

# Baltic Industries & Consulting A/S

Birk Centerpark 40, Birk, DK - 7400 Herning

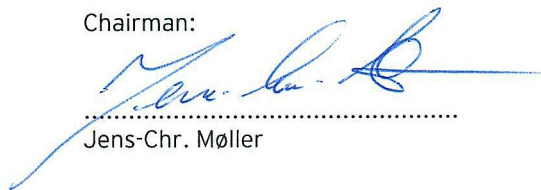
CVR no. 32 15 32 08



## Annual report 2015

Approved at the annual general meeting of shareholders on 30 March 2016

Chairman:



.....  
Jens-Chr. Møller

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## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditors' report on the financial statements	3
Company details	4
Financial statements for the period 1 January - 31 December	5
Income statement	5
Balance sheet	6
Statement of changes in equity	8
Notes	9

## 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 Baltic Industries & Consulting A/S 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 the Company's operations for the financial year 1 January - 31 December 2015.

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

Herning, 30 March 2016

Executive Board:

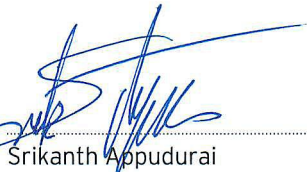


Jens-Chr. Møller

Board of Directors:



Lucja Kalkstein  
Chairman



Srikanth Appudurai



Jens-Chr. Møller

## Independent auditors' report on the financial statements

### To the shareholders of Baltic Industries & Consulting A/S

We have audited the financial statements of Baltic Industries & Consulting A/S for the financial year 1 January - 31 December 2015, which comprise an 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.

### *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. Further, Management is responsible for such internal control as it 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 according to Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 an 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. The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by Management as well as 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 audit 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.

Herning, 30 March 2016  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR No. 30 70 02 28



Niels J. Jørgensen  
state authorised public accountant



## Management's review

Name	Baltic Industries & Consulting A/S
Address, Postal code, City	Birk Centerpark 40, Birk, DK - 7400 Herning
CVR No.	32 15 32 08
Established	18 May 2009
Registered office	Herning
Financial year	1 January - 31 December
Board of Directors	Lucja Kalkstein, Chairman Srikanth Appudurai Jens-Chr. Møller
Executive Board	Jens-Chr. Møller
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Industrivej Nord 9, P O Box 360, 7400 Herning, Denmark

## Financial statements for the period 1 January - 31 December

### Income statement

Notes	DKK	2015	2014
	<b>Gross profit</b>	2,493,726	3,229,718
3	Staff costs	-1,969,554	-2,052,924
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-39,810	-66,953
	Other operating expenses	-148,342	-869,450
	<b>Operating profit</b>	336,020	240,391
	Financial income	12	469
4	Financial expenses	-42,025	-59,475
	<b>Profit before tax</b>	294,007	181,385
5	Tax for the year	-82,459	-44,390
	<b>Profit for the year</b>	211,548	136,995
	<b>Proposed profit appropriation</b>		
	Retained earnings	211,548	136,995
		211,548	136,995



## Financial statements for the period 1 January - 31 December

### Balance sheet

Notes	DKK	2015	2014
	<b>ASSETS</b>		
	Non-current assets		
6	Intangible assets		
	Acquired intangible assets	0	16,000
		0	16,000
7	Property, plant and equipment		
	Land and buildings	1,782,000	1,788,000
	Other fixtures and fittings, tools and equipment	44,340	92,484
		1,826,340	1,880,484
	<b>Total non-current assets</b>	1,826,340	1,896,484
	<b>Current assets</b>		
	Inventories		
	Finished goods and goods for resale	0	280,975
		0	280,975
	Receivables		
	Trade receivables	88,357	1,019,682
	Work in progress for third parties	0	91,000
	Deferred tax assets	53,636	52,781
	Other receivables	108,166	450,205
	Deferred income	17,810	66,335
		267,969	1,680,003
	Cash	770,379	37,500
	<b>Total current assets</b>	1,038,348	1,998,478
	<b>TOTAL ASSETS</b>	2,864,688	3,894,962

## Financial statements for the period 1 January - 31 December

### Balance sheet

Notes	DKK	2015	2014
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
8	Share capital	500,000	500,000
	Retained earnings	861,133	649,585
	<b>Total equity</b>	<u>1,361,133</u>	<u>1,149,585</u>
	<b>Liabilities other than provisions</b>		
9	<b>Non-current liabilities other than provisions</b>		
	Mortgage debt	967,630	1,005,241
		<u>967,630</u>	<u>1,005,241</u>
	<b>Current liabilities other than provisions</b>		
9	Current portion of long-term liabilities	37,000	36,500
	Bank debt	0	178,337
	Payables to group entities	25,412	1,000,983
	Income taxes payable	83,314	25,412
	Other payables	390,199	498,904
		<u>535,925</u>	<u>1,740,136</u>
	<b>Total liabilities other than provisions</b>	<u>1,503,555</u>	<u>2,745,377</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>2,864,688</u></u>	<u><u>3,894,962</u></u>

- 1 Accounting policies
- 2 The Company's principal activities
- 10 Collateral
- 11 Contractual obligations and contingencies, etc.
- 12 Related parties



## Financial statements for the period 1 January - 31 December

### Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2015	500,000	649,585	1,149,585
Profit/loss for the year	0	211,548	211,548
Equity at 31 December 2015	<u>500,000</u>	<u>861,133</u>	<u>1,361,133</u>

## Financial statements for the period 1 January - 31 December

### Notes

#### 1 Accounting policies

The annual report of Baltic Industries & Consulting A/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The accounting policies applied by the company are consistent with those of last year.

#### 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 at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and 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 at 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 for resale and finished goods, is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

#### Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

#### Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of fixed assets.

#### Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

#### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

## Financial statements for the period 1 January - 31 December

### Notes

#### 1 Accounting policies - continued

##### **Amortisation/depreciation and impairment of intangible assets and property, plant and equipment**

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

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

Buildings	50 years
Other fixtures and fittings, tools and equipment	3-5 years

##### **Financial income and expenses**

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### **Tax**

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

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**

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

Gains and losses on the sale of intangible assets are recognised in the income statement under 'Other operating income' or 'Other operating expenses', respectively. Gains and losses are calculated by reference to the difference between the selling price less selling expenses and the carrying amount at the time of sale.

###### **Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.



## Financial statements for the period 1 January - 31 December

### Notes

#### 1 Accounting policies - continued

Gains or losses are made up as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating costs.

#### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct labour and direct production overheads. Indirect production overheads and borrowing costs are not included in the cost.

#### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

#### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

## Financial statements for the period 1 January - 31 December

### Notes

#### 2 The Company's principal activities

The Company's principal activities are production and consulting within building and industry also including related activities.

DKK	2015	2014
<b>3 Staff costs</b>		
Wages/salaries	1,777,710	1,866,951
Pensions	150,160	138,386
Other social security costs	41,684	47,587
	1,969,554	2,052,924
<b>4 Financial expenses</b>		
Interest expenses, group entities	29,125	39,928
Other financial expenses	12,900	19,547
	42,025	59,475
<b>5 Tax for the year</b>		
Estimated tax charge for the year	83,314	25,412
Deferred tax adjustments in the year	-855	18,978
	82,459	44,390
<b>6 Intangible assets</b>		
DKK		Acquired intangible assets
Cost at 1 January 2015		170,000
Cost at 31 December 2015		170,000
Impairment losses and amortisation at 1 January 2015		154,000
Amortisation/depreciation in the year		16,000
Impairment losses and amortisation at		170,000
Carrying amount at 31 December 2015		0

## Financial statements for the period 1 January - 31 December

### Notes

#### 7 Property, plant and equipment

DKK	Land and buildings	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2015	1,900,000	309,505	2,209,505
Disposals in the year	0	-65,000	-65,000
Cost at 31 December 2015	1,900,000	244,505	2,144,505
Impairment losses and depreciation at 1 January 2015	112,000	217,021	329,021
Amortisation/depreciation in the year	6,000	17,810	23,810
Reversal of amortisation/depreciation and impairment of disposals	0	-34,666	-34,666
Impairment losses and depreciation at 31 December 2015	118,000	200,165	318,165
<b>Carrying amount at 31 December 2015</b>	<b>1,782,000</b>	<b>44,340</b>	<b>1,826,340</b>

DKK 2015

#### 8 Share capital

The share capital consists of the following:

500,000 shares of DKK 1.00 each	500,000
	500,000

The Company's share capital has remained DKK 500,000 over the past 5 years.

#### 9 Long-term liabilities

Of the long-term liabilities, DKK'000 820 falls due for payment after more than 5 years after the balance sheet date.

#### 10 Collateral

As security for the Company's debt to banks, creditors and other suppliers, the Company has placed assets or other as security, worth a total of DKK'000 1,004. The total carrying amount of the assets having been put us as security is DKK'000 1,782.



## Financial statements for the period 1 January - 31 December

### Notes

#### 11 Contractual obligations and contingencies, etc.

##### Contingent liabilities

Guarantee commitments consist of a guarantee provided in respect of bank commitments in BIC Electric Sp. z o.o.

##### Other contingent liabilities

The Company is jointly taxed with its parent, Jens-Chr. Møller Holding ApS, CVR no. 30 52 97 07, which acts as management company, and is jointly and severally with other jointly taxed group entities for payment of income taxes for the income year. The jointly taxed group entities total known liability to the Central Tax Administration appear in the management company's financial statement.

##### Other financial obligations

The Company has agreed to operational leasing agreements for the following amount:

Remaining contract period is 11 months with an average monthly payment of DKK'000 8 and a total of DKK'000 92.

#### 12 Related parties

Baltic Industries & Consulting A/S' related parties comprise the following:

##### Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Jens-Chr. Møller Holding ApS	Birk Centerpark 40, 7400 Herning	Participating interest

##### Ownership

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

<u>Name</u>	<u>Domicile</u>
Jens-Chr. Møller Holding ApS	Birk Centerpark 40, 7400 Herning
Lucja Kalkstein	Ul. Gorlicka 15, 71-042 Szczecin, Polen