

# Refreshment Products Denmark ApS

Philip Heymans Alle 17, 1., 2900 Hellerup

CVR No. 31 42 77 46

*Annual report for the year ended 31 December 2015*  
*8th financial year*

*Approved at the annual general meeting of shareholders*  
*on 30/05 2016*

.....  
chairman **NICHOLAS WILLIAM BOE STENOOP**



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## **Company Details**

**Refreshment Products Denmark ApS**  
**Philip Heymans Alle 17, 1.,**

**2900 Hellerup**  
**Tel: +45 39 45 47 00**  
**Fax: +45 39 45 47 48**

### ***Supervisory Board***

**Mikael Bonde Nielsen**  
**Charlotte Balfour Van Burleigh**  
**Carsten Sparre Conrad, Chairman**

### ***Executive Board***

**Charlotte Balfour Van Burleigh**

### ***Parent***

**European Refreshments, Drogheda, Ireland**

### ***Auditors***

**Ernst & Young P/S**  
**Godkendt Revisionspartnerselskab**  
**Osvold Helmuths Vej 4,**  
**2000 Frederiksberg**  
**Tel: +45 70 10 80 50**  
**Fax: +45 35 87 22 00**

### ***Bankers***

**Citibank**

## Statement by management on the annual report

Today, management has discussed and approved the annual report of Refreshment Products Denmark ApS for the financial year 1 January - 31 December 2015.

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

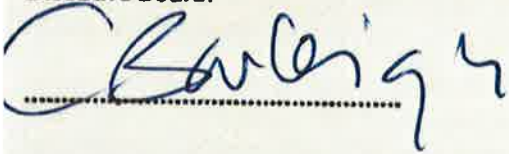
In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015.

In our opinion, the management's review includes a fair review of the matters dealt with in the management's review.

We recommend the adoption of the annual report at the annual general meeting.

Copenhagen, 2016

Executive Board:

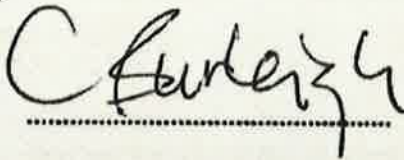


Charlotte Balfour Van Burleigh

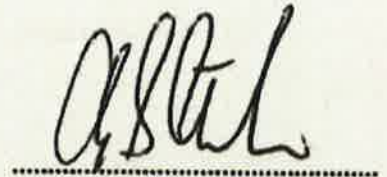
Supervisory Board:



Carsten Sparre Conrad  
Chairman



Charlotte Balfour Van Burleigh



Mikael Bonde Nielsen

## Independent auditors' report

To the shareholders of Refreshment Products Denmark ApS

### Independent auditors' report on the financial statements

We have audited the financial statements of Refreshment Products Denmark ApS for the financial year 1 January – 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. 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.

#### *Auditors' 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 auditors' 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 auditors consider 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 financial position at 31 December 2015 and of the results of its operations for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

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

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other 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.

Copenhagen, 27/05 2016

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30700228

Svend Daelund Jensen

State Authorised Public Accountant

## **Management's Review**

### *Business activities and mission*

The company's aim is to market brands owned by it and sell branded water to the Danish bottler to use such in packaging and selling the branded finished products to consumers.

### **Business review**

The company's income statement for the year ended 31 December 2015 shows a net profit of DKK 1.865.374, and the balance sheet at 31 December 2015 shows equity of DKK 194.805.848.

### **Post balance sheet events**

No events have occurred after the financial year end, which could significantly affect the company's financial position.

### **Outlook 2016**

The company expects the results for the year ended 2016 to be on a par with those reported for the year 2015.

## Accounting policies

The Annual Report of Refreshment Products Denmark ApS has been prepared in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The accounting policies are consistent with those of last year.

### Reporting currency

The financial statements are presented in Danish kroner.

### Foreign currency retranslation

Transactions in foreign currency are translated into Danish kroner at the exchange rate at the date of the transaction.

Monetary items in foreign currency are translated into Danish kroner at the exchange rates at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

## Income statement

### Revenue

Refreshment Products Denmark ApS has ownership of certain intangible trademark and license brand rights allowing it to recognize revenue on the sale of the branded water to the Danish bottler.

### Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, lease payments under operating leases, etc.

### Gross margin

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Raw materials and consumable' and 'Other external expenses' are consolidated into one item designated 'Gross margin'.

### Amortisation/depreciation and write-downs

Amortisation/depreciation and write-downs include Amortisation/depreciation and write-downs of intangible assets and property, plant and equipment. Intangible and tangible assets are amortised/depreciated using the straight-line method, based on the cost, measured by reference to the below assessment of the useful life of the asset:

The acquisition of licences and trademark rights is considered to be of material importance to the company. The management has assessed that the useful life exceeds 5 years significantly and the following extended useful life has been applied:

Licences and trademark rights	Useful life 20 years
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Gains or losses on the sale of fixed assets are recognised in the income statement under 'Amortisation/depreciation'.

### Net financials

Financial income and expenses are recognised in the income statement at the amounts that relate to the reporting period. Net financials include interest income and expenses, dividends declared, financial expenses related to finance leases, realised and unrealised capital and exchange gains and losses on securities and foreign currency transactions and surcharges and allowances under the advance payment of tax scheme, etc.

## Accounting policies - continued

### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments less the share of the tax for the year that concerns changes in equity.

Current and deferred taxes related to items recognised directly in equity are taken directly to equity.

All Danish group enterprises are jointly taxed. The Danish income tax charge is allocated between profit-making and loss making Danish enterprises in proportion to their taxable income (full allocation method). The affiliate company Coca-Cola Nordic Services ApS acts as a management company for all the companies encompassed by the joint taxation arrangement, meaning that the company is responsible for ensuring that taxes, etc. are paid to the Danish tax authorities.

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

### Balance sheet

#### Intangible assets

Intangible assets comprise licenses and other acquired trademark rights.

Intangible assets are measured at cost less accumulated amortisation and write-downs.

Management has assessed that the useful lives of the intangible assets by far exceed five years, as they are legally protected licenses and trademark rights with a duration of more than five years. Intangible assets are amortised on a straight-line basis over a 20-year period.

An impairment test is made for acquired intangible assets if there are indications of decreases in value. The impairment test is made for each individual asset or group of assets, respectively. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

#### Receivables

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

#### Cash and cash equivalents

Cash comprises bank balances.

#### Income taxes

Current tax charges are recognised in the balance sheet as the estimated tax charge in respect of the expected taxable income for the year, adjusted for tax on prior years' taxable income and tax paid in advance.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.



**Income statement**  
**1 January - 31 December**

	Notes	<b>2015</b> <b>DKK</b>	<b>2014</b> <b>DKK</b>
<b>Gross margin</b>		<b>11.310.571</b>	<b>15.081.939</b>
Depreciation, amortisation and impairment losses	1	8.444.850	8.444.850
<b>Profit before net financials</b>		<b>2.865.721</b>	<b>6.637.089</b>
Financial income	2	234.611	142.390
Financial expenses	3	83.213	70.884
<b>Financial profit</b>		<b>151.398</b>	<b>71.507</b>
<b>Profit before taxes</b>		<b>3.017.119</b>	<b>6.708.596</b>
Tax for the year	4	1.151.745	1.325.909
<b>Net profit for the year</b>		<b>1.865.374</b>	<b>5.382.687</b>

**Appropriation of profit**

**Profit to be appropriated:**

Retained earnings	22.630.473	17.247.786
Net profit of the year	1.865.374	5.382.687
Available for appropriation	<u>24.495.847</u>	<u>22.630.473</u>

the supervisory board recommends the following appropriation of the profit:

Retained earnings	24.495.847	22.630.473
Total appropriation	<u>24.495.847</u>	<u>22.630.473</u>

**Balance sheet**  
at 31 December

	Notes	2015 DKK	2014 DKK
<b>ASSETS</b>			
Licences and trademark rights, etc.		105.560.625	114.005.475
<b>Intangible assets</b>		<b>105.560.625</b>	<b>114.005.475</b>
<b>Total fixed assets</b>		<b>105.560.625</b>	<b>114.005.475</b>
Trade receivables		10.663.858	3.237.137
Receivables from group enterprises		91.443.447	79.372.869
Other receivables		370.210	3.290.096
<b>Receivables</b>		<b>102.477.515</b>	<b>85.900.102</b>
<b>Cash</b>		<b>13.158.426</b>	<b>13.559.572</b>
<b>Total Current assets</b>		<b>115.635.941</b>	<b>99.459.674</b>
<b>Total assets</b>		<b>221.196.566</b>	<b>213.465.149</b>
<b>EQUITY AND LIABILITIES</b>			
	Notes	2015 DKK	2014 DKK
Share capital	5	127.000	127.000
Share premium		170.183.001	170.183.001
Retained earnings		24.495.847	22.630.473
<b>Total equity</b>		<b>194.805.848</b>	<b>192.940.474</b>
Provision for deferred tax		15.427.857	14.276.112
<b>Total provisions</b>		<b>15.427.857</b>	<b>14.276.112</b>
Trade payables		2.850.752	3.049.519
Debt to group enterprises		8.086.737	2.008.679
Other payables		25.372	1.190.365
<b>Short-term liabilities other than provisions</b>		<b>10.962.861</b>	<b>6.248.563</b>
<b>Total liabilities other than provisions</b>		<b>10.962.861</b>	<b>6.248.563</b>
<b>Total equity and liabilities</b>		<b>221.196.566</b>	<b>213.465.149</b>
Security for loans	6		
Contingent liability	7		

**Statement of changes in equity**

<b>(DKK)</b>	<b>Retained earnings/-</b>			<b>Total</b>
	<b>Share Capital</b>	<b>Share premium</b>	<b>Accumulated loss</b>	
<b>Equity at 1/1/2015</b>	127.000	170.183.001	22.630.473	<b>192.940.474</b>
<b>Transfer in the year</b>			1.865.374	<b>1.865.374</b>
<b>Equity at 31/12/2015</b>	127.000	170.183.001	24.495.847	<b>194.805.848</b>

<b>Note 1.</b>	<b>Amortisation/depreciation and write downs of intangible assets and property, plant and equipment</b>	<b>2015 DKK</b>	<b>2014 DKK</b>
	Licences and trademarks	8.444.850	8.444.850
		<u>8.444.850</u>	<u>8.444.850</u>
<b>Note 2.</b>	<b>Other financial income</b>	<b>2015 DKK</b>	<b>2014 DKK</b>
	Intercompany interest	234.006	142.046
	Other interest receivable, exchange gains and similar income	605	344
		<u>234.611</u>	<u>142.390</u>
<b>Note 3.</b>	<b>Other financial expenses</b>	<b>2015 DKK</b>	<b>2014 DKK</b>
	Interest payable, exchange losses and similar expenses	83.213	70.884
		<u>83.213</u>	<u>70.884</u>
<b>Note 4.</b>	<b>Tax for the year</b>	<b>2015 DKK</b>	<b>2014 DKK</b>
	Change in provision for deferred tax	663.766	2.795.762
	Tax refunds received/paid, enterprises taxed on a joint basis	0	-1.469.853
	Tax adjustments, prior years	487.979	0
	Net income tax	<u>1.151.745</u>	<u>1.325.909</u>

**Note 5. Share capital**

The share capital has remained unchanged for the last 5 years.

**Note 6. Security of loans**

No security for loans had been placed at 31 December 2015.

**Note 7. Contingent liability**

The company is jointly taxed with its sister company, Coca Cola Nordic Services ApS, which acts as management company, and is severally with other jointly taxed group entities liable for payment of income taxes for the income year 2012 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.