

Firmenich Denmark ApS
Agro Food Park 13
DK-8200 Aarhus N

Telephone +45 89 41 37 00

Firmenich Denmark ApS

Annual report 2015/16

The annual report was presented and adopted at the
Company's annual general meeting

on _____ 20 ____


chairman

CVR no. 30 58 63 79

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CVR no. 30 58 63 79

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Firmenich Denmark ApS for the financial year 1 July 2015 – 30 June 2016.


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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2016 and of the results of the Company's operations for the financial year 1 July 2015 – 30 June 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report should be approved at the annual general meeting.


3 October 2016
Executive Board:


Jacob Ravn Nielsen

Board of Directors:


Jerome Ferry
Chairman


Mark Andrew Bailey


Jacob Ravn Nielsen



Independent auditor's report

To the shareholders of Firmenich Denmark ApS

Independent auditor's report on the financial statements

We have audited the financial statements of Firmenich Denmark ApS for the financial year 1 July 2015 – 30 June 2016. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2016 and of the results of the Company's activities for the financial year 1 July 2015 – 30 June 2016 in accordance with the Danish Financial Statements Act.



Independent auditor's report

Statement on the Management's review

In accordance with the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Aarhus, 3 October 2016

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

A handwritten signature in blue ink, appearing to read 'Elife Savas', is written over a faint, illegible stamp.

Elife Savas
State Authorised
Public Accountant

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Management's review

Company details

Firmenich Denmark ApS
Agro Food Park 13
DK-8200 Aarhus N

Telephone: +45 89 41 37 00
CVR no.: 30 58 63 79
Established: 14 May 2007
Registered office: Aarhus
Financial year: 1 July – 30 June

Board of Directors

Jerome Ferry, Chairman
Mark Andrew Bailey
Jacob Ravn Nielsen

Executive Board

Jacob Ravn Nielsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8210 Aarhus V

Annual general meeting

The annual general meeting will be held on 3 October 2016.

Management's review

Operating review

Principal activities

The Company's objective is to operate within trade and industry.

Firmenich Denmark ApS covers the Scandinavian market and the Baltics within the area of beverage, savoury and sweet goods.

Development in activities and financial position

The income statement of the Company for 2015/16 shows a profit of DKK 2,011 thousand, and at 30 June 2016, equity stood at DKK 5,442 thousand.

The Company's profit is considered satisfactory. The Company expects to report a profit for the 2016/17 financial year in line with 2015/16.

Subsequent events

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Financial statements 1 July – 30 June

Accounting policies

The annual report of Firmenich Denmark ApS for 2015/16 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Gross profit/loss

According to Section 32 of the Danish Financial Statements Act the Company may abstain from disclosing revenue in its annual report. Revenue, other operating income and external costs are therefore aggregated into one item referred to as gross profit/loss.

Revenue

Revenue arising from commission is recognised as earned.

Other external costs

Other external costs comprise costs of premises, sale and distribution as well as office costs, etc.

Staff costs

Staff costs comprise salaries and wages, including holiday allowance, pension and other social security costs, etc. to the Company's employees excluding refunds from public authorities.

Depreciation and impairment loss regarding property, plant and equipment

Depreciation and impairment loss comprise depreciation and impairment loss regarding property, plant and equipment.

Tax on profit/loss for the year

Tax for the year comprises current tax and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Financial statements 1 July – 30 June

Balance sheet

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-10 years
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Gains and losses on the disposal of plant and equipment are stated as the difference between the selling price and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation. If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured at amortised cost, which substantially corresponds to nominal value. The value is reduced by write-down for bad debts.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Financial statements 1 July – 30 June

Accounting policies

Corporation tax and deferred tax

Current tax payable and receivable is recognised on the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement and in equity.

Liabilities

Financial liabilities are recognised at cost at the date of borrowing, equivalent to proceeds received less transaction costs paid.

Trade payables and amounts owed to group enterprises are recognised at cost.

Subsequently, these financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Financial statements 1 July – 30 June

Income statement

DKK	Note	2015/16	2014/15
Gross profit		<u>10,922,557</u>	<u>15,070,438</u>
Staff costs	1	-8,203,872	-7,019,535
Depreciation and impairment loss on property, plant and equipment		<u>-109,125</u>	<u>-117,154</u>
Profit before financial income and expenses		<u>2,609,560</u>	<u>7,933,749</u>
Financial income	2	878	1,220
Financial expenses	3	<u>-27,804</u>	<u>-21,169</u>
Profit before tax		<u>2,582,634</u>	<u>7,913,800</u>
Tax on profit for the year	4	<u>-571,759</u>	<u>-1,908,003</u>
Profit for the year		<u><u>2,010,875</u></u>	<u><u>6,005,797</u></u>
 Proposed profit appropriation			
Proposed dividends		2,010,875	2,700,000
Retained earnings		<u>0</u>	<u>3,305,797</u>
		<u><u>2,010,875</u></u>	<u><u>6,005,797</u></u>

Financial statements 1 July – 30 June

Balance sheet

DKK	Note	2015/16	2014/15
ASSETS			
Non-current assets			
Property, plant and equipment	5		
Fixtures and fittings, tools and equipment		714,276	823,401
Total non-current assets		<u>714,276</u>	<u>823,401</u>
Current assets			
Receivables			
Amounts owed by group entities		7,911,344	7,253,614
Other receivables		397,394	637,700
Deferred tax asset		488,846	678,336
		<u>8,797,584</u>	<u>8,569,650</u>
Cash at bank and in hand		14	14
Total current assets		<u>8,797,598</u>	<u>8,569,664</u>
TOTAL ASSETS		<u>9,511,874</u>	<u>9,393,065</u>

Financial statements 1 July – 30 June

Balance sheet

DKK	Note	2015/16	2014/15
EQUITY AND LIABILITIES			
Equity	6		
Share capital		125,200	125,200
Retained earnings		3,305,797	3,305,797
Proposed dividends for the financial year		2,010,875	2,700,000
Total equity		<u>5,441,872</u>	<u>6,130,997</u>
Liabilities			
Current liabilities			
Trade payables		360,846	64,168
Amounts owed to group entities		265,180	285,860
Corporation tax		1,362,514	980,244
Other payables		2,081,462	1,931,796
Total liabilities		<u>4,070,002</u>	<u>3,262,068</u>
TOTAL EQUITY AND LIABILITIES		<u>9,511,874</u>	<u>9,393,065</u>
Contractual obligations, contingent items, etc.	7		
Related party disclosures and ownership	8		

Financial statements 1 July – 30 June

Notes

	<u>2015/16</u>	<u>2014/15</u>
DKK		
1 Staff costs		
Wages and salaries	7,082,953	6,167,503
Pensions	858,889	710,428
Other social security costs	87,831	69,997
Other staff costs	174,199	71,607
	<u>8,203,872</u>	<u>7,019,535</u>
2 Financial income		
Foreign exchange gains	<u>878</u>	<u>1,220</u>
3 Financial expenses		
Interest expenses, group entities	0	438
Other financial expenses	26,335	11,961
Foreign exchange adjustments	1,469	8,770
	<u>27,804</u>	<u>21,169</u>
4 Tax on profit for the year		
Current tax for the year	382,269	980,244
Deferred tax adjustment for the year	189,490	927,759
	<u>571,759</u>	<u>1,908,003</u>

Financial statements 1 July 2015 – 30 June 2016

Notes

5 Property, plant and equipment

	Fixtures and fittings, tools and equipment
	DKK
Cost at 1 July 2015	1,231,129
Additions	0
Disposals	0
Cost at 30 June 2016	<u>1,231,129</u>
Impairment loss and depreciation at 1 July 2015	407,728
Depreciation	109,125
Impairment loss and depreciation regarding assets sold	0
Impairment loss and depreciation at 30 June 2016	<u>516,853</u>
Carrying amount at 30 June 2016	<u>714,276</u>

6 Equity

DKK	Share capital	Retained earnings	Proposed dividends	Total
Equity at 1 July 2015	125,200	3,305,797	2,700,000	6,130,997
Dividends distributed	0	0	-2,700,000	-2,700,000
Transferred from profit appropriation	0	0	2,010,875	2,010,875
Equity at 30 June 2016	<u>125,200</u>	<u>3,305,797</u>	<u>2,010,875</u>	<u>5,441,872</u>

The share capital consists of 1,252 shares of a nominal value of DKK 100. No shares carry special rights. There have been no changes in the share capital during the past five years.

Financial statements 1 July – 30 June

Notes

7 Contractual obligations, contingent items, etc.

Rental and lease obligations

DKK	<u>2015/16</u>	<u>2014/15</u>
Lease liabilities arising from operating leases. Total future lease payments:		
Within 1 year	182,794	351,144
Between 1 and 5 years	<u>0</u>	<u>182,794</u>
	<u>182,794</u>	<u>533,938</u>
 Rent commitment during the period of interminability (2015-2020)	 <u>2,063,664</u>	 <u>2,579,580</u>

8 Related party disclosures and ownership

Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the voting rights or a minimum of 5% of the share capital:

Fraga (Europe) SA, Switzerland

The Company is included in a group structure with Firmenich SA, Switzerland, which is the ultimate parent company. The consolidated financial statements can be obtained by contacting the company.