

**P R Y D S**

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Statsautoriseret revisionsfirma

**Business for Social Responsibility Nordic ApS**

CVR 34 88 27 62

Vester Voldgade 6-8, 2th  
1552 København V

Annual Report 2016

**Erhvervsstyrelsen**

The Annual Report has been approved at the annual  
shareholders meeting  
Copenhagen, May 29<sup>th</sup> 2017

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Dirigent: Advokat Lars Lokdam

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## **Statement by the Board of Executive**

Today the Board of Directors and the Board of Executives discussed and approved the Annual Report of Business for Social Responsibility Nordic ApS for the financial year January 1<sup>st</sup> – December 31<sup>st</sup> 2016.

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 financial position at December 31<sup>st</sup> 2016 and of the result of the Company's operations for the financial year year January 1<sup>st</sup> – December 31<sup>st</sup> 2016.

The Managements Review contains, in our opinion, a fair statement about the conditions the review contains.

We recommend approval of the annual report at the annual general meeting.

Copenhagen, May 29<sup>th</sup> 2017

Board of Executives:

Peder Michael Anker Pruzan-Jørgensen

Board of Directors:

Eric Ross Olson

Aron Cramer

## **Independent auditors' report**

### **To the shareholders of Business for Social Responsibility Nordic ApS**

#### **Opinion**

We have audited the Financial Statement of Business for Social Responsibility ApS for the financial year January 1<sup>st</sup> - December 31<sup>st</sup> 2016, which comprise income statement, balance sheet, statement of changes in equity and notes. The Financial Statement are prepared under the Danish Financial Statements Act.

In our opinion, the Financial Statement give a true and fair view of the financial position and of the results at December 31<sup>st</sup> 2016 in accordance with the Danish Financial Statements Act

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the company in accordance with the international Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management’s Responsibilities for the Financial Statement**

Management is responsible for the preparation of the 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 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 going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

#### **Auditor’s Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements 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 users taken on the basis of the Financial Statements.

As a part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism 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 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 appropriated in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting in preparing the Financial Statement and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statement 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 Statement, including the disclosures, and whether the Financial Statement represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Company to express an opinion on the Financial Statement. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Statement on the Management's Review**

Management is responsible for Management's Review

Our opinion on the Financial Statement does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statement, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statement or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

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

Kongens Lyngby, May 29<sup>th</sup> 2017

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Ørholmvej 59

DK-2800 Kongens Lyngby

Cvr 21598402

Kristian Pryds

State Authorized Public Accountant

## **Management's review**

### **Principal activities**

BSR is a global nonprofit organization that works with its network of more than 250 member companies and other partners to build a just and sustainable world. From our offices in Asia, Europe, and North America, we develop sustainable business strategies and solutions through membership, consulting, research, and cross-sector collaboration.

BSR's role is to catalyze change within business by integrating sustainability into strategy and operations, and to promote collaboration among companies and their stakeholders for systemic progress toward a just and sustainable world. We work with companies from the farm to the factory to the boardroom, and we work with large multinational companies, government agencies and private foundations as well as global and local stakeholders including from civil society.

Our work is focused on six topic areas including climate change, inclusive business, women's empowerment, human rights, supply chain and sustainability management.

### **Development and transformation**

In 2016, BSR continued along a path of growth in the Nordic region experiencing growing interest from a variety of industry sectors. This also resulted in modest headcount growth.

### **Future expectations**

We expect to continue to grow BSR's presence in the Nordic region including by increasing the number of staff operating out of the office in Copenhagen.

### **Events after the Reporting Period**

No significant events, has occurred, since the end of fiscal year which could affect the financial situation of the company.

# **Financial statements January 1<sup>st</sup> - December 31<sup>st</sup>**

## **Accounting policies**

The annual report has been prepared in accordance with the provisions applying to reporting class B-enterprises under the Danish Financial Statements Act. The accounting policies used are consistent with those of last year.

### **Recognition and measurement**

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

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

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

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

### **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 and 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 is recognised in the income statement as financial income or financial expenses.

### **Income statement**

#### **Gross profit**

Revenue, cost of sales and external charges are aggregated into one item called gross profit which is in accordance with section 32 of the Danish Financial Statements Act.

The aggregation is made as the management is of the opinion that information on revenue and thereby gross margin will be detrimental to the company. Revenue from the sale of services is recognised in the income statement provided that transfer of risk to the buyer has taken place before year end. Revenue is measured ex. VAT, and taxes and less discounts granted in connection with the sale.

Cost of sales comprises costs incurred to generate revenue for the year. Other external charges comprise distribution costs, sale, advertisements, administration, premises, bad debt losses, etc.



**Staff costs**

Staff costs comprise wages and salaries, pensions, etc. for the company's employees, including Executive Board remuneration. Staff costs also comprise expenses attributable to the company's own development activities and are therefore recognised in the income statement as incurred.

**Financial income and expenses**

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies.

**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.

The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

**Balance sheet****Fixed Assets**

Tangible assets, as other fixtures, fittings, tools and equipment are measured at cost less accumulated depreciation and adjustment due to impairment. Depreciation is provided over the estimated useful life which are estimated at 3-5 yrs. Scrap value is estimated at DKK 0.

Shares in Subsidiaries is measured at the lowest price of net cost and expected value if realized.

Other Financial assets, as deposits, are measured at cost less adjustment due to impairment.

**Receivables**

Receivables includes trade receivables and other receivables are measured at amortised cost. Write-down is made for bad debt losses.

**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.

**Corporation tax and deferred tax**

Current tax payable and receivable is recognised in the balance sheet 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 base of assets and liabilities. Where alternative tax rules, e.g. regarding shares, can be applied to determine the tax base, deferred tax is measured based on the Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, 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. Any deferred tax assets are measured at net realisable value.

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. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

**Liabilities other than provisions**

Liabilities including debt to suppliers, affiliates and other payables are measured at amortized cost which usually corresponds to nominal value.

## Profit and Loss statement

	Note	2016	2015
<b>Gross profit/loss</b>		<u>4.820.041</u>	<u>4.934.278</u>
Staff expenditure	1	-4.981.794	-4.665.008
Depreciation		<u>-48.949</u>	<u>-32.437</u>
<b>Operating profit/loss</b>		-210.702	236.833
Financial income		6.123	0
Financial expenses		<u>-64.784</u>	<u>0</u>
<b>Profit/loss from ordinary activities before tax</b>		-269.363	236.833
Tax on profit/loss from ordinary activities		<u>14.996</u>	<u>-55.734</u>
<b>Profit/loss for the year</b>		<u><u>-254.367</u></u>	<u><u>181.099</u></u>
 <b>Proposed distribution for the year</b>			
Proposed Dividend		0	0
Retained Earnings		<u>-254.367</u>	<u>181.099</u>
		<u><u>-254.367</u></u>	<u><u>181.099</u></u>

## Balance sheet as per December 31<sup>st</sup>

	Note	2016	2015
<b>ASSETS</b>			
Equipment and furniture		171.139	154.700
Tangible Assets		171.139	154.700
Shares in Subsidiaries	2	2.115.000	0
Deposits		154.434	154.282
Financial Assets		2.269.434	154.282
<b>Fixed Assets</b>		<b>2.440.573</b>	<b>308.982</b>
Trade receivables		300.782	983.257
Other receivables		36.906	80.817
Prepayments		71.276	101.397
Receivables		408.964	1.165.471
Cash at bank and in hand		4.880.121	3.518.787
<b>Current Assets</b>		<b>5.289.085</b>	<b>4.684.258</b>
<b>TOTAL ASSETS</b>		<b>7.729.658</b>	<b>4.993.240</b>
<b>EQUITY AND LIABILITIES</b>			
Share Capital		80.000	80.000
Retained Earnings		262.063	516.430
Proposed Dividend		0	0
<b>Equity</b>	3	<b>342.063</b>	<b>596.430</b>
Deferred tax		0	14.996
<b>Provisions</b>		<b>0</b>	<b>14.996</b>
Debt affiliates		6.405.289	3.346.750
Corporate tax		0	56.964
Other liabilities		982.306	978.100
<b>Short Termed Liabilities</b>		<b>7.387.595</b>	<b>4.381.814</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7.729.658</b>	<b>4.993.240</b>
Contingencies and Contractual obligations	4		

## Notes

### 1 Staff expenses

	2016	2015
Wages and salaries	4,348,413	4,126,086
Pension	543,277	439,396
Other staff costs	90,104	99,526
	<u>4,981,794</u>	<u>4,665,008</u>
Number of Employees	<u>5</u>	<u>5</u>

### 2 Shares in Subsidiaries

Shanghai Bushui Enterprise Management Consulting Co. Ltd. (100 % ), China

### 3 Equity

	2016	2015
<u>Share Capital</u>		
Share Capital	<u>80,000</u>	<u>80,000</u>
<u>Retained Earnings</u>		
Retained Earnings as per 1.1.	516,430	335,331
Proposed distribution for the year	-254,367	181,099
	<u>262,063</u>	<u>516,430</u>
<u>Dividend</u>		
Dividend as per 1.1.	0	0
Proposed distribution for the year	0	0
	<u>0</u>	<u>0</u>
Equity as per 31.12.	<u>342,063</u>	<u>596,430</u>

### 4 Contingencies and Contractual obligations

The company has no contingencies etc.