

# DKCF ApS

Sohngårdsholmsvej 2  
9000 Aalborg

Annual report  
1 January 2016 - 31 December 2016

**The annual report has been presented and  
approved on the company's general meeting the**

**03/05/2017**

---

**Rikke Alsted Houlberg**  
**Chairman of general meeting**

## Content

### Company informations

Company informations .....	3
----------------------------	---

### Reports

Statement by Management .....	4
-------------------------------	---

### Reports

The independent auditor's report on financial statements .....	5
----------------------------------------------------------------	---

### Management's Review

Management's Review .....	8
---------------------------	---

### Financial statement

Accounting Policies .....	9
Income statement .....	11
Balance sheet .....	12
Statement of changes in equity .....	14
Disclosures .....	15

# Company information

<b>Reporting company</b>	DKCF ApS
	Sohngårdsholmsvej 2
	9000 Aalborg
	Phone number: +4599372222
	Fax number: +4598120075
	e-mail: info@cembrit.com
	CVR-nr: 30724313
<b>Auditor</b>	Reporting period: 01/01/2016 - 31/12/2016
	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
	Skelagervej 1
	9000 Aalborg
	DK Danmark
	CVR-nr: 33771231
	P-number: 1016977809

# Statement by Management

We have today considered and approved the annual report of DKCF ApS for the financial year 1 January - 31 December 2016.

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

In our opinion, the financial statements gives a true and fair view of the Entity's financial position at 31 December 2016 and of the results of its operations for the financial year 1 January 2016 – 31 December 2016.

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

Aalborg, the 24/04/2017

## Management

Kaspar Ronald Kristiansen  
Director

## Board of directors

Kaspar Ronald Kristiansen  
Chairman

Rikke Alsted Houlberg  
Vice Chairman

Jesper Dirks

# The independent auditor's report on financial statements

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016, and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DKCF ApS for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of management for the financial statements

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

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

## Auditor's responsibility

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or

error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

## **Statement on the management's review**

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Aalborg, 24/04/2017

Mikkel Sthyr  
State Authorised Public Accountant  
PricewaterhouseCoopers Statsautoriseret  
Revisionspartnerselskab  
CVR: 33771231

Søren Korgaard-Møllerup  
State Authorised Public Accountant  
PricewaterhouseCoopers Statsautoriseret  
Revisionspartnerselskab  
CVR: 33771231



# Management's Review

## **Primary activities**

The company owns the shares in the subsidiaries Cembrit SAS, France and Cembrit LCC, Russia.

## **Development in activities and financial affairs**

The fixed asset investments has been written-down with DKK 0,6m to recoverable amount. Expectation for 2017 is a result for the year around DKK 0m.

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

From the balance sheet date and until today, no events have occurred which change the evaluation of the annual report.

# Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B. There have been options of certain rules in reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year. The annual report is presented in Danish kroner (DKK).

## Consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, DKCF ApS has omitted to prepare consolidated financial statements. DKCF ApS is included in the consolidated financial statements of the ultimate parent Company Cembrit Group A/S, Sohngårdsholmsvej 2, 9000 Aalborg (Central Business Reg. No. 3647 7199).

## Recognition and measurement

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

Liabilities are recognised in the balance sheet when the Company 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 Company, 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 expenses is recognised by the amounts attributable to the financial year.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate on the transaction dates. 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 rate 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. Tangible and intangible fixed assets, inventories and non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Exchange adjustments of outstanding accounts with independent subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

## Income statement

### Gross profit/loss

Gross profit/loss contains other external expenses.

### Other external expenses

Other external expenses include expenses relating to the Company's ordinary activities, including expenses for advisors, administrative expenses, etc. This item also includes writedowns of receivables recognised under current assets.

**Income from investments in subsidiaries**

Income from investments in subsidiaries comprises dividends etc received from the individual subsidiary in the financial year.

**Other financial income**

Other financial income comprises interest income, including interest income from receivables from group enterprises, receivables and foreign currency transactions, etc.

**Other financial expenses**

Other financial expenses comprise interest expenses including interest expenses relating to payables to subsidiaries, payables and foreign currency transactions, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax**

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 profit/loss for the year and recognised directly in equity by the portion attributable to entries directly in equity.

In 2016 the Company is jointly taxed with the other Danish group enterprises owned by Cembrit Group A/S. The share of the joint taxation income is fully allocated according to the current rules governing joint taxation.

**Balance sheet****Investments in subsidiaries**

Investments in subsidiaries are measured at cost. Investments in subsidiaries are written down to the recoverable amount if this is lower than the carrying value.

Dividend from investments in subsidiaries is recognised as income in the parent company's income statement in the financial year in which the dividend is declared. This will typically be at the time of the approval in Annual General Meeting of distribution from the company concerned. However, where the dividend distributed exceeds the accumulated earnings after the date of acquisition, the dividend is not recognised in the income statement but is stated as impairment of the cost of the investment.

**Tax receivable and payable**

Current tax liabilities and current tax receivables are recognized in the balance sheet as calculated tax on the taxable income, which is adjusted for prepaid tax.

**Receivables**

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

**Cash**

Cash comprises cash at bank and in hand.

**Other financial liabilities**

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

# Income statement 1 Jan 2016 - 31 Dec 2016

	Disclosure	2016 kr.	2015 kr.
External expenses .....		-150,000	-11,000
<b>Gross Result .....</b>		<b>-150,000</b>	<b>-11,000</b>
<b>Profit (loss) from ordinary operating activities .....</b>		<b>-150,000</b>	<b>-11,000</b>
Other finance income .....	1	10,000	18,000
Impairment of financial assets .....		-233,000	-2,500,000
Other finance expenses .....	2	-211,000	-141,000
<b>Profit (loss) from ordinary activities before tax .....</b>		<b>-584,000</b>	<b>-2,634,000</b>
Tax expense .....		51,000	-102,000
<b>Profit (loss) .....</b>		<b>-533,000</b>	<b>-2,736,000</b>
<b>Proposed distribution of results</b>			
Retained earnings .....		-533,000	-2,736,000
<b>Proposed distribution of profit (loss) .....</b>		<b>-533,000</b>	<b>-2,736,000</b>

# Balance sheet 31 December 2016

## Assets

	Disclosure	2016 kr.	2015 kr.
Investments in group enterprises .....		6,313,000	6,546,000
Current deferred tax assets .....		75,000	31,000
<b>Investments .....</b>	<b>3</b>	<b>6,388,000</b>	<b>6,577,000</b>
<b>Total non-current assets .....</b>		<b>6,388,000</b>	<b>6,577,000</b>
Other receivables .....		11,000	27,000
<b>Receivables .....</b>		<b>11,000</b>	<b>27,000</b>
Cash and cash equivalents .....		6,000	3,000
<b>Current assets .....</b>		<b>17,000</b>	<b>30,000</b>
<b>Total assets .....</b>		<b>6,405,000</b>	<b>6,607,000</b>

# Balance sheet 31 December 2016

## Liabilities and equity

	Disclosure	2016 kr.	2015 kr.
Contributed capital .....		125,000	125,000
Other reserves .....		4,376,000	4,909,000
<b>Total equity .....</b>		<b>4,501,000</b>	<b>5,034,000</b>
Payables to group enterprises .....		1,763,000	1,562,000
Other payables, including tax payables, liabilities other than provisions .....		141,000	11,000
<b>Short-term liabilities other than provisions, gross .....</b>		<b>1,904,000</b>	<b>1,573,000</b>
<b>Liabilities other than provisions, gross .....</b>		<b>1,904,000</b>	<b>1,573,000</b>
<b>Liabilities and equity, gross .....</b>		<b>6,405,000</b>	<b>6,607,000</b>

# Statement of changes in equity 1 Jan 2016 - 31 Dec 2016

	Contributed capital	Retained earnings	Total
	kr.	kr.	kr.
Equity, beginning balance .....	125,000	4,909,000	5,034,000
Profit (Loss) .....		-533,000	-533,000
Equity, ending balance .....	125,000	4,376,000	4,501,000

# Disclosures

## 1. Other finance income

	2016 kr.	2015 kr.
Other financial income	10,000	18,000
	10,000	18,000

## 2. Other finance expenses

	2016 kr.	2015 kr.
Financial expenses to group enterprises	207,000	115,000
Other financial expenses	4,000	26,000
	211,000	141,000

## 3. Investments

Investments in group enterprises include:

Name, legal form and homeplace	Qwnership	Equity	Profit (loss)
Cembrit SAS, France	100%	5,026,000	372,000
Cembrit LCC, Russia	100%	1,287,000	(896,000)

## 4. Disclosure of contingent liabilities

DKCF ApS participates in a Danish joint taxation arrangement with Cembrit Group A/S. Therefore, the Company has partial joint and partial secondary liability for any obligations to withhold tax on interest, royalties and dividend for the jointly taxed companies. However, secondary liability cannot exceed an amount equaling the share of capital held by the Company, which is owned directly or indirectly by the ultimate parent.

## 5. Disclosure of ownership

### Group relations

DKCF ApS is included in the Consolidated financial statement of the ultimate parent company, Cembrit Group A/S.

