

# Ricoh Capital Danmark

# A/S

**Annual report 2016/17**

The annual report was presented and adopted at the  
Company's annual general meeting.

on September 4 20 17

chairman



CVR no. 34 07 84 91

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## 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 Ricoh Capital Danmark A/S for the financial year 1 April 2016 – 31 March 2017.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements under the Danish Financial Statements Act.

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 March 2017 and of the results of the Company's operations and cash flows for the financial year 1 April 2016 – 31 March 2017.


Further, in our opinion, the Management commentary gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Vallensbæk Strand, 4 September 2017  
Executive Board:

\_\_\_\_\_  
Søren Krogh-Nielsen

Board of Directors:

  
\_\_\_\_\_  
Ian Peter Winham  
Chairman

  
\_\_\_\_\_  
Nicola Clare Downing

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Søren Krogh-Nielsen

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Søren Boserup

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Further, in our opinion, the Management commentary gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Vallensbæk Strand, 4 September 2017

Executive Board:



Søren Krogh-Nielsen

Board of Directors:

Ian Peter Winham  
Chairman

Nicola Clare Downing

Søren Krogh-Nielsen



Søren Boserup

## Independent auditor's report

To the shareholders of Ricoh Capital Danmark A/S

### Opinion

We have audited the financial statements of Ricoh Capital Danmark A/S for the financial year 1 April 2016 – 31 March 2017, which comprise income statement, Statement of comprehensive income, balance sheet, statement of changes in equity, Cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by EU and further requirements in the Danish Financial Statement Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2017 and of the results of the Company's operations as well as the cash flows for the financial year 1 April 2016 – 31 March 2017 in accordance with the International Financial Reporting Standards as adopted by EU and further requirements in the Danish Financial Statement Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 and the parent company 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 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.

### Statement on the Management's Commentary

Management is responsible for Management's commentary.

Our opinion on the financial statements does not cover the Management's commentary, 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 commentary and, in doing so, consider whether the Management's commentary 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 commentary provides the information required under the Danish Financial Statements Act.

## Independent auditor's report

Based on the work we have performed, we conclude that the Management's commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's commentary.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by EU and further requirements in the Danish Financial Statement Act, and for such internal control as Management determines is necessary to enable the preparation of the 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, 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 additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 taken on the basis of the 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 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

## Independent auditor's report

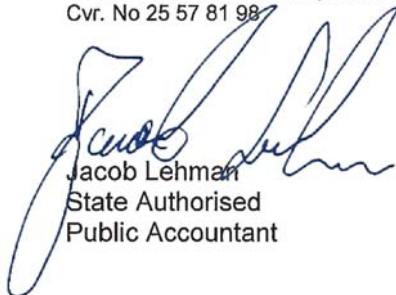
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Copenhagen, 4 September 2017  
**KPMG**  
Statsautoriseret Revisionspartnerselskab  
Cvr. No 25 57 81 98



Jacob Lehman  
State Authorised  
Public Accountant

## Management commentary

### Company details

Ricoh Capital Danmark A/S  
Delta Park 37  
2665 Vallensbæk Strand

Telephone: +45 70 10 67 68  
Website: www.ricoh.dk  
E-mail: info@ricoh.dk  
CVR no.: 34 07 84 91  
Established: 8 December 2011  
Registered office: Vallensbæk  
Financial year: 1 April 2016 – 31 March 2017

### Board of Directors

Ian Peter Winham, chairman  
Nicola Clare Downing  
Søren Krogh-Nielsen  
Søren Boserup

### Executive Board

Søren Krogh-Nielsen

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø

### Annual general meeting

The annual general meeting will be held on 4 September 2017.



## **Management commentary**

### **Principal activities**

Ricoh Capital Danmark A/S is a 100 % owned subsidiary to Ricoh Danmark A/S. The principal activity of the company is to provide leasing arrangements of the parent company's products.

### **Result of the year**

Result before taxes for the year amounted to DKK 4,002 thousand compared to DKK 2,195 thousand in last year. The result is very satisfactory.

The result for 2017/18 is expected to be within the same range.

### **Outlook**

The leasing activity of the company is expected to keep increasing. It is expected that activity currently arranged through third party leasing partners by Ricoh Danmark A/S gradually and consequently will be transferred to the Company, thus a strong leasing portfolio will develop over years.

### **Material events after the reporting date**

No events have occurred after the reporting date that may significantly affect the annual report.

## Financial statements 1 April 2016 – 31 March 2017

### Statement of comprehensive income

DKK'000	Note	2016/17	2015/16
Income from lease contracts	4	6,639	5,271
Expenses from lease contracts	5	-579	-2,165
Other external expenses	6	-2,060	-896
<b>Operating profit</b>		<b>4,000</b>	<b>2,210</b>
Financial income	8	2	0
Financial expenses	9	0	-15
<b>Profit before tax</b>		<b>4,002</b>	<b>2,195</b>
Tax on profit for the year	10	-880	2,465
<b>Profit for the year/total comprehensive income</b>		<b>3,122</b>	<b>4,660</b>

## Financial statements 1 April 2016 – 31 March 2017

### Statement of financial position

DKK'000	Note	2016/17	2015/16
<b>ASSETS</b>			
Finance lease receivables	4, 11	67,105	55,475
Deferred tax	13	0	846
<b>Non-current assets</b>		<u>67,105</u>	<u>56,321</u>
<b>Current assets</b>			
Trade receivables	11	4,847	5,074
Finance lease receivables	4, 11	14,831	19,520
Receivables from group entities		3,842	0
Current joint tax receivable		1,527	1,081
Prepayments		646	625
<b>Current assets</b>		<u>25,693</u>	<u>26,300</u>
<b>TOTAL ASSETS</b>		<u>92,798</u>	<u>82,621</u>
<b>Equity</b>			
Share capital		500	500
Retained earnings		6,283	3,161
<b>Total equity</b>		<u>6,783</u>	<u>3,661</u>
<b>Provisions</b>			
Provisions for deferred tax	13	480	0
<b>Total provisions</b>		<u>480</u>	<u>0</u>
<b>Current liabilities other than provisions</b>			
Loans and borrowings		83,609	65,900
Trade payables		463	22
Payables to group entities		0	10,418
Other payables		957	2,384
Deferred income		506	236
<b>Current liabilities</b>		<u>85,535</u>	<u>78,960</u>
<b>Total liabilities other than provisions</b>		<u>85,535</u>	<u>78,960</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>92,798</u>	<u>82,621</u>

## Financial statements 1 April 2016 – 31 March 2017

### Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
<b>Equity at 1 April 2016</b>	500	3,161	3,661
<b>Comprehensive income in 2016/17</b>			
Profit for the year	0	3,122	3,122
<b>Total comprehensive income for the period</b>	0	3,122	3,122
<b>Equity at 31 March 2017</b>	500	6,283	6,783
<b>Equity at 1 April 2015</b>	500	-1,499	-999
<b>Comprehensive income in 2015/16</b>			
Profit for the year	0	4,660	4,660
<b>Total comprehensive income for the period</b>	0	4,660	4,660
<b>Equity at 31 March 2016</b>	500	3,161	3,661

## Financial statements 1 April 2016 – 31 March 2017

### Cash flow statement

DKK'000	Note	2016/17	2015/16
Operating profit for the year		4,000	2,210
Cash flow from operating activities before changes in working capital		4,000	2,210
Changes in working capital	15	-7,451	-28,390
Cash flow from operating activities		-3,451	-26,180
Interest income received		2	0
Interest expense paid		0	-15
<b>Cash flows from operating activities</b>		<b>-3,449</b>	<b>-26,195</b>
Loans from Group Enterprises		-14,260	1,395
<b>Cash flows from financing activities</b>		<b>-14,260</b>	<b>1,395</b>
<b>Cash flows for the year</b>		<b>-17,709</b>	<b>-24,800</b>
Cash and cash equivalents at the beginning of the year		-65,900	-41,100
<b>Cash and cash equivalents at year end</b>		<b>-83,609</b>	<b>-65,900</b>

## Financial statements 1 April 2016 – 31 March 2017

### Overview of notes

<i>Notes</i>		<i>Notes</i>	
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2	Significant accounting estimates and judgements	14	Contingent liabilities and collateral
3	New accounting regulation	15	Changes in working capital
4	Revenues	16	Financial risks and financial instruments
5	Costs of revenues	17	Related parties
6	Other external expenses	18	Events after the reporting day
7	Staff costs		
8	Financial income		
9	Financial expenses		
10	Tax		
11	Receivable		
12	Equity		

## Financial statements 1 April 2016 – 31 March 2017

### Notes

#### 1 Accounting policies

##### General information

Ricoh Capital Danmark A/S is a limited liability company incorporated and domiciled in Denmark.

The financial statements of Ricoh Capital Danmark A/S for 2016/17 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements applying to reporting class B entities under the Danish Financial Statements Act.

On 30 August 2017, the Board of Directors approved this annual report for publication and approval by the shareholder at the annual general meeting to be held on 30 August 2017.

##### Basis of preparation

The financial statements are presented in DKK thousands.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency translation adjustments resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

### Income statement

#### Revenues

Revenues comprise rental from lease contracts, lease services and royalties. The rental cover interest income related to the entered lease agreements, document fees etc. and any gains related to entered agreements.

## Financial statements 1 April 2016 – 31 March 2017

### Notes

#### 1 Accounting policies (continued)

##### Expenses from lease contracts

Expenses regarding lease contracts comprise interest expenses related to financing the portfolio, asset protection and any gain/losses related to the entered agreements.

##### Other external expenses

Other external expenses comprise expenses for premises, office expenses etc., as well as other administrative expenses.

##### Staff costs

As Ricoh Capital Danmark A/S has no employees there are no staff costs.

##### Financial income and expense

Financial income and expenses comprise interest income and expenses, which are not directly derived from the entered lease agreements, which include interest from cash in hand and exchange rate adjustments.

##### Corporation tax and deferred tax

Tax for the year consists of current tax and changes in deferred tax for the year. The tax expense relating to the profit for the year is recognised in the statement of comprehensive income, other comprehensive income or equity.

Current tax payable and receivable is recognised in the statement of financial position as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised under other non-current assets at the expected value of their utilisation.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the reporting date. Changes in deferred tax due to changes in tax rate are recognised in the income statement.

The Company and the parent company Ricoh Danmark A/S are jointly taxed. Ricoh Capital Danmark A/S is the administrative company.



## Financial statements 1 April 2016 – 31 March 2017

### Notes

#### 1 Accounting policies (continued)

##### Assets

###### Receivables

Leasing contracts are recognised as finance lease receivables. The receivable is measured at cost of the underlying asset at the time of entering the contract. Lease payments under the lease contracts are divided by the annuity method into interests and repayments. The interests are recognised as revenue, while the repayments are deducted in the finance lease receivable. Write downs are made on the finance lease receivable based on an individual assessment of each receivable.

Trade receivables are recognised at the trade date, initially measured at fair value and subsequently at amortised cost using the effective interest method less provision for impairment. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience.

##### Shareholder's equity

Dividend distribution to the Company's shareholder is recognised as a liability at the time when the dividends are approved by the Company's shareholder. Dividends proposed for the year are disclosed as a separate item under equity.

##### Liabilities

###### Financial liabilities

Financial liabilities are initially recognised at fair value (typically the amount of the proceeds received), net of transaction costs incurred. In subsequent periods, the financial liabilities are measured at amortised cost; any difference between the cost (the proceeds) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

## Financial statements 1 April 2016 – 31 March 2017

### Notes

#### 1 Accounting policies (continued)

##### Prepayments and deferred income

Prepayments include expenses incurred in respect of subsequent financial years. Such expenses are typically prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred income includes payments received in respect of income in subsequent years.

### Cash flow statement

#### Cash flows from operating activities

Cash flows from operating activities are presented using the indirect method and stated as the profit/loss adjusted for non-cash operating items, including changes in working capital, interest received and paid and corporation taxes paid. Working capital comprises current assets less current liabilities, excluding the items included in cash and cash equivalents, borrowings, tax payables and provisions.

#### Cash flows from financing activities

Cash flows from financing activities comprise changes in the amount or composition of the company's share capital and related expenses as well as cash flows from draw down and repayment of borrowings as well as payment of dividends to shareholders.

## Financial statements 1 April 2016 – 31 March 2017

### Notes

#### 2 Significant accounting estimates and judgements

In connection with the preparation of the financial statements, Management has made accounting estimates and judgements that affect the assets and liabilities reported at the reporting date as well as the income and expenses reported for the financial period. Management continuously reassesses these estimates and judgements based on a number of other factors in the given circumstances.

The following accounting treatment is considered significant to the financial reporting.

- Classification of leasing agreements
- The Company's operation consists of leasing activity. The Company is making assessment over the terms and conditions of the entered leasing contracts, which are the based for the classification of the leasing contracts, both operating and financial leasing.
- As part of this, the Company has made the assessment that all contracts entered are financial leasing.

#### 3 New accounting regulation

At the date of the presentation of this annual report, IASB has issued a number of new or amended standards and interpretations that have not yet become effective and have therefore not been included in the consolidated financial statements for 2016/17.

The new standards and interpretations will be implemented as they become mandatory for the Group. None of the new standards or interpretations are expected to materially affect the financial reporting of the Company. It is also assessed that IFRS 16 will not have material effect on the accounting treatment of the Company's finance leases where the Company is the lessor.

DKK'000	2016/17	2015/16
<b>4 Revenues</b>		
Rental from lease contracts	4,950	3,564
Lease services and fees	762	427
Other	3	1,280
Gains related to entered agreements	924	0
	<u>6,639</u>	<u>5,271</u>

The Company rents out printers, copiers and communication service equipment on behalf of Ricoh Danmark A/S.

## Financial statements 1 April 2016 – 31 March 2017

### Notes

#### 4 Revenues (continued)

Future minimum lease payments under non-cancellable leases are receivable as follows:

DKK'000	2016/17	2015/16
0-1 years	14,831	19,520
1-5 years	67,105	55,475
	<u>81,936</u>	<u>74,995</u>

#### 5 Expenses from lease contracts

Interest expenses	378	652
Asset protection	201	65
Losses related to entered agreements	0	1,448
	<u>579</u>	<u>2,165</u>

#### 6 Other external expenses

Audit fee	117	37
Consultants fee	114	114
Shared Service center charges	935	934
Loss on receivables	83	36
Other	811	-225
	<u>2,060</u>	<u>896</u>

#### 7 Staff costs

The Company does not have any staff employed. The Company is administrated through a shared service center within the Ricoh Group.

## Financial statements 1 April 2016 – 31 March 2017

### Notes

DKK'000	<u>2016/17</u>	<u>2015/16</u>
<b>8 Financial income</b>		
Foreign exchange gains (net)	2	0
	<u>2</u>	<u>0</u>
<b>9 Financial expenses</b>		
Foreign exchange losses (net)	0	15
	<u>0</u>	<u>15</u>
<b>10 Tax</b>		
Tax on profit for the year can be specified as follows:		
Current tax	446	1,081
Deferred tax	-1,326	178
Adjustment of tax relating to previous years	0	1,206
	<u>-880</u>	<u>2,465</u>
Tax on profit for the year is recognised as follows:		
Computed 22% tax on profit before tax (2015/16: 22%)	880	-516
Tax effect of:		
Other expenses/income not deductible for tax purposes	0	1,776
Adjustment of tax relating to previous years	0	1,205
	<u>880</u>	<u>2,465</u>
Effective tax rate	<u>22%</u>	<u>-112.3%</u>

## Financial statements 1 April 2016 – 31 March 2017

### Notes

DKK'000	<u>2016/17</u>	<u>2015/16</u>
<b>11 Receivables</b>		
Finance lease receivables	81,936	74,995
Trade receivables	<u>4,847</u>	<u>5,074</u>
	<u>86,783</u>	<u>80,069</u>
<b>Specification of receivables overdue</b>		
Due by 1-30 days	1,743	1,347
Due by 30-90 days	2,320	1,670
Due by more than 90 days	2,533	946
Write-down of receivables overdue	<u>-381</u>	<u>-298</u>
<b>Carrying amount of receivables overdue</b>	<u>6,215</u>	<u>3,665</u>
<b>Specification of development in write-down</b>		
Write-down at 1 April	298	263
Adjustment of write-down during the year	<u>83</u>	<u>35</u>
<b>Write-down at 31 March</b>	<u>381</u>	<u>298</u>

The Company does not have any significant credit risks related to individual customers as the client portfolio is spread out on a significant number of customers.

Receivables relate to debtors in Denmark.

## Financial statements 1 April 2016 – 31 March 2017

### Notes

#### 12 Equity

##### Capital management

Ricoh Capital Danmark A/S is participant in the cash pool for Ricoh Europe Group. The capital management for the group is centralised in Ricoh Europe headquarters.

##### Share capital

	Shares issued			
	Number		Nominal value (DKK'000)	
	2016/17	2015/16	2016/17	2015/16
1 April	500	500	1,000	1,000
<b>31 March – fully paid</b>	<b>500</b>	<b>500</b>	<b>1,000</b>	<b>1,000</b>

The share capital consists of 500 shares of a nominal value of DKK 1,000 each. No shares carry any special rights. There has not been any changes to the share capital in the company's lifetime.

	DKK'000	2016/17	2015/16
<b>13 Deferred tax</b>			
Deferred tax at 1 April		846	34
Deferred tax for the year recognised in profit for the year		-1,326	178
Adjustment of tax relating to previous years		0	634
<b>Deferred tax at 31 March</b>		<b>-480</b>	<b>846</b>
Deferred tax relates to:			
Current assets/provision		-480	846
<b>Deferred tax at 31 March, net</b>		<b>-480</b>	<b>846</b>

Tax losses allowed for carryforward relate to depreciation of lease machines.

## Financial statements 1 April 2016 – 31 March 2017

### Notes

#### 14 Contingent liabilities and collateral

##### Contingent liabilities

The Company does not have any buy back obligations on any of the entered leasing agreements.

The Company is jointly registered for VAT with Ricoh Danmark A/S and severally liable for the payment thereof, amounting to DKK 5,474 thousand (31 March 2016: DKK 4,550 thousand).

The Company is jointly taxed with Ricoh Danmark A/S. The Companies have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends and interest. Corporation tax and withholding tax payable within the joint taxation group amounted to DKK 0 thousand at 31 March 2017 (31 March 2016: DKK 0 thousand).

#### 15 Changes in working capital

Change in receivables, including financial lease receivable	-6,940	-30,341
Prepaid costs/deferred income, net	206	-519
Change in trade payables and other payables	-717	1,430
	<u>-7,451</u>	<u>-28,390</u>

#### 16 Financial risks and financial instruments

##### Risk management policy

Following its operating, investing and financing activities, the company is exposed to a number of financial risks, including currency and interest rate risks, liquidity risks and credit risks.

The Company does not stand-alone have a formalised Risk Management policy. The Risk Management policy is based on overall instructions from Ricoh Europe via overall group policies, which amongst others cover interest rate risks, liquidity risks and credit risks.

It is the Company's policy not to engage in speculation in financial risks. Thus, the company's financial management is aimed at managing and reducing the financial risks directly attributable to the company's operations, investments and financing.



## Financial statements 1 April 2016 – 31 March 2017

### Notes

#### 16 Financial risks and financial instruments (Continued)

Management are on an ongoing basis considering the risk exposures and how to address these. When making the considerations the necessary functions within the Ricoh Group are involved, which includes treasury, legal etc. Based on an assessment of the Company's interest rate risks, liquidity risk and credit risks, no derivative financial instruments have been entered as this has not been considered necessary.

For credit risks, reference is made to note 11.

#### Currency risks

The company is not exposed to currency fluctuations as all transactions are not settled in other currencies than their functional currencies except for EUR. No speculative currency transactions are made, and transactions are solely carried out based on commercial needs. No agreements on currency transaction hedging have been concluded during the financial year.

The company did not have any material net balance sheet positions in foreign currencies at 31 March 2017 other than intra-group balances.

#### Interest rate risks

The company has no interest rate risk since it is part of a cash pool arrangement and has no other debt to external parties, other than balances from normal course of business.

The embedded interest rates on leasing contracts are fixed within the duration of the lease contract.

Significant movements in the interest rate levels can have a positive/negative effect on the Company due to the relationship between the variable interest rate on loans against the fixed embedded rate on the leasing contracts.

Ricoh Group treasury is continuously monitoring all entities within the Group and ensuring that any significant risks will be mitigated or addressed. Ricoh Group receives monthly reporting's which allows them to make the continuous monitoring and assessment.

## Financial statements 1 April 2016 – 31 March 2017

### Notes

#### 16 Financial risks and financial instruments (Continued)

##### Maturity analysis

Liabilities are primarily short-term comprising Trade payables, loans and borrowings and other payables falling due within one year.

Financial instrument categories:

2016/17

DKK'000	Accounting amount	Cash flow	< 6 months	6 – 12 months	1 – 5 years	> 5 years
Finance Lease receivables	81,936	82,839	14,831	14,403	53,605	0
Trade Receivables	4,847	4,847	4,847	0	0	0
Receivables from group entities	3,842	3,842	3,842			
Trade payables	12	12	12	0	0	0
Loans and borrowings	83,609	83,609	83,609			
Other payables	957	957	957	0	0	0

2015/16

DKK'000	Accounting amount	Cash flow	< 6 months	6 – 12 months	1 – 5 years	> 5 years
Finance Lease receivables	74,995	83,489	10,854	10,854	61,781	0
Trade Receivables	5,074	5,074	5,074	0	0	0
Trade payables	22	22	22	0	0	0
Loans and borrowings	65,900	65,900	65,900			
Payables to group entities	10,418	10,418	10,418	0	0	0
Other payables	2,383	2,383	2,383	0	0	0

The carrying amount and fair value of the above categories are the same for both 2016/17 and 2015/16.

## Financial statements 1 April 2016 – 31 March 2017

### Notes

#### 17 Related party disclosures

##### The company's related parties exercising control

- Ricoh Danmark A/S, Delta Park 37, 2665 Vallensbæk Strand Danmark

The Company is included in the consolidated financial statements of Ricoh Europe Holdings PLC, UK, and ultimately in the consolidated financial statements of the ultimate parent company Ricoh Company Ltd., Japan. The consolidated financial statements can be obtained through Companies House, UK, and from the ultimate parent company at their address Ricoh Building, 8-13-1 Ginza, Chuo-ku, Tokyo 104-8222, Japan.

##### Related party transactions

Related party transactions comprised the following – all transactions relate to Ricoh Danmark A/S and Ricoh Europe ASP:

DKK'000	2016/17	2015/16
Purchase of goods	49,328	64,717
Service and group fees	935	934
	<u>50,263</u>	<u>65,651</u>

The interest charge on these accounts is shown in notes 8 and 9.

##### Management employees

The Company's related parties exercising significant influence comprise the Company's Board of Directors and Executive Board.

The Company's Board of Directors and Executive Board do not receive any remuneration from the Company.

#### 18 Events after the reporting date

No events have occurred after the reporting date that may significantly affect the annual report.