

# BEGA Scandinavia ApS

c/o EY Net Source  
Osvald Helmuths Vej 4, DK-2000 Frederiksberg

CVR no. 34 73 40 03



## Annual report 2016

Approved at the annual general meeting of shareholders on 31 May 2017

Chairman:

*Bruno Gantenbrink*  
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## Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of BEGA Scandinavia ApS for the financial year 1 January - 31 December 2016.

The annual report, which has not been audited, has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Executive Board considers the criteria for omission of audit to be met.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

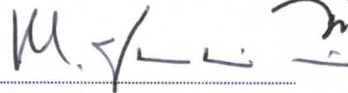
In our opinion, the supplementary report includes a fair review of such reports.

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

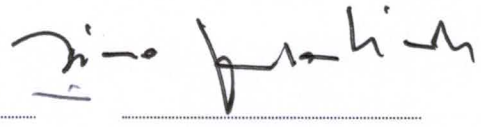
Copenhagen, 31 May 2017  
Executive Board:



Heinrich Johannes  
Gantenbrink



Maximilian Helmut  
Gantenbrink



Bruno Gantenbrink

## Independent auditor's report on the compilation of financial statements

To the general management of BEGA Scandinavia ApS

We have compiled the financial statements of BEGA Scandinavia ApS for the financial year 1 January - 31 December 2016 based on the Company's bookkeeping and other information provided.

The financial statements comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed this compilation engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant ethical requirements in the Danish act on approved auditors and audit firms and FSR - Danish Auditors' code of ethics, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 31 May 2017  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Claus Tanggaard Jacobsen  
state authorised public accountant



## Management's review

### Company details

Name	BEGA Scandinavia ApS
Address, Postal code, City	c/o EY Net Source Osvold Helmuths Vej 4, DK-2000 Frederiksberg
CVR no.	34 73 40 03
Established	7 November 2012
Registered office	Frederiksberg
Financial year	1 January - 31 December
Executive Board	Heinrich Johannes Gantenbrink Maximilian Helmut Gantenbrink Bruno Gantenbrink
Accountant	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark



## Management's review

### Management commentary

#### Business review

The company's objects are to carry out business as sales representative for BEGA Gantenbrink-Leuchten KG regarding sale of indoor and outdoor lighting and any other related activity.

#### Financial review

The income statement for 2016 shows a profit of DKK 61,395 against DKK 5,019 last year, and the balance sheet at 31 December 2016 shows equity of DKK 200,644.

Management considers the Company's financial performance in the year satisfactory.

#### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2016	2015
	Gross margin	868,572	813,689
2	Staff costs	-738,467	-755,755
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-50,496	-50,496
	Profit before net financials	79,609	7,438
	Financial income	0	4
	Financial expenses	-717	0
	Profit before tax	78,892	7,442
3	Tax for the year	-17,497	-2,423
	Profit for the year	<u>61,395</u>	<u>5,019</u>
	Recommended appropriation of profit		
	Retained earnings	<u>61,395</u>	<u>5,019</u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	<u>2016</u>	<u>2015</u>
	ASSETS		
	Fixed assets		
4	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	54,704	105,200
		<u>54,704</u>	<u>105,200</u>
	Total fixed assets	<u>54,704</u>	<u>105,200</u>
	Non-fixed assets		
	Receivables		
	Receivables from group entities	232,519	0
	Deferred tax assets	5,540	289
	Other receivables	27,826	27,308
	Deferred income	16,564	16,262
		<u>282,449</u>	<u>43,859</u>
	Cash	86,233	157,855
	Total non-fixed assets	<u>368,682</u>	<u>201,714</u>
	TOTAL ASSETS	<u>423,386</u>	<u>306,914</u>



Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	<u>2016</u>	<u>2015</u>
	EQUITY AND LIABILITIES		
	Equity		
5	Share capital	80,000	80,000
	Retained earnings	120,644	59,249
	Total equity	<u>200,644</u>	<u>139,249</u>
	Liabilities		
	Current liabilities		
	Trade payables	24,233	27,485
	Income taxes payable	22,453	5,721
	Other payables	176,056	134,459
		<u>222,742</u>	<u>167,665</u>
	Total liabilities other than provisions	<u>222,742</u>	<u>167,665</u>
	TOTAL EQUITY AND LIABILITIES	<u>423,386</u>	<u>306,914</u>

- 1 Accounting policies
- 6 Collateral
- 7 Related parties

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

## Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2015	80,000	54,230	134,230
Transfer through appropriation of profit	0	5,019	5,019
Equity at 1 January 2016	80,000	59,249	139,249
Transfer through appropriation of profit	0	61,395	61,395
Equity at 31 December 2016	80,000	120,644	200,644

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

### Notes to the financial statements

#### 1 Accounting policies

The annual report of BEGA Scandinavia ApS for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

#### Changes to presentation and disclosures only

Effective 1 January 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act. As the implementation of the amendment act has no impact in terms of value on the income statement or the balance sheet in the financial year, nor on the comparative figures, the financial statements have been prepared based on the same accounting policies as last year.

The amendment act has solely implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

Revenue comprises commissions received.

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

##### Gross margin

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

##### Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, etc.

##### Staff costs

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

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Depreciation

The item comprises depreciation of property, plant and equipment.

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

Other fixtures and fittings, tools and equipment	5 years
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##### Financial income and expenses

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

##### Tax

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

##### Balance sheet

##### Property, plant and equipment

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

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

##### Receivables

Receivables are measured at amortised cost.

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

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

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



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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Prepayments

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

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Equity

###### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

Other liabilities are measured at net realisable value.

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

### Notes to the financial statements

	2016	2015
DKK		
2 Staff costs		
Wages/salaries	689,153	707,315
Pensions	46,918	46,484
Other social security costs	2,396	1,956
	<u>738,467</u>	<u>755,755</u>
Average number of full-time employees	<u>1</u>	<u>1</u>
3 Tax for the year		
Estimated tax charge for the year	22,748	5,721
Deferred tax adjustments in the year	-5,251	-3,298
	<u>17,497</u>	<u>2,423</u>
4 Property, plant and equipment		
DKK		Other fixtures and fittings, tools and equipment
Cost at 1 January 2016		<u>252,480</u>
Cost at 31 December 2016		<u>252,480</u>
Impairment losses and depreciation at 1 January 2016		147,280
Amortisation/depreciation in the year		<u>50,496</u>
Impairment losses and depreciation at 31 December 2016		<u>197,776</u>
Carrying amount at 31 December 2016		<u>54,704</u>
Amortised over		<u>5 years</u>



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

### Notes to the financial statements

#### 5 Share capital

The Company's share capital has remained DKK 80,000 over the past 4 years.

#### 6 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2016.

#### 7 Related parties

##### Ownership

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

<u>Name</u>	<u>Domicile</u>
BEGA Gantenbrink Beteiligungs-GmbH	Hennenbusch 1, 58708 Menden (Sauerland), Germany