

d line A/S
Central Business Registration No
32948367
Roholmsvej 12F
2620 Albertslund

Annual report 2015

The Annual General Meeting adopted the annual report on 29.04.2016

Chairman of the General Meeting

Name: Morten Balsby

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Entity details

Entity

d line A/S
Roholmsvej 12F
2620 Albertslund

Central Business Registration No: 32948367

Registered in: Glostrup, Denmark

Financial year: 01.01.2015 - 31.12.2015

Phone: +4572170138

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Internet: www.dline.com

Board of Directors

Morten Balsby, Chairman

Stefan Ehrlich-Adam

Martin Meesenburg

Frederik Petersen

Hans Christian Petersen

Executive Board

Hans Christian Petersen

Bank

Sydbank A/S
Grevestrandvej 3-5
2670 Greve

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of d line A/S for the financial year 01.01.2015 - 31.12.2015.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations and cash flows for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Albertslund, 29.04.2016

Executive Board

Hans Christian Petersen

Board of Directors

Morten Balsby
Chairman

Stefan Ehrlich-Adam

Martin Meesenburg

Frederik Petersen

Hans Christian Petersen

Independent auditor's reports

To the owners of d line A/S

Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of d line A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent 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 about whether consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent 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 entity'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 the overall presentation of the consolidated financial statements and parent 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 consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2015, and of the results of their operations and the Group's cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Copenhagen, 29.04.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Sumit Sudan

State-Authorised Public Accountant

CVR-nr. 33963556

Management commentary

	2015	2014	2013	2012	2011
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial high-lights					
Key figures					
Revenue	58.844	54.874	58.705	60.205	61.804
Gross profit/loss	19.266	13.504	10.211	16.046	23.972
Operating profit/loss	552	(4.650)	(12.484)	(5.509)	2.900
Net financials	(474)	(746)	(22)	(22)	(56)
Profit/loss for the year	(214)	(4.752)	(10.361)	(3.908)	2.415
Total assets	55.327	46.748	52.268	60.872	56.364
Investments in property, plant and equipment	468	144	1.143	1.757	2.702
Equity	25.397	25.787	30.343	40.904	44.667
Cash flows from (used in) operating activities	3.977	(1.592)	(3.429)	(6.824)	2.242
Cash flows from (used in) investing activities	(212)	(303)	(1.699)	(2.763)	(4.267)
Cash flows from (used in) financing activities	0	196	2.350	145	(3.725)
Employees in average	77	70	70	84	56
Ratios					
Gross margin (%)	32,7	24,6	17,4	26,7	38,8
Return on equity (%)	(0,8)	(16,9)	(29,1)	(9,1)	5,4
Solvency Ratio (%)	45,9	55,2	58,1	67,2	79,2

Gross profit/loss has not previously included other external expenses. In 2015, this has been amended, and the Gross profit/loss for the years 2011 to 2014 have been restated accordingly.

Management commentary

Primary activities

d line is the innovative design leader of architectural hardware since 1971 and was founded on Knud Holscher's strong design philosophy. Based on 45 years of Danish design legacy, d line today offers solutions regarding hardware and sanitary product designs sold world-wide.

The main activity of d line is to market high-end and high-quality stainless steel products to the building industry.

Development in activities and finances

For 2015, d line experienced a profit of DKK 0.1 million before tax (2014: loss of DKK 5.4 million) and thus the result before tax has improved by DKK 5.5 million compared to 2014. The main factors influencing the result are the following:

- A major part of the production was moved from vendors to d line's factory in Lithuania contributing positively to the result for the year
- Acquisition of d line's main distributor in the UK in October 2015 contributing positively to results. This distributor was acquired on 30 of October 2015 by acquiring all of the shares in Eisenware Holdings Ltd. Group.
- A much more competent organisation, doing a much better job all together.

Equity amounts to DKK 25.4 million at 31 December 2015.

d line has in 2015 improved its results compared to 2014, but they were not satisfactory compared to what was expected for 2015.

Capital resources

Cash amounts to DKK 3.7 million at 31 December 2015. In addition, d line has an overdraft facility at Sydbank and furthermore loans from shareholders. These loan facilities combined with the cash on hand are expected to be sufficient to cover d line's capital requirements for the coming year.

Outlook

In 2015, a new strategy was prepared and implemented with effect from January 2016 with focus on 6 main sales regions Nordic, Europe, the UK, the Middle East, Asia and the US. Part of this strategy is also to introduce new products to the market in the second half of 2016. Furthermore, the strategy is to focus on d line's high-quality and on-delivery performance as these items are key to d line's customers.

d line expects a positive development in 2016 with higher sales and positive results.

Management commentary

Particular risks

Market risks

The Company is operating world-wide, however, the main markets are within Europe. Each market is evaluated individually.

Currency risk

As mentioned above, the main markets are within Europe. The majority of these markets are exposed to EUR or DKK except for the USA, Singapore and the UK as these markets are exposed to USD, SGD and GBP, respectively.

In relation to purchases, the main vendors are paid in EUR, DKK and some overseas vendors are paid in USD. d line does not have any currency hedging as its currency risk is assessed as being at an acceptable level.

Interest risk

The debt to the bank is a floating rate. Consequently, the Company has a significant interest rate risk. The shareholder loan is at fixed rate.

Credit risk

Each market and customer are evaluated individually and many of d line's customers are customers with whom d line has traded with for many years. Only customers with a positive payment history are allowed credit. All other customers must make a full or partial prepayment when they place an order.

The credit risk is assessed to be at an acceptable level.

Environmental performance

d line's products are of high quality made from non-corrosive rust resistant stainless steel (AISI316). The AISI316 stainless steel gives the products maximum durability. Furthermore, d line products are made of up to 70% recycled steel, and waste material is recycled.

Events after the balance sheet date

The company has in March 2016 invested further DKK 0.5 million in Friday Labs Limited.

No other events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to the consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when the Entity 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 Entity, 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 costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Accounting policies

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. 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 one 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. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

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

Balance sheet

Goodwill

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straightline basis over its useful life, which is assessed at 10-20 years. Useful life are based on an individual assessment of the nature and impact of the acquisition.

Accounting policies

Intellectual property rights etc

Intellectual property rights etc comprise patents, licences (software) and development projects.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however, not exceeding 5 years.

Development projects are measured at the lower of cost less accumulated amortisation and recoverable amount. Development projects are amortised over 5 - 8 years. The useful life are based on an individual assessment of impact and usefulness of the development projects in the d line product line.

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	25 years
Other fixtures and fittings, tools and equipment	3-8 years
Leasehold improvements	10 years

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Accounting policies

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is 10-20 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Other investments

Other investments comprise unlisted securities which are measured at cost.

Other investments are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

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

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Accounting policies

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash and short-term bank loans.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios

Calculation formula

Ratios reflect

Gross margin (%)

$$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

The Entity's operating gearing.

Accounting policies

Return on equity (%)

$$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$$

The Entity's return on capital invested in the Entity by the owners.

Solvency Ratio (%)

$$\frac{\text{Equity} \times 100}{\text{Total assets}}$$

The financial strenght of the Entity.

Consolidated income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Revenue		58.844	54.874
Cost of sales		(30.332)	(31.969)
Other external expenses		<u>(9.246)</u>	<u>(9.401)</u>
Gross profit/loss		19.266	13.504
Staff costs	1	(16.354)	(15.713)
Depreciation, amortisation and impairment losses	2	<u>(2.360)</u>	<u>(2.441)</u>
Operating profit/loss		552	(4.650)
Other financial income	3	608	300
Other financial expenses	4	<u>(1.082)</u>	<u>(1.046)</u>
Profit/loss from ordinary activities before tax		78	(5.396)
Tax on profit/loss from ordinary activities	5	<u>(292)</u>	<u>644</u>
Profit/loss for the year		<u>(214)</u>	<u>(4.752)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(214)</u>	<u>(4.752)</u>
		<u>(214)</u>	<u>(4.752)</u>

Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Completed development projects		173	228
Acquired patents		120	204
Acquired licences		177	290
Goodwill		<u>10.687</u>	<u>4.061</u>
Intangible assets	6	<u>11.157</u>	<u>4.783</u>
Land and buildings		244	256
Other fixtures and fittings, tools and equipment		3.456	4.391
Leasehold improvements		<u>345</u>	<u>405</u>
Property, plant and equipment	7	<u>4.045</u>	<u>5.052</u>
Other investments		494	258
Deposits		<u>551</u>	<u>537</u>
Fixed asset investments	8	<u>1.045</u>	<u>795</u>
Fixed assets		<u>16.247</u>	<u>10.630</u>
Raw materials and consumables		7.821	7.875
Manufactured goods and goods for resale		12.453	13.641
Prepayments for goods		<u>345</u>	<u>0</u>
Inventories		<u>20.619</u>	<u>21.516</u>
Trade receivables		10.031	8.736
Deferred tax assets		3.607	4.112
Other short-term receivables		221	353
Prepayments		<u>927</u>	<u>442</u>
Receivables	9	<u>14.786</u>	<u>13.643</u>
Cash		<u>3.675</u>	<u>959</u>
Current assets		<u>39.080</u>	<u>36.118</u>
Assets		<u>55.327</u>	<u>46.748</u>

Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital		10.000	10.000
Share premium		31.000	31.000
Retained earnings		<u>(15.603)</u>	<u>(15.213)</u>
Equity		<u>25.397</u>	<u>25.787</u>
Payables to shareholders and management		2.550	0
Other payables		<u>5.585</u>	<u>0</u>
Non-current liabilities other than provisions	10	<u>8.135</u>	<u>0</u>
Current portion of long-term liabilities other than provisions	10	3.126	0
Bank loans		8.137	9.186
Trade payables		5.240	5.506
Payables to shareholders and management		0	2.550
Income tax payable		248	0
Other payables	11	<u>5.044</u>	<u>3.719</u>
Current liabilities other than provisions		<u>21.795</u>	<u>20.961</u>
Liabilities other than provisions		<u>29.930</u>	<u>20.961</u>
Equity and liabilities		<u><u>55.327</u></u>	<u><u>46.748</u></u>
Unrecognised rental and lease commitments	13		
Mortgages and securities	14		

Consolidated statement of changes in equity for 2015

	<u>Contributed capital DKK'000</u>	<u>Share pre- mium DKK'000</u>	<u>Retained earnings DKK'000</u>	<u>Total DKK'000</u>
Equity beginning of year	10.000	31.000	(15.213)	25.787
Exchange rate adjustments	0	0	(176)	(176)
Profit/loss for the year	<u>0</u>	<u>0</u>	<u>(214)</u>	<u>(214)</u>
Equity end of year	<u>10.000</u>	<u>31.000</u>	<u>(15.603)</u>	<u>25.397</u>

The share capital consists of 10.000 shares of a nominal value of DKK'000 1. No shares carry special rights.

The share premium account is not subject to any dividend restrictions.

There has been no changes in the contributed capital in the past 5 years.

Consolidated cash flow statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Operating profit/loss		552	(4.650)
Amortisation, depreciation and impairment losses		2.360	2.440
Working capital changes	12	<u>1.105</u>	<u>1.536</u>
Cash flow from ordinary operating activities		4.017	(674)
Financial income received		608	300
Financial income paid		(960)	(1.047)
Income taxes refunded/(paid)		<u>312</u>	<u>(171)</u>
Cash flows from operating activities		3.977	(1.592)
Acquisition etc of intangible assets		(77)	0
Acquisition etc of property, plant and equipment		(354)	(144)
Sale of property, plant and equipment		30	0
Acquisition of fixed asset investments		(270)	(188)
Sale of fixed asset investments		0	29
Acquisition of enterprises		<u>459</u>	<u>0</u>
Cash flows from investing activities		(212)	(303)
Other cash flows from financing activities		<u>0</u>	<u>196</u>
Cash flows from financing activities		0	196
Increase/decrease in cash and cash equivalents		3.765	(1.699)
Cash and cash equivalents beginning of year		<u>(8.227)</u>	<u>(6.528)</u>
Cash and cash equivalents end of year		<u>(4.462)</u>	<u>(8.227)</u>
Cash and cash equivalents at year-end are composed of:			
Cash		3.675	959
Short-term debt to banks		<u>(8.137)</u>	<u>(9.186)</u>
Cash and cash equivalents end of year		<u>(4.462)</u>	<u>(8.227)</u>

Notes to consolidated financial statements

	2015	2014
	DKK'000	DKK'000
1. Staff costs		
Wages and salaries	18.466	17.804
Pension costs	863	744
Other social security costs	192	118
Other staff costs	772	630
Staff costs classified as assets	(3.939)	(3.583)
	16.354	15.713
Average number of employees	77	70
	Remune- ration of manage- ment 2015 DKK'000	Remune- ration of manage- ment 2014 DKK'000
Total amount for management categories	184	1.358
	184	1.358
	2015	2014
	DKK'000	DKK'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	964	912
Depreciation of property, plant and equipment	1.426	1.529
Profit/loss from sale of intangible assets and property, plant and equipment	(30)	0
	2.360	2.441
	2015	2014
	DKK'000	DKK'000
3. Other financial income		
Interest income	12	2
Exchange rate adjustments	596	298
	608	300

Notes to consolidated financial statements

	2015 DKK'000	2014 DKK'000
4. Other financial expenses		
Exchange rate adjustments	576	340
Other financial expenses	506	706
	1.082	1.046

	2015 DKK'000	2014 DKK'000
5. Tax on profit/loss from ordinary activities		
Tax on current year taxable income	66	248
Change in deferred tax for the year	76	(892)
Adjustment concerning previous years	94	0
Effect of changed tax rates	56	0
	292	(644)

	Completed develop- ment pro- jects DKK'000	Acquired patents DKK'000	Acquired licences DKK'000	Goodwill DKK'000
6. Intangible assets				
Cost beginning of year	338	423	2.546	6.638
Additions	0	0	77	7.261
Cost end of year	338	423	2.623	13.899
Amortisation and impairment losses beginning of year	(110)	(219)	(2.256)	(2.577)
Amortisation for the year	(55)	(84)	(190)	(635)
Amortisation and impairment losses end of year	(165)	(303)	(2.446)	(3.212)
Carrying amount end of year	173	120	177	10.687

Notes to consolidated financial statements

	Land and buildings DKK'000	Other fix- tures and fittings, tools and equipment DKK'000	Leasehold improve- ments DKK'000
7. Property, plant and equipment			
Cost beginning of year	300	11.606	594
Additions	0	468	0
Disposals	0	(150)	0
Cost end of year	300	11.924	594
Depreciation and impairment losses beginning of the year	(44)	(7.215)	(189)
Depreciation for the year	(12)	(1.354)	(60)
Reversal regarding disposals	0	101	0
Depreciation and impairment losses end of the year	(56)	(8.468)	(249)
Carrying amount end of year	244	3.456	345

	Other invest- ments DKK'000	Deposits DKK'000
8. Fixed asset investments		
Cost beginning of year	258	537
Additions	236	34
Disposals	0	(20)
Cost end of year	494	551
Carrying amount end of year	494	551

9. Prepayments

Prepayment comprise prepayments made for rent, insurance, travelling expenses, etc, that do not relate to the period.

Notes to consolidated financial statements

	Instal- ments within 12 months 2015 DKK'000	Instal- ments bey- ond 12 months 2015 DKK'000
10. Long-term liabilities other than provisions		
Payables to shareholders and management	0	2.550
Other payables	3.126	5.585
	3.126	8.135

There are no installments due past 5 years.

During 2015, interest expense on payables to shareholders and management amounts to DKK'000 127.

Other payables comprise deferred consideration in connection with the acquisition of the Eisenware Group in 2015.

	2015 DKK'000	2014 DKK'000
11. Other short-term payables		
VAT and duties	51	(88)
Wages and salaries, personal income taxes, social security costs, etc payable	11	13
Holiday pay obligation	1.024	1.256
Other costs payable	3.958	2.538
	5.044	3.719

	2015 DKK'000	2014 DKK'000
12. Change in working capital		
Increase/decrease in inventories	1.657	1.796
Increase/decrease in receivables	2.044	1.348
Increase/decrease in trade payables etc	(2.596)	(1.608)
	1.105	1.536

	2015 DKK'000	2014 DKK'000
13. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	3.194	3.818

14. Mortgages and securities

Notes to consolidated financial statements

	2015	2014
	DKK´000	DKK´000
The following assets have been placed as security with banks:		
Mortgage deeds registered to the mortgagor totalling DKK´000 10,000 providing security on simple claims, inventory, property, plant and equipment at a total carrying amount of:	<u>33.040</u>	<u>35.304</u>

Additional security:

The shares of the Eisenware Group have been placed as security towards the former owners until full payment has occurred.

Parent income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Revenue		51.081	49.668
Cost of sales		(28.963)	(30.571)
Other external expenses		<u>(6.125)</u>	<u>(7.310)</u>
Gross profit/loss		15.993	11.787
Staff costs	1	(13.657)	(14.004)
Depreciation, amortisation and impairment losses	2	<u>(1.994)</u>	<u>(2.218)</u>
Operating profit/loss		342	(4.435)
Income from investments in group enterprises		13	(350)
Other financial income	3	641	120
Other financial expenses	4	<u>(984)</u>	<u>(979)</u>
Profit/loss from ordinary activities before tax		12	(5.644)
Tax on profit/loss from ordinary activities	5	<u>(226)</u>	<u>892</u>
Profit/loss for the year		<u>(214)</u>	<u>(4.752)</u>
Proposed distribution of profit/loss			
Reserve for net revaluation according to the equity method		134	(350)
Retained earnings		<u>(348)</u>	<u>(4.402)</u>
		<u>(214)</u>	<u>(4.752)</u>

Parent balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>
Completed development projects		173	228
Acquired patents		121	204
Acquired licences		176	290
Goodwill		3.547	4.061
Intangible assets	6	<u>4.017</u>	<u>4.783</u>
Land and buildings		244	256
Other fixtures and fittings, tools and equipment		2.487	3.291
Leasehold improvements		345	405
Property, plant and equipment	7	<u>3.076</u>	<u>3.952</u>
Investments in group enterprises		12.320	2.853
Other investments		494	188
Deposits		517	537
Fixed asset investments	8	<u>13.331</u>	<u>3.578</u>
Fixed assets		<u>20.424</u>	<u>12.313</u>
Raw materials and consumables		7.693	7.875
Manufactured goods and goods for resale		10.991	12.567
Prepayments for goods		345	0
Inventories		<u>19.029</u>	<u>20.442</u>
Trade receivables		5.154	6.464
Receivables from group enterprises		1.702	474
Deferred tax assets		3.601	4.111
Other short-term receivables		22	32
Prepayments	9	597	324
Receivables		<u>11.076</u>	<u>11.405</u>
Cash		<u>17</u>	<u>398</u>
Current assets		<u>30.122</u>	<u>32.245</u>
Assets		<u><u>50.546</u></u>	<u><u>44.558</u></u>

Parent balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital		10.000	10.000
Share premium		31.000	31.000
Reserve for net revaluation according to the equity method		1.581	2.280
Retained earnings		<u>(17.184)</u>	<u>(17.493)</u>
Equity		<u>25.397</u>	<u>25.787</u>
Payables to shareholders and management		2.550	0
Other payables		<u>5.585</u>	<u>0</u>
Non-current liabilities other than provisions	10	<u>8.135</u>	<u>0</u>
Current portion of long-term liabilities other than provisions	10	3.126	0
Bank loans		8.137	9.186
Trade payables		2.641	3.884
Payables to shareholders and management		0	2.550
Other payables	11	<u>3.110</u>	<u>3.151</u>
Current liabilities other than provisions		<u>17.014</u>	<u>18.771</u>
Liabilities other than provisions		<u>25.149</u>	<u>18.771</u>
Equity and liabilities		<u>50.546</u>	<u>44.558</u>
Unrecognised rental and lease commitments	12		
Mortgages and securities	13		
Ownership	14		

Parent statement of changes in equity for 2015

	Contri- buted capi- tal DKK'000	Share premium DKK'000	Reserve for net revaluation according to the equi- ty method DKK'000	Retained earnings DKK'000
Equity beginning of year	10.000	31.000	2.084	(17.297)
Exchange rate adjustments	0	0	(176)	0
Distributed dividends from group enterpri- ses	0	0	(461)	461
Profit/loss for the year	0	0	134	(348)
Equity end of year	10.000	31.000	1.581	(17.184)
				Total DKK'000
Equity beginning of year				25.787
Exchange rate adjustments				(176)
Distributed dividends from group enterprises				0
Profit/loss for the year				(214)
Equity end of year				25.397

The share capital consists of 10.000 shares of a nominal value of DKK'000 1. No shares carry special rights.

The share premium account is not subject to any dividend restrictions.

There has been no changes in the contributed capital in the past 5 years.

Notes to parent financial statements

	2015 DKK'000	2014 DKK'000
1. Staff costs		
Wages and salaries	11.933	12.512
Pension costs	851	744
Other social security costs	101	119
Other staff costs	772	629
	13.657	14.004
Average number of employees	24	24
	Remune- ration of manage- ment 2015 DKK'000	Remune- ration of manage- ment 2014 DKK'000
Total amount for management categories	184	1.358
	184	1.358
	2015 DKK'000	2014 DKK'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	843	912
Depreciation of property, plant and equipment	1.181	1.306
Profit/loss from sale of intangible assets and property, plant and equipment	(30)	0
	1.994	2.218
	2015 DKK'000	2014 DKK'000
3. Other financial income		
Financial income arising from group enterprises	41	52
Interest income	4	2
Exchange rate adjustments	596	66
	641	120

Notes to parent financial statements

	2015 DKK'000	2014 DKK'000
4. Other financial expenses		
Exchange rate adjustments	437	340
Other financial expenses	547	639
	984	979

	2015 DKK'000	2014 DKK'000
5. Tax on profit/loss from ordinary activities		
Change in deferred tax for the year	76	(892)
Adjustment concerning previous years	94	0
Effect of changed tax rates	56	0
	226	(892)

	Completed develop- ment pro- jects DKK'000	Acquired patents DKK'000	Acquired licences DKK'000	Goodwill DKK'000
6. Intangible assets				
Cost beginning of year	338	423	2.541	6.638
Additions	0	0	77	0
Cost end of year	338	423	2.618	6.638
Amortisation and impairment losses beginning of year	(110)	(218)	(2.252)	(2.577)
Amortisation for the year	(55)	(84)	(190)	(514)
Amortisation and impairment losses end of year	(165)	(302)	(2.442)	(3.091)
Carrying amount end of year	173	121	176	3.547

Notes to parent financial statements

	Land and buildings DKK'000	Other fix- tures and fittings, tools and equipment DKK'000	Leasehold improve- ments DKK'000
7. Property, plant and equipment			
Cost beginning of year	300	9.845	594
Additions	0	354	0
Disposals	0	(150)	0
Cost end of year	300	10.049	594
Depreciation and impairment losses beginning of the year	(44)	(6.554)	(189)
Depreciation for the year	(12)	(1.109)	(60)
Reversal regarding disposals	0	101	0
Depreciation and impairment losses end of the year	(56)	(7.562)	(249)
Carrying amount end of year	244	2.487	345
	Investments in group enter- prises DKK'000	Other invest- ments DKK'000	Deposits DKK'000
8. Fixed asset investments			
Cost beginning of year	85	188	537
Additions	14.271	306	0
Disposals	(4.111)	0	(20)
Cost end of year	10.245	494	517
Revaluations beginning of year	2.223	0	0
Exchange rate adjustments	(176)	0	0
Amortisation of goodwill	(121)	0	0
Share of profit/loss for the year	134	0	0
Dividend	(461)	0	0
Investments with negative equity depreciated over receivables	476	0	0
Revaluations end of year	2.075	0	0
Carrying amount end of year	12.320	494	517

Of the carrying amount of investments in group enterprises, goodwill amounts to DKK'000 7.140 and relates to the acquisition of the Eisenware Group in 2015.

Notes to parent financial statements

	<u>Registered in</u>	<u>Equity inte- rest</u>	<u>Equity (local currency)</u>
Investments in group enterprises comprise:			
d line production u.a.b	Lithuania	100	11.000
d line asia pte ltd.	Singapore	100	2
Eisenware Holdings Limited	United Kingdom	100	53.002
Kontract Ironmongery Limited	United Kingdom	100	2

The investment in Eisenware Holdings Limited also comprises the subsidiary of Eisenware Holdings Limited, Eisenware Limited, a 100% owned subsidiary registered in the United Kingdom with equity of GBP'000 100.

9. Prepayments

Prepayment comprise prepayments made for rent, insurance, travelling expenses, etc, that do not relate to the period.

10. Long-term liabilities other than provisions

	Instal- ments within 12 months 2015 DKK'000	Instal- ments bey- ond 12 months 2015 DKK'000
Payables to shareholders and management	0	2.550
Other payables	<u>3.126</u>	<u>5.585</u>
	<u>3.126</u>	<u>8.135</u>

There are no installments due past 5 years.

During 2015, interest expense on payables to shareholder and management amounts to DKK'000 127.

Other payables comprise deferred consideration in connection with the acquisition of the Eisenware Group in 2015.

Notes to parent financial statements

	2015	2014
	<u>DKK'000</u>	<u>DKK'000</u>
11. Other short-term payables		
VAT and duties	51	(88)
Wages and salaries, personal income taxes, social security costs, etc payable	11	13
Holiday pay obligation	1.024	1.256
Other costs payable	2.024	1.970
	<u>3.110</u>	<u>3.151</u>

	2015	2014
	<u>DKK'000</u>	<u>DKK'000</u>
12. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	<u>3.194</u>	<u>3.818</u>

13. Mortgages and securities

	2015	2014
	<u>DKK'000</u>	<u>DKK'000</u>
The following assets have been placed as security with banks:		
Mortgage deeds registered to the mortgagor totalling DKK'000 10,000 providing security on simple claims, inventory, property, plant and equipment at a total carrying amount of:	<u>33.040</u>	<u>35.304</u>

Additional security:

The shares of the Eisenware Group have been placed as security towards the former owners until full payment has occurred.

Notes to parent financial statements

14. Ownership

The Company has registered the following shareholders to hold more than 5% of the voting share capital or of the nominal value of the share capital:

Meesenburg Export GmbH, Westeralle 162, 24941 Flensburg, Germany

2xPetersen Holding ApS, Arnakkegårds Alle 60, 4390 Vipperød, Denmark

EVVA Sicherheitstechnologie GmbH, Wienerbergsstrasse 59-65, 1120 Wien, Austria

Hans Christian Petersen, Arnakkegårds Alle 60, 4390 Vipperød, Denmark

Brdr. Balsby Holding ApS, Goldschmidtsvej 18, 2000 Frederiksberg, Denmark