

# Eberspächer Danmark ApS


Literbuen 9  
2740 Skovlunde  
Denmark

CVR no. 31 49 56 28

## Annual report 2016

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

13/2 2017

  
\_\_\_\_\_  
chairman

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## Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Eberspächer Danmark ApS for the financial year 1 January – 31 December 2016.

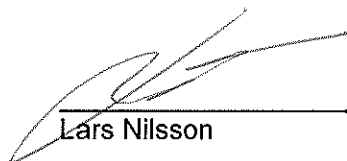
The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is my opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position 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.

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

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

Skovlunde, 13 February 2017  
Executive Board:



Lars Nilsson



## **Independent auditor's report**

**To the shareholder of Eberspächer Danmark ApS**

### **Opinion**

We have audited the financial statements of Eberspächer Danmark ApS for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet 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 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.

### **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.

### **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.

København, 13 February 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Jacob Lehman  
State Authorised  
Public Accountant

**Eberspächer Danmark ApS**  
Annual report 2016  
CVR no. 31 49 56 28

## **Management's review**

### **Company details**

Eberspächer Danmark ApS  
Literbuen 9  
2740 Skovlunde  
Denmark

Telephone: +45 44 85 30 30  
CVR no.: 31 49 56 28  
Established: 1 June 2008  
Registered office: Skovlunde  
Financial year: 1 January – 31 December

### **Executive Board**

Lars Nilsson

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfaergevej 28  
DK-2100 Copenhagen  
Denmark

### **Annual general meeting**

The annual general meeting will be held on 13 February 2017 at the Company's address.

## **Management's review**

### **Operating review**

#### **Principal activities of the Company**

The principal activities of the Company comprise purchase and sale of car heaters and related components as well as other related business.

#### **Development in the year**

The Company's income statement for 2016 shows a profit of DKK 197 thousand (2015: DKK 375 thousand). The balance sheet at 31 December 2016 shows equity of DKK 804 thousand (2015: DKK 607 thousand).

Management considers the results going in the right direction, but additional initiatives to increase sales with maintained lower cost structure are needed to achieve long-term satisfactory results.

#### **Significant events after the balance sheet date**

No events have occurred after the balance sheet date which could significantly affect the assessment of the Company's financial position.



## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2016	2015
<b>Gross profit</b>		3,494,673	3,342,399
Staff costs	2	<u>-3,189,694</u>	<u>-2,819,132</u>
<b>Operating profit</b>		304,979	523,267
Financial income		0	218
Financial expenses		<u>-108,050</u>	<u>-148,232</u>
<b>Profit before tax</b>		196,929	375,253
Tax on profit for the year		<u>0</u>	<u>0</u>
<b>Profit for the year</b>		<u>196,929</u>	<u>375,253</u>
<b>Proposed profit appropriation</b>			
Retained earnings		<u>196,929</u>	<u>375,253</u>
		<u>196,929</u>	<u>375,253</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2016	2015
<b>ASSETS</b>			
<b>Receivables</b>			
Trade receivables		2,386,275	2,579,459
Receivables from group entities		656,913	317,172
Other receivables		154,716	154,716
Deferred tax asset		15,687	15,687
		<u>3,213,591</u>	<u>3,067,034</u>
<b>Cash at bank and in hand</b>		<u>125,587</u>	<u>115,736</u>
<b>Total current assets</b>		<u>3,339,178</u>	<u>3,182,770</u>
<b>TOTAL ASSETS</b>		<u><u>3,339,178</u></u>	<u><u>3,182,770</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	3		
Share capital		127,000	127,000
Retained earnings		677,301	480,372
<b>Total equity</b>		<u>804,301</u>	<u>607,372</u>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Trade payables		136,958	78,549
Payables to group entities		266,373	604,521
Other payables		2,131,546	1,892,328
		<u>2,534,877</u>	<u>2,575,398</u>
<b>Total liabilities other than provisions</b>		<u>2,534,877</u>	<u>2,575,398</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>3,339,178</u>	<u>3,182,770</u>
Contingent assets, liabilities and other financial obligations			
	4		
Related parties disclosures			
	5		

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Eberspächer Danmark ApS for 2016 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

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

#### 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.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

Income from the sale of goods, comprising the sale of car heaters and related components, is recognised in the income statement when delivery and transfer of risk to the buyer have taken place and provided that the income can be reliably measured and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms © 2010.

Revenue is measured at fair value of the agreed remuneration excluding VAT and taxes charged on behalf of third parties. All forms of discounts granted are recognised from revenue.

##### Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

##### Other external costs

Other external costs comprise costs for distribution, sales, advertising, administration, premises, losses on debtors, operating leases, etc.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Gross profit

With reference to Section 32 of the Danish Financial Statements Act, the income statement items revenue, other operating income and other external costs have been combined to the item gross profit.

##### 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 income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax on profit/loss

Tax for the year comprises current corporation 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.

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that an individual receivable has been impaired.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash which are subject to only an insignificant risk of changes in value.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

### Equity

#### *Dividends*

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend 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 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. 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 or equity, respectively.

#### **Other liabilities**

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

## Financial statements 1 January – 31 December

### Notes

#### 2 Staff costs

DKK	2016	2015
Wages and salaries	2,825,258	2,499,065
Pensions	314,642	254,832
Other social security costs	31,214	32,067
Other staff costs	18,580	33,168
	<u>3,189,694</u>	<u>2,819,132</u>
Average number of full-time employees	<u>5</u>	<u>5</u>

#### 3 Equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2016	127,000	480,372	607,372
Profit for the year	0	196,929	196,929
Equity at 31 December 2016	<u>127,000</u>	<u>677,301</u>	<u>804,301</u>

The changes in the share capital for the past 5 years can be specified as follows:

	2016	2015	2014	2013	2012
Balance at 1 January	127,000	127,000	127,000	126,000	126,000
Cash capital increase	0	0	0	1,000	0
Balance at 31 December	<u>127,000</u>	<u>127,000</u>	<u>127,000</u>	<u>127,000</u>	<u>126,000</u>

The share capital consists of 127 shares of a nominal value of DKK 1,000 each.

All shares rank equally.

## Financial statements 1 January – 31 December

### Notes

#### 4 Contingent assets, liabilities and other financial obligations

##### Rent and operating lease obligations

At 31 December 2016, the Company had the following contractual obligations and contingencies:

Rent obligation, DKK 145,914 (2015: 153,540)

Operating lease obligations, DKK 390,390 (2015: 149,400)

Total obligations, DKK 536,304 (2015: 302,940).

The rent obligation relates to a six-month notice period. Maturities of lease obligations are 12 to 25 months from the balance sheet date.

#### 5 Related parties disclosures

Eberspächer AB owns 100% of the share capital.

The consolidated financial statements of Eberspächer Danmark ApS can be obtained at the following addresses:

Eberspächer Climate Control Systems GmbH & Co. KG (ultimate group)  
Eberspächerstrasse 24  
73730 Esslingen  
Germany

Eberspächer AB (smallest group)  
Kardavägen 34  
461 38 Trollhättan  
Sweden

Other related parties comprise other group companies and the Company's Management.