

# FUCHS LUBRICANTS DENMARK ApS

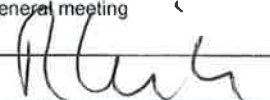
Tuborg Boulevard 12, 3.  
2900 Hellerup

CVR no. 35 89 22 73

## Annual report 2019

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

on March 27, 2020



Dr. Ralph Rheinboldt, chairman of the annual general  
meeting



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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 FUCHS LUBRICANTS DENMARK ApS for the financial year 1 January – 31 December 2019.

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 2019 and of the results of the Company's activities for the financial year 1 January – 31 December 2019.

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

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

Hellerup, 27 March 2020

Executive Board:



Niels Højer

Board of Directors:



Dr. Ralph Rheinboldt  
Chairman



Richard Halhead



## ***Independent Auditor's Report***

To the Shareholder of Fuchs Lubricants Denmark ApS

### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019, and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Fuchs Lubricants Denmark ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### **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.

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

Management is responsible for Management's Review.

Our opinion on the financial statements 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 statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review 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 Management's Review provides the information required under the Danish Financial Statements Act.



Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

### **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 the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of 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 or to 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 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment 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 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.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- 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 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 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.

Hellerup, 27 March 2020  
**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

A handwritten signature in blue ink, appearing to read 'Jan Boje Andreassen'.

Jan Boje Andreassen  
State Authorised Public Accountant  
Mne2338

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## Management's review

### Company details

Name	FUCHS LUBRICANTS DENMARK ApS
Address, postal code, city	Tuborg Boulevard 12, 3, 2900 Hellerup
CVR no.	35 89 22 73
Founded	11 June 2014
Registered municipality	Gentofte
Financial year	1 January – 31 December
Web site	<a href="http://www.fuchs.com/dk">http://www.fuchs.com/dk</a>
Telephone no.	70 12 02 40
Board of Directors	Richard Halhead Ralph Rheinboldt
Managing Director	Niels Højer
Audit	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44, 2900 Hellerup

### Operating review

#### Principal activities

The company's main activity is wholesale and retail sale of lubricants.

#### Significant changes in the Company's activities and financial position

The company's result for 2019 amounts to DKK 1 406 thousand compared to DKK 1 822 thousand last year. The balance sheet of the company as of 31 December 2019 shows an equity of DKK 10 901 thousand.

#### Events after the balance sheet date

There are no reportable events after the balance sheet date.



## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2019	2018
<b>Gross profit</b>		11 548	12 347
Staff costs	2	-7 374	-6 908
Depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses		-2 261	-3 240
<b>Operating profit</b>		1 913	2 199
Other financial income	3	126	348
Other financial expenses	4	-181	-230
<b>Profit before tax</b>		1 858	2 317
Tax on profit/loss for the year	5	-452	-495
<b>Profit for the year</b>		1 406	1 822
<b>Proposed profit appropriation</b>			
Extraordinary dividend paid		1 822	0
Proposed dividend		1 406	0
Retained earnings		-1 822	1 822
		1 406	1 822



## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2019	2018
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Goodwill		0	1 905
Software license		69	104
Other intangible asset		1 658	1 866
		<u>1 727</u>	<u>3 875</u>
<b>Property, plant and equipment</b>			
Fixtures and fittings, tools and equipment		3	118
		<u>3</u>	<u>118</u>
<b>Investments</b>			
Deposits		81	81
		<u>81</u>	<u>81</u>
<b>Total fixed assets</b>		<u>1 811</u>	<u>4 074</u>
<b>Receivables</b>			
Trade receivables		9 141	11 421
Corporate tax		268	156
Prepayments		191	0
Deferred taxes		502	529
		<u>10 102</u>	<u>12 106</u>
<b>Cash at bank</b>		<u>5 670</u>	<u>4 488</u>
<b>Total current assets</b>		<u>15 772</u>	<u>16 594</u>
<b>TOTAL ASSETS</b>		<u>17 583</u>	<u>20 668</u>



## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2019	2018
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		50	50
Retained earnings		9 445	11 267
Proposed dividend for the year		1 406	0
<b>Total equity</b>		<b>10 901</b>	<b>11 317</b>
<b>Long term Liabilities</b>			
Other payables		209	0
<b>Total Long term Liabilities</b>		<b>209</b>	<b>0</b>
<b>Current liabilities other than provisions</b>			
Trade payables		607	529
Payables to group entities		1 332	2 686
Other payables, including taxes payable		4 534	6 136
		6 473	9 351
<b>Total liabilities other than provisions</b>		<b>6 682</b>	<b>9 351</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17 583</b>	<b>20 668</b>
<b>Contractual obligations, contingencies, etc.</b>	6		
<b>Related parties</b>	7		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Share capital	Retained earnings	Proposed dividend for the Year	Total
Balance at 1 January 2018	50	9 445	0	9 495
Transferred over the profit appropriation	0	1 822	0	1 822
<b>Balance at 1 January 2019</b>	50	11 267	0	11 317
Extraordinary dividend paid		-1 822	0	- 1822
Transferred over the profit appropriation	0	0	1 406	1 406
<b>Balance at 31 December 2019</b>	50	9 445	1 406	10 901

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of FUCHS LUBRICANTS DENMARK ApS for 2019 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The financial statements for 2019 are presented in DKK.

#### Foreign currency translation

On initial recognition, 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 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 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.

#### Income statement

##### Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit. Gross profit consists of revenue, cost of sales and other external costs.

##### Revenue

Income from the sale of goods 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

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 deducted from 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 costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

##### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, excluding reimbursements from public authorities.

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividend exceeds profit for the year.

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

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Balance sheet

###### Intangible assets

Goodwill, software license and other intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is provided on a straight-line basis over the estimated useful life. Estimated useful life for intangible assets is 5 years.

###### Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment      3-10 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

###### Investments

Other receivables and deposits are recognised at amortised cost.

###### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

##### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

##### 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 value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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 net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

##### Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

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

## Financial statements 1 January – 31 December

### Notes

DKK'000	2019	2018
<b>2 Staff costs</b>		
Wages and salaries	6 291	5 901
Pensions	606	581
Other social security costs	65	65
Other employee costs	412	361
	<u>7 374</u>	<u>6 908</u>
Average number of full-time employees	<u>9</u>	<u>9</u>
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statement Act.		
<b>3 Financial income</b>		
Other financial income	126	348
	<u>126</u>	<u>348</u>
<b>4 Financial expenses</b>		
Foreign exchange losses	131	186
Other interest expense	50	45
	<u>181</u>	<u>230</u>
<b>5 Tax on Profit/Loss for the year</b>		
Current tax for the year	387	752
Tax adjustment regarding prior years	38	0
Deferred tax for the year	27	-257
	<u>452</u>	<u>495</u>



## Financial statements 1 January – 31 December

### Notes

#### 6 Contractual obligations, contingencies, etc.

##### Lease obligations

The Company has entered into an operating lease at the following amount:

The remaining term of the lease is 28 months with an average monthly lease payment of DKK 46 thousand, totalling DKK 1 289 thousand.

##### Contingent liabilities

The company has received a claim of DKK 8.8 million from a customer. Management assess that it will be able to defend the claim without additional cost for the Company.

#### 7 Related parties

FUCHS LUBRICANTS DENMARK ApS' related parties comprise the following:

##### Control

FUCHS LUBRICANTS DENMARK ApS is part of the consolidated financial statements of Fuchs Petrolub SE, Mannheim, Germany, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Fuchs Petrolub SE can be obtained by contacting the Company or at the following website: [www.fuchs.com/group/](http://www.fuchs.com/group/)