

Reima Danmark ApS

Aldersrogade 8

DK-2100 Copenhagen

CVR no. 32892531

Annual Report 2016

Chairman



**Anders Albæk Solem**

Approved at the Company's Annual General Meeting on 24 April 2017

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## MANAGEMENT'S REPORT

The Executive Board and Management have today discussed and approved the Annual Report of REIMA DANMARK ApS for the financial year 1 January 2016 – 31 December 2016.

The Annual report has been prepared in accordance with the Danish Financial Statement Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the Company's operation for the financial year 1 January 2016 – 31 December 2016.

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 is approved at the Annual General Meeting.

Vantaa, 24 March 2017

Management



Jani Koskinen

Executive Board



Elina Björklund

Reima Danmark ApS

## **INDEPENDENT AUDITORS' REPORT**

To the shareholders of Reima Danmark ApS

### **Opinion**

We have audited the financial statements of REIMA DANMARK ApS for the financial year 1 January 2016 – 31 December 2016, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. 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 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.

**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 financial statement 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.

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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 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.

Copenhagen, 24 March, 2017

KPMG

Statsautoriseret Revisionspartnerselskab

Reima Danmark ApS

CVR no. 25 57 81 98

Klaus Rytz

State Authorised

Public Accountant

Reima Danmark ApS

## COMPANY INFORMATION

Company name	REIMA DANMARK ApS
CVR no.	32892531
Address	Aldersrogade 8 DK-2100 Copenhagen
Management	Jani Koskinen
Executive board	Elina Björklund
Auditors	KPMG P/S Statsautoriseret Revisionspartnerselskab Dampfaergevej 28 DK-2100 Copenhagen CVR: 25578198
Annual General Meeting	24 March 2017
Ownership control	Reima Oy Jämin tie 14 FI-38700 Kankaanpää Finland

The company's financial statements are recognized in the consolidated financial statements for Reima Oy (largest group). The consolidated financial statements can be obtained by request to the group.



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## **MANAGEMENT'S REVIEW**

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

The principal activity of the company is seeking sales opportunities and selling products for the parents company.

### **Development in activities and financial matters**

The Company's financial position and the result of the year will be shown in the following income statement of the financial year 1 January – 31 December 2016 and the balance sheet as per 31 December 2016.

The result for the year shows a profit of DKK 194.370. The Management considers the result satisfactory.

### **Subsequent events**

No significant events have occurred after the balance sheet date, which could have influence on the evaluation of the Annual Report.

### **Future prospects**

The company expects a profit for the coming year.

## ACCOUNTING PRINCIPLES APPLIED

The Annual Report of the Company has been prepared in accordance with the provisions of the Danish Financial Statement Act for Class B companies.

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, unlisted equity investments are measured at cost. Previously, these were measured at fair value. Pursuant to the transition provisions, the recognised fair value in the annual report for 2015 is considered deemed cost of the equity investments. Comparative figures for the income statement and balance sheet have not been restated.

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

The most significant elements of the accounting principles are described below. The accounting principles were applied consistently with the principles of prior year's financial reporting.

### **Recognitions and measurement**

Revenue is recognized in the income statement as it is earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized costs are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, write downs and provisions.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that the future economic benefits will flow from the Company and the value of the liability can be measured reliably.

Shares are recognized at cost.

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On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each individual item below.

Certain financial assets and liabilities are measured at cost, thus recognizing a constant effective interest over the term. Amortized cost is computed as original cost less deductions, if any, as well as additions/deductions of the accumulated amortization of the difference between cost and nominal value.

When recognizing and measuring assets and liabilities, any gains, losses and risks occurred prior to the presentation of the Annual Report will be considered and evidence of such conditions existing at the balance sheet date will be taken into account.

### **Foreign currency translation**

Transactions denominated in foreign currencies are translated at the exchange rates at the date of the transaction.

Receivables, liabilities and other items in foreign currencies which have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date.

Realized and unrealized exchange rate adjustments are included in the income statement as financial income/expenses.

### **Income statement**

#### **Revenue**

Income comprises services rendered to the parent company.

#### **Other external expenses**

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

#### **Staff expenses**

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Staff expenses include wages and salaries, incl. vacation pay and pensions and other social security costs, etc. of its employees. The staff expenses are deducted from payments received from public authorities.

### **Gross profit/Gross loss**

With reference to section 32 of the Danish Financial Statements Act, the items from "Revenue" to and including "Other external expenses" are consolidated into one stated as Gross profit/Gross loss.

### **Financial items**

Financial income and expense and similar items are recognized in the income statement with the amounts relating to the reporting period. Net financials include interest income and expense and realized and unrealized exchange rate gains and losses on foreign currency transactions.

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

Tax for the year consists of current tax for the year and deferred tax for the year. The tax relating to the profit for the year is recognized in the income statement, whereas tax related to equity transactions is recognized directly in equity.

## **Balance sheet**

### **Financial fixed assets**

#### **Shares**

Investments are measured at cost less accumulated amortization and impairment losses.

#### **Receivables**

Receivables are measured at amortized cost. Write-downs for bad debt are based on individual assessment of receivables.

#### **Prepayments**

Prepayments comprise costs incurred concerning subsequent financial years.

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**Tax assets, receivables and liabilities**

Current tax liabilities and outstanding current tax are recognized in the balance sheet as computed tax on the taxable income for the year adjusted for tax on previous years' taxable income as well as for tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between accounting and tax values of assets and liabilities. In cases, e.g. regarding share where computation of the tax values can be made according to alternative tax rules, deferred tax is measured either on basis of the planned use of the asset or on settlement of the liability.

Deferred tax assets, including the tax value of the tax loss carry forwards, are measured at expected realizable value, either by payment of tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity. Deferred net tax assets, if any, are measured at net realizable value.

Deferred tax is measured on basis of the tax rules and tax rates ruling at balance sheet date, when the deferred tax is expected to become current tax. Changes in deferred tax because of changes in tax rates are recognized in the income statement. On the basis of the assessment made by the management in regards to realization of the Company's assets a tax rate of 22% has been applied then calculating deferred tax. When calculating tax on a net profit for the year the current tax rate of 22% has been applied.

**Liabilities**

Liabilities are measured at amortized cost equal to nominal value.

**INCOME STATEMENT FOR THE PERIOD 1 JANUARY – 31 DECEMBER**

	2016	2015
	DKK	DKK
<b>Gross profit</b>	<b>2.444.987</b>	<b>2.925.935</b>
Staff costs (note 1)	(2.111.173)	(2.659.652)
<b>Profit before financial items</b>	<b>333.814</b>	<b>266.283</b>
Financial income	0	11.701
Financial expenses	(83.014)	(30.642)
<b>Profit before tax</b>	<b>250.800</b>	<b>247.342</b>
Tax on net profit/loss for the year	(56.430)	(63.583)
<b>Net profit for the year</b>	<b>194.370</b>	<b>183.759</b>

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**PROPOSED DISTRIBUTION OF PROFIT/LOSS**

	2016	2015
	DKK	DKK
<b>Proposed distribution of profit/loss</b>		
Retained earnings	194.370	183.759
Total distribution	<u>194.370</u>	<u>183.759</u>

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**BALANCE 31 DECEMBER**

<b>ASSETS</b>	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
Shares	1.867	1.867
Long-term financial asset	61.236	0
<b>Total financial assets</b>	<b>63.103</b>	<b>1.867</b>
<b>Total fixed assets</b>	<b>63.103</b>	<b>1.867</b>
Trade receivables, intercompany	1.708.165	1.404.523
Deferred tax assets	6.738	8.984
Other receivables	179.256	311.403
<b>Total receivables</b>	<b>1.894.159</b>	<b>1.724.910</b>
Cash and cash equivalents	445.572	196.131
<b>Total cash and cash equivalents</b>	<b>445.572</b>	<b>196.131</b>
<b>Total current assets</b>	<b>2.339.731</b>	<b>1.921.041</b>
<b>Total assets</b>	<b>2.402.834</b>	<b>1.922.908</b>



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<b>EQUITY AND LIABILITIES</b>	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
Share capital	80.000	80.000
Retained earnings/losses (note 2)	1.307.662	1.113.292
<b>Total shareholders' equity</b>	<b>1.387.662</b>	<b>1.193.292</b>
Trade payables, intercompany	432.736	182.112
Trade payables, 3 <sup>rd</sup> party	157.605	0
Other payables	419.239	530.916
Income taxes	5.592	16.588
<b>Total short-term liabilities</b>	<b>1.015.172</b>	<b>729.616</b>
<b>Total liabilities</b>	<b>1.015.172</b>	<b>729.616</b>
<b>Total liabilities and shareholders's equity</b>	<b>2.402.834</b>	<b>1.922.908</b>

Contractual obligations and contingencies, etc. (note 3)

**NOTES TO THE FINANCIAL STATEMENTS**

<b>1 Staff costs</b>	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
Salaries and wages	2.088.226	2.641.571
Other social security cost	22.947	45.081
<b>Staff costs total</b>	<b>2.111.173</b>	<b>2.659.652</b>

Number of employees 2016: 4. Number of employees 2015: 5.

<b>2 Shareholders' equity</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>
Balance 1 January 2016	80.000	1.113.292	1.193.292
Result of the year	0	194.370	194.370
<b>Shareholders' equity total</b>	<b>80.000</b>	<b>1.307.662</b>	<b>1.387.662</b>

The capital comprises 80 shares of DKK 1.000 each. There have not been changes to the share capital in the previous 5 years.

**3 Contractual obligations and contingencies, etc.**

The company has an obligation regarding lease of cars and equipment regarding TDKK 216 (2015: TDKK 160).

The company has a rent obligation regarding TDKK 306 (2015: TDKK 175).