

Firmenich Denmark ApS

Agro Food Park 13  
8200 Aarhus N

CVR no. 30 58 63 79

**Annual report 2016/17**

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

18 September 2017

chairman

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## 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 2016 – 30 June 2017.

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 2017 and of the results of the Company's operations for the financial year 1 July 2016 – 30 June 2017.

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

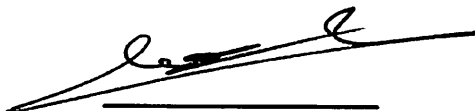
We recommend that the annual report be approved at the annual general meeting.

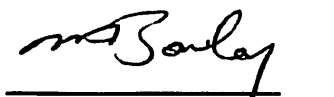
Aarhus, 18 September 2017


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**

### **Opinion**

We have audited the financial statements of Firmenich Denmark ApS for the financial year 1 July 2016 – 30 June 2017 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are 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 2017 and of the results of the Company's operations for the financial year 1 July 2016 – 30 June 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 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **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.

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.



## **Independent auditor's report**

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these 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 company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.



## Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, 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 conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 18 September 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

A handwritten signature in blue ink that reads 'Elife Savas'.

Elife Savas  
State Authorised  
Public Accountant  
MNE-no: 34453

**Firmenich Denmark ApS**  
Annual report 2016/17  
CVR no. 30 58 63 79

## **Management's review**

### **Company details**

Firmenich Denmark ApS  
Agro Food Park 13  
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 18 September 2017.

## **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 2016/17 shows a profit of DKK 2,490 thousand, and at 30 June 2017, equity stood at DKK 5,921 thousand.

The Company's profit is considered satisfactory. The Company expects to report a profit for the 2017/18 financial year in line with 2016/17.

#### **Events after the balance sheet date**

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



## Financial statements 1 July – 30 June

### Income statement

| DKK                                       | Note | 2016/17                 | 2015/16                 |
|---|------|-------------------------|-------------------------|
| <b>Gross profit</b>                       |      | <u>12,570,572</u>       | <u>10,922,557</u>       |
| Staff costs                               | 2    | -9,163,924              | -8,203,872              |
| Depreciation, amortisation and impairment |      | <u>-109,125</u>         | <u>-109,125</u>         |
| <b>Operating profit</b>                   |      | <u>3,297,523</u>        | <u>2,609,560</u>        |
| Financial income                          | 3    | 389                     | 878                     |
| Financial expenses                        | 4    | <u>-79,778</u>          | <u>-27,803</u>          |
| <b>Profit before tax</b>                  |      | <u>3,218,134</u>        | <u>2,582,635</u>        |
| Tax on profit/loss for the year           | 5    | <u>-728,072</u>         | <u>-571,759</u>         |
| <b>Profit for the year</b>                |      | <u><u>2,490,062</u></u> | <u><u>2,010,876</u></u> |
| <b>Proposed profit appropriation</b>      |      |                         |                         |
| Proposed dividend for the financial year  |      | 2,490,000               | 2,010,876               |
| Retained earnings                         |      | <u>62</u>               | <u>0</u>                |
|   |      | <u><u>2,490,062</u></u> | <u><u>2,010,876</u></u> |

## Financial statements 1 July – 30 June

### Balance sheet

| DKK  | Note | 2016/17                  | 2015/16                 |
|--|------|--------------------------|-------------------------|
| <b>ASSETS</b>                              |      |                          |                         |
| <b>Fixed assets</b>                        |      |                          |                         |
| <b>Property, plant and equipment</b>       | 6    |                          |                         |
| Fixtures and fittings, tools and equipment |      | <u>774,027</u>           | <u>714,276</u>          |
|  |      | <u>774,027</u>           | <u>714,276</u>          |
| <b>Total fixed assets</b>                  |      | <u>774,027</u>           | <u>714,276</u>          |
| <b>Current assets</b>                      |      |                          |                         |
| <b>Receivables</b>                         |      |                          |                         |
| Receivables from group entities            |      | 8,081,912                | 7,911,344               |
| Other receivables                          |      | 886,008                  | 397,394                 |
| Deferred tax asset                         |      | <u>357,394</u>           | <u>488,846</u>          |
|  |      | <u>9,325,314</u>         | <u>8,797,584</u>        |
| <b>Cash at bank and in hand</b>            |      | <u>0</u>                 | <u>14</u>               |
| <b>Total current assets</b>                |      | <u>9,325,314</u>         | <u>8,797,598</u>        |
| <b>TOTAL ASSETS</b>                        |      | <u><u>10,099,341</u></u> | <u><u>9,511,874</u></u> |

## Financial statements 1 July – 30 June

### Balance sheet

| DKK  | Note | 2016/17           | 2015/16          |
|--|------|-------------------|------------------|
| <b>EQUITY AND LIABILITIES</b>                        |      |                   |                  |
| <b>Equity</b>  | 7    |                   |                  |
| Share capital  |      | 125,200           | 125,200          |
| Proposed dividends for the year                      |      | 2,490,000         | 2,010,875        |
| Retained earnings                                    |      | <u>3,305,859</u>  | <u>3,305,797</u> |
| <b>Total equity</b>                                  |      | <u>5,921,059</u>  | <u>5,441,872</u> |
| <b>Liabilities other than provisions</b>             |      |                   |                  |
| <b>Non-current liabilities other than provisions</b> |      |                   |                  |
| Corporation tax                                      |      | <u>978,902</u>    | <u>1,362,514</u> |
|  |      | <u>978,902</u>    | <u>1,362,514</u> |
| <b>Current liabilities other than provisions</b>     |      |                   |                  |
| Trade payables                                       |      | 334,265           | 360,846          |
| Payables to group entities                           |      | 20,975            | 265,180          |
| Other payables                                       |      | <u>2,844,140</u>  | <u>2,081,462</u> |
|  |      | <u>3,199,380</u>  | <u>2,707,488</u> |
| <b>Total liabilities other than provisions</b>       |      | <u>4,178,282</u>  | <u>4,070,002</u> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                  |      | <u>10,099,341</u> | <u>9,511,874</u> |
| Contractual obligations, contingencies, etc.         | 8    |                   |                  |
| Related party disclosures                            | 9    |                   |                  |

## Financial statements 1 July – 30 June

### Statement of changes in equity

| DKK                                       | <u>Share capital</u> | <u>Retained earnings</u> | <u>Proposed dividends</u> | <u>Total</u>     |
|---|----------------------|--------------------------|---------------------------|------------------|
| <b>Equity at 1 July 2016</b>              | 125,200              | 3,305,797                | 2,010,875                 | 5,441,872        |
| Distributed dividends                     | 0                    | 0                        | -2,010,875                | -2,010,875       |
| Transferred over the profit appropriation | <u>0</u>             | <u>62</u>                | <u>2,490,000</u>          | <u>2,490,062</u> |
| <b>Equity at 30 June 2017</b>             | <u>125,200</u>       | <u>3,305,859</u>         | <u>2,490,000</u>          | <u>5,921,059</u> |

There have been no changes in the share capital during the last five years.

## **Financial statements 1 July – 30 June**

### **Notes**

#### **1 Accounting policies**

The annual report of Firmenich Denmark ApS for 2016/17 has been prepared in accordance with the provisions applying to reporting class B under the Danish Financial Statements Act with option from higher reporting classes.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

— Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016/17 or for the comparative figures.

Minor changes to classifications have been made to balance sheet accounts for comparative figures. The changes have no monetary effect on the income statement.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year

### **Income statement**

#### **Gross Profit**

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit. 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 wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

## Financial statements 1 July – 30 June

### Notes

#### 1 Accounting policies (continued)

##### Depreciation and impairment loss regarding property, plant and equipment

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

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax on profit/loss for the year

Tax for the year comprises current tax for the year 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, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

### Balance sheet

#### Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which 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 is cost less any projected residual value after the end of the useful life. Depreciation is provided 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 |
|--|------------|

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

## Financial statements 1 July – 30 June

### Notes

#### 1 Accounting policies (continued)

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs 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.

#### Impairment of fixed assets

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 or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

#### 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 dividends payment for the year is disclosed as a separate item under equity.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in 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 based on the planned use of the asset or settlement of the liability.

## Financial statements 1 July – 30 June

### Notes

#### 1 Accounting policies (continued)

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. Any 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 at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement and in equity.

#### Liabilities

Financial liabilities are recognised at cost at the date of borrowing, equivalent to the 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.

| DKK                         | 2016/17          | 2015/16          |
|-----------------------------|------------------|------------------|
| <b>2 Staff costs</b>        |                  |                  |
| Wages and salaries          | 7,763,438        | 7,082,953        |
| Pensions                    | 949,104          | 858,889          |
| Other social security costs | 77,144           | 87,831           |
| Other staff costs           | 374,238          | 174,199          |
|                             | <u>9,163,924</u> | <u>8,203,872</u> |
| <b>3 Financial income</b>   |                  |                  |
| Foreign exchange gains      | 285              | 878              |
| Other interest income       | 104              | 0                |
|                             | <u>389</u>       | <u>878</u>       |



## Financial statements 1 July – 30 June

### Notes

| DKK  | <u>2016/17</u>   | <u>2015/16</u>                                      |
|--|------------------|---|
| <b>4 Financial expenses</b>  |                  |   |
| Other financial expenses   | 79,024           | 26,335  |
| Foreign exchange adjustments   | <u>754</u>       | <u>1,469</u>  |
|  | <u>79,778</u>    | <u>27,804</u>                                       |
| <b>5 Tax on profit/loss for the year</b>   |                  |   |
| Current tax for the year   | 596,620          | 382,269   |
| Deferred tax adjustment for the year   | <u>131,452</u>   | <u>189,490</u>                                      |
|  | <u>728,072</u>   | <u>571,759</u>                                      |
| <b>6 Property, plant and equipment</b>   |                  |   |
|  |                  | Fixtures<br>and fittings,<br>tools and<br>equipment |
| DKK  |                  |   |
| Cost at 1 July 2016  |                  | <u>1,231,129</u>                                    |
| Additions  |                  | <u>168,876</u>                                      |
| Cost at 30 June 2017   |                  | 1,400,005   |
| Depreciation and impairment losses at 1 July 2016                                    |                  | <u>-516,853</u>                                     |
| Depreciation   |                  | <u>-109,125</u>                                     |
| Depreciation and impairment losses at 30 June 2017                                   |                  | <u>-625,978</u>                                     |
| Carrying amount at 30 June 2017  |                  | <u>774,027</u>                                      |
| <b>7 Equity</b>  |                  |   |
| The share capital consists of 1,252 shares of a nominal value of DKK 100 each.       |                  |   |
| All shares rank equally.   |                  |   |
| <b>8 Contractual obligations, contingencies, etc.</b>                                |                  |   |
| DKK  | <u>2016/17</u>   | <u>2015/16</u>                                      |
| <b>Lease liabilities arising from operating leases. Total future lease payments:</b> |                  |   |
| Within 1 year  | 233,400          | 182,794   |
| Between 1 and 5 years  | <u>437,899</u>   | <u>0</u>  |
|  | <u>671,299</u>   | <u>182,794</u>                                      |
| Rent commitment during the period of interminability (2015-2020)                     | <u>1,547,748</u> | <u>2,063,664</u>                                    |

## **Financial statements 1 July – 30 June**

### **Notes**

#### **9 Related party disclosures**

##### **Ownership**

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes 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.