CHRISTENSEN
KJÆRULFF
PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB
STORE KONGENSGADE 68
1264 KØBENHAVN K

CVR: 15 91 56 41
TLF: 33 30 15 15
E-MAIL: CK@CK.DK
WEB: WWW.CK.DK

# DANSCAN A/S

**Søholm Park 1, 2900 Hellerup**

**Company reg. no. 29 71 53 19**

## Annual report

## 1 May 2017 - 30 April 2018

The annual report has been submitted and approved by the general meeting on the 4. September 2018

Peter Adser
Chairman of the meeting

Notes to users of the English version of this document:
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

# Contents

## Management's report

The board of directors and the managing director have today presented the annual report of DANSCAN A/S for the financial year 1 May 2017 to 30 April 2018.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 30 April 2018 and of the company's results of its activities in the financial year 1 May 2017 to 30 April 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Hellerup, 23 August 2018

**Managing Director**

Peter Adser
Managing Director

**Board of directors**

Claus Adser
Lars Adser
Svend Christian Rimestad
Peter Adser
Lars Rønsholt

# Independent auditor's report

**Auditor's comments on the draft annual report**

**To the shareholders of DANSCAN A/S**

We have audited the draft annual accounts of DANSCAN A/S for the financial year 1 May 2017 to 30 April 2018. If the annual report is approved by the management in its present form, we will issue the following auditor's report:

**Opinion**

We have audited the annual accounts of DANSCAN A/S for the financial year 1 May 2017 to 30 April 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 30 April 2018 and of the results of the company's operations for the financial year 1 May 2017 to 30 April 2018 in accordance with the Danish Financial Statements Act.

**Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section “Auditor’s responsibilities for the audit of the annual accounts”. We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

**The management's responsibilities for the annual accounts**

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

In preparing the annual accounts, the management is responsible for evaluating the company’s ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

### Auditor's comments on the draft annual report

**Auditor's responsibilities for the audit of the annual accounts**

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

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

## Independent auditor's report

**Auditor's comments on the draft annual 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 the internal control that we identify during our audit.

**Statement on the management's review**

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

The present statement was prepared for internal use by the shareholders of the company only.

Copenhagen, 23 August 2018

**Christensen Kjærulff**

Company reg. no. 15 91 56 41

John Mikkelsen
State Authorised Public Accountant
MNE-nr. 26748

## Company data

| | | |
|---|---|---|
| **The company** | DANSCAN A/S<br>Søholm Park 1<br>2900 Hellerup | |
| | Company reg. no. | 29 71 53 19 |
| | Established: | 1 September 1969 |
| | Financial year: | 1 May - 30 April |
| **Board of directors** | Claus Adser<br>Lars Adser<br>Svend Christian Rimestad<br>Peter Adser<br>Lars Rønsholt | |
| **Managing Director** | Peter Adser, Managing Director | |
| **Auditors** | Christensen Kjærulff<br>Statsautoriseret Revisionsaktieselskab<br>Store Kongensgade 68<br>1264 København K | |
| **Parent company** | Adserbi A/S | |
| **Subsidiaries** | BJØRN THORSEN A/S, Gentofte<br>THORKILD LARSEN A/S, Roskilde<br>SCANDIFLEX NORDIC A/S, Gentofte | |

### The principal activities of the company

Like previous years, the principal activities are ownership of investments in subsidiaries.

### Development in activities and financial matters

The gross loss for the year is DKK -58.849 against DKK -5.330 last year. The results from ordinary activities after tax are DKK 15.271.344 against DKK 15.415.064 last year. The management considers the results satisfactory.

### The expected development

For the consolidated group a positive development of the results 2017/18 is expected.

### Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

## Profit and loss account 1 May - 30 April

All amounts in DKK.

| Note | | 2017/18 | 2016/17 |
|---|---|---|---|
| | **Gross loss** | **-58.849** | **-5.330** |
| 1 | Staff costs | -24.608 | -9.149 |
| | **Operating profit** | **-83.457** | **-14.479** |
| | Income from equity investments in group enterprises | 14.369.673 | 14.210.500 |
| | Other financial income | 1.239.426 | 1.558.767 |
| | **Results before tax** | **15.525.642** | **15.754.788** |
| | Tax on ordinary results | -254.298 | -339.724 |
| **2** | **Results for the year** | **15.271.344** | **15.415.064** |

## Balance sheet 30 April

All amounts in DKK.

| Note | Assets | 2018 | 2017 |
|---|---|---|---|
| | **Fixed assets** | | |
| 3 | Equity investments in group enterprises | 79.301.046 | 77.771.373 |
| | Financial fixed assets in total | 79.301.046 | 77.771.373 |
| | **Fixed assets in total** | **79.301.046** | **77.771.373** |
| | **Current assets** | | |
| | Amounts owed by group enterprises | 34.926.790 | 40.150.193 |
| | Amounts owed by associated enterprises | 849.999 | 0 |
| | Other debtors | 2.473 | 9.453 |
| | Debtors in total | 35.779.262 | 40.159.646 |
| | Other securities and equity investments | 23.585.918 | 6.906.902 |
| | Securities in total | 23.585.918 | 6.906.902 |
| | Available funds | 24.156.608 | 22.828.513 |
| | **Current assets in total** | **83.521.788** | **69.895.061** |
| | **Assets in total** | **162.822.834** | **147.666.434** |

## Balance sheet 30 April

All amounts in DKK.

| Note | Equity and liabilities | 2018 | 2017 |
|---|---|---|---|
| | **Equity** | | |
| 4 | Contributed capital | 6.330.000 | 6.330.000 |
| 5 | Reserves for net revaluation as per the equity method | 68.171.968 | 66.702.284 |
| 6 | Results brought forward | 88.121.086 | 74.319.426 |
| | **Equity in total** | **162.623.054** | **147.351.710** |
| | **Liabilities** | | |
| | Corporate tax | 174.280 | 289.724 |
| | Other debts | 25.500 | 25.000 |
| | Short-term liabilities in total | 199.780 | 314.724 |
| | **Liabilities in total** | **199.780** | **314.724** |
| | **Equity and liabilities in total** | **162.822.834** | **147.666.434** |

## Notes

All amounts in DKK.

| | | 2017/18 | 2016/17 |
|---|---|---|---|
| **1.** | **Staff costs** | | |
| | Other staff costs | 24.608 | 9.149 |
| | | **24.608** | **9.149** |
| | Average number of employees | 1 | 1 |

| | | | |
|---|---|---|---|
| **2.** | **Proposed distribution of the results** | | |
| | Reserves for net revaluation as per the equity method | 1.469.684 | 2.377.840 |
| | Allocated to results brought forward | 13.801.660 | 13.037.224 |
| | **Distribution in total** | **15.271.344** | **15.415.064** |

| | | | |
|---|---|---|---|
| **3.** | **Equity investments in group enterprises** | | |
| | Acquisition sum, opening balance 1 May | 11.069.089 | 11.069.089 |
| | **Cost 30 April** | **11.069.089** | **11.069.089** |
| | Revaluations, opening balance 1 May | 66.702.284 | 64.492.605 |
| | Translation by use of the exchange rate | 0 | -168.161 |
| | Results for the year before goodwill amortisation | 14.369.673 | 14.210.500 |
| | Dividend | -12.840.000 | -11.832.660 |
| | **Revaluation 30 April** | **68.231.957** | **66.702.284** |
| | **Book value 30 April** | **79.301.046** | **77.771.373** |

**Group enterprises:**

| | **Domicile** | **Share of ownership** |
|---|---|---|
| BJØRN THORSEN A/S | Gentofte | 80 % |
| THORKILD LARSEN A/S | Roskilde | 80 % |
| SCANDIFLEX NORDIC A/S | Gentofte | 100 % |

| | | | |
|---|---|---|---|
| **4.** | **Contributed capital** | | |
| | Contributed capital 1 May | 6.330.000 | 6.330.000 |
| | | **6.330.000** | **6.330.000** |

All amounts in DKK.

| | | 30/4 2018 | 30/4 2017 |
|---|---|---|---|
| **5.** | **Reserves for net revaluation as per the equity method** | | |
| | Reserves for net revaluation 1 May | 66.702.284 | 64.324.444 |
| | Share of results | 1.469.684 | 2.377.840 |
| | | **68.171.968** | **66.702.284** |
| **6.** | **Results brought forward** | | |
| | Results brought forward 1 May | 74.319.426 | 61.282.202 |
| | Profit or loss for the year brought forward | 13.801.660 | 13.037.224 |
| | | **88.121.086** | **74.319.426** |

The annual report for DANSCAN A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

**Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

## The profit and loss account

**Gross loss**

The gross loss comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

**Staff costs**

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

**Net financials**

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

**Results from equity investments in group enterprises**

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

**Tax of the results for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

## The balance sheet

**Financial fixed assets**

**Equity investments in group enterprises**

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

In connection with the acquisition of new group enterprises and associated enterprises, the acquisition method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for decided restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of the revaluations carried out is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable, acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises, and they are amortised over their estimated useful life. The useful life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a long-range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

**Other securities and equity investments**

Securities and equity investments recognised under fixed assets comprise listed bonds and shares which are measured at fair value on the balance sheet date. Listed securities are measured at market price.

Other unlisted securities are measured at cost. Writedown takes place to the recoverable amount, if this value is lower than the book value.

**Debtors**

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

**Securities and equity investments**

Securities and equity investments recognised as current assets are measured at fair value on the balance sheet date.

**Available funds**

Available funds comprise cash at bank and in hand.

**Equity**

**Reserves for net revaluation as per the equity method**

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

It is not possible to recognise the reserves with a negative amount.

**Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, DANSCAN A/S is proportionally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

**Liabilities**

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

Liabilities relating to investment properties are measured at amortised cost.

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