

# Gazelle Denmark A/S

Baltorpbakken 14  
2750 Ballerup

CVR no. 33 88 59 97

## Annual report 2017

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

\_\_\_\_\_20\_\_\_\_\_

Huibrecht Willem Lamers  
chairman

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**Gazelle Denmark A/S**  
Annual report 2017  
CVR no. 33 88 59 97

## **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 Gazelle Denmark A/S for the financial year 1 January – 31 December 2017.

The annual report has been 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 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

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

Ballerup, 31 May 2018  
Executive Board:

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Henrik Hyldgaard Thomsen

Board of Directors:

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Huibrecht Willem Lamers  
Chairman

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Maarten Koen van der  
Weerd

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Fedde Dirk Widenbeest



## **The independent auditor's extended review report on the financial statements**

### **To the shareholder of Gazelle Denmark A/S**

We have performed an extended review of the financial statements of Gazelle Denmark A/S for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet 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 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.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the financial statements. We have performed our extended review in accordance with the Danish Business Authority's assurance standard for small entities and FSR – Danish Auditor's standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act.

This requires that we comply with the Danish Auditors Act and FSR – Danish Auditor's Code of Ethics and plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

An extended review comprises procedures primarily consisting of making enquiries of Management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on these financial statements.

### **Conclusion**

Based on the work performed, it is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

Copenhagen, 31 May 2018

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Martin Eiler  
State Authorised  
Public Accountant  
MNE no. 32271

**Gazelle Denmark A/S**  
Annual report 2017  
CVR no. 33 88 59 97

## Company details

Gazelle Denmark A/S  
Baltorpbakken 14  
2750 Ballerup

CVR no.:	33 88 59 97
Established:	12 September 2011
Registered office:	Ballerup
Financial year:	1 January – 31 December

## Board of Directors

Huibrecht Willem Lamers, Chairman  
Maarten Koen van der Weerd  
Fedde Dirk Wildenbeest

## Executive Board

Henrik Hyldgaard Thomsen

## Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfaergevej 28  
DK-2100 Copenhagen

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2017	2016
<b>Revenue</b>		27.778	25.624
Cost of sales		-23.162	-20.540
Other external costs		<u>-2.098</u>	<u>-2.789</u>
<b>Gross profit</b>		2.518	2.295
Staff costs	3	<u>-1.962</u>	<u>-1.759</u>
<b>Operating profit</b>		556	536
Financial expenses		<u>-71</u>	<u>-54</u>
<b>Profit before tax</b>		485	482
Tax on profit/loss for the year		<u>-107</u>	<u>-106</u>
<b>Profit for the year</b>		<u>378</u>	<u>376</u>
<b>Proposed profit appropriation</b>			
Retained earnings		<u>378</u>	<u>376</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2017	2016
<b>ASSETS</b>			
<b>Current assets</b>			
<b>Inventories</b>			
Finished goods and goods for resale		<u>227</u>	<u>145</u>
		<u>227</u>	<u>145</u>
<b>Receivables</b>			
Trade receivables		11.981	11.779
Receivables from group entities		<u>466</u>	<u>0</u>
		<u>12.447</u>	<u>11.779</u>
<b>Total current assets</b>		<u>12.674</u>	<u>11.924</u>
<b>TOTAL ASSETS</b>		<u><u>12.674</u></u>	<u><u>11.924</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2017	2016
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
	4		
Contributed capital		500	500
Retained earnings		1.670	1.292
<b>Total equity</b>		<u>2.170</u>	<u>1.792</u>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Trade payables		195	34
Debt to group companies		7.821	7.581
Corporation tax		107	106
Other payables		2.381	2.411
		<u>10.504</u>	<u>10.132</u>
<b>Total liabilities other than provisions</b>		<u>10.504</u>	<u>10.132</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>12.674</u>	<u>11.924</u>
<b>Contractual obligations, contingencies, etc.</b>	5		
<b>Related party disclosures</b>	6		



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Gazelle Denmark A/S for 2017 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 the preparation of the financial statements are consistent with those of last year.

#### Income statement

Revenue, costs of sales and other external costs have been aggregated as gross profit.

##### Revenue

Income from the sale of goods, which comprise the sale of bicycles, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

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

##### Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

##### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

##### 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, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

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

Tax for the year comprises current tax and changes in deferred tax for the year. 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

### Balance sheet

#### 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.

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

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

#### Receivables

Receivables are recognised in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provision for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

#### Equity

##### *Dividends*

Proposed dividends are recognised as a liability at the date when 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Corporation tax and deferred tax

The Company is jointly taxed with other Danish companies in the Pon Group. The tax effect of the joint taxation with the parent company is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement.

Current tax liability and current tax receivable are recognised as receivables in the balance sheet in case of overpayment of tax on account, and as liabilities in case of underpayment of tax on account.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carryforwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

##### Liabilities other than provisions

Liabilities other than provisions are measured at net realisable value.

##### Foreign currency translation

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, 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.

Non-current assets, purchased in foreign currencies, are measured at the exchange rates at the transaction date.

## Financial statements 1 January – 31 December

### Notes

#### 2 Main activity

Gazelle Denmark A/S is included in the Royal Dutch Gazelle Group as a subsidiary.

Royal Dutch Gazelle employs around 450 employees at its factory in Dieren, where bicycles are produced, including electric bicycles, city bicycles and leisure bicycles. The Company was established in 1892 and has produced bicycles ever since. Gazelle Denmark A/S takes care of the Group's sales in Denmark.

Gazelle is part of the group of companies PON.

#### 3 Staff costs

DKK'000	2017	2016
Wages and salaries	1.792	1.611
Pensions	169	143
Other social security costs	1	5
	<u>1.962</u>	<u>1.759</u>
Average number of full-time employees	<u>3</u>	<u>3</u>

#### 4 Equity

DKK'000	Contributed capital	Retained earnings	Total
<b>Equity at 1 January 2017</b>	500	1.292	1.792
Transferred over the profit appropriation	<u>0</u>	<u>378</u>	<u>378</u>
<b>Equity at 31 December 2017</b>	<u>500</u>	<u>1.670</u>	<u>2.170</u>

The share capital consists of 500 shares of a nominal value of DKK 1,000 each.

All shares rank equally.

There has been no movement in the share capital since the founding of the company.

#### 5 Contractual obligations, contingencies, etc.

##### Contingent liabilities

The Company is jointly taxed with other Danish companies in the PON Group and severally liable for tax on the jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

##### Operating lease obligations

Remaining operating lease obligations at the balance sheet date fall due at DKK 145 thousand within 2 years (2016: DKK 255 thousand).

## **Financial statements 1 January – 31 December**

### **Notes**

#### **6 Related party disclosures**

Gazelle Denmark A/S' related parties comprise the following:

##### **Controlling interest**

PON Holding Denmark A/S, immediate Parent Company

PON Holding B.V., ultimate Parent Company

PON Holding B.V., The Netherlands., which is the Company's ultimate Parent Company at 31 December 2017, prepares the Group annual report in which the company is included.

The Group annual report of the ultimate Parent Company can be obtained at the following adress:  
PON Holdings B.V., Putterstraatweg 5, 3862 RA Nijkerk, The Netherlands.