, acquired intellectual property rights.

The cost of acquired intellectual rights comprises cost, including external fees that are directly and indirectly attributable to the intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Straight-line amortisation is made on the basis of the estimated useful lives of asset which are 3-5 years.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Estimated useful lives and residual amounts are reassessed annually.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

Accounting policies

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to re-taxation of previously deducted losses of foreign subsidiaries is recognised based on a specific assessment of the purpose of the individual subsidiary.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Accounting policies

Cash flows from operating activities are presented using the indirect method and 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 enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as payment of dividend.

Cash and cash equivalents comprise cash with an insignificant price risk less short-term bank loans.