
Sharp Business Systems Danmark A/S

Roholmsvej 14 A, DK-2620 Albertslund

Annual Report for 1 April 2018 - 31 March 2019

CVR No 36 53 85 89

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
10/9 2019

Klas Jonas Forsell
Chairman of the General
Meeting

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	4
Financial Statements	
Income Statement 1 April - 31 March	5
Balance Sheet 31 March	6
Statement of Changes in Equity	8
Notes to the Financial Statements	9

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Sharp Business Systems Danmark A/S for the financial year 1 April 2018 - 31 March 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 March 2019 of the Company and of the results of the Company operations for 2018/19.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Albertslund, 10 September 2019

Executive Board

Torben Lund Rasmussen
CEO

Board of Directors

Carl Gösta Henrik Flink
Chairman

Klas Jonas Forsell

Torben Lund Rasmussen

Independent Auditor's Report

To the Shareholder of Sharp Business Systems Danmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2019 and of the results of the Company's operations for the financial year 1 April 2018 - 31 March 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Sharp Business Systems Danmark A/S for the financial year 1 April 2018 - 31 March 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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.

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 judgement and maintain professional scepticism throughout the

Independent Auditor's Report

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.
- 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, 10 September 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Anders Røjleskov
State Authorised Public Accountant
mne28699

Company Information

The Company

Sharp Business Systems Danmark A/S
Roholmsvej 14 A
DK-2620 Albertslund

CVR No: 36 53 85 89
Financial period: 1 April - 31 March
Municipality of reg. office: Albertslund

Board of Directors

Carl Gösta Henrik Flink, Chairman
Klas Jonas Forsell
Torben Lund Rasmussen

Executive Board

Torben Lund Rasmussen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Lawyers

Galst Advokataktieselskab
Gammel Strand 44, 1202 København

Bankers

Handelsbanken
Gustavslundsvägen 22, 16715 Bromma

Income Statement 1 April - 31 March

	Note	2018/19 DKK	2017/18 DKK
Gross profit/loss		16.416.232	15.758.800
Staff expenses	2	-15.148.907	-14.357.928
Depreciation and impairment of property, plant and equipment		<u>-287.846</u>	<u>-371.135</u>
Profit/loss before financial income and expenses		979.479	1.029.737
Financial income		331	16.397
Financial expenses	3	<u>-595.168</u>	<u>-323.329</u>
Profit/loss before tax		384.642	722.805
Tax on profit/loss for the year	4	<u>-107.002</u>	<u>-173.109</u>
Net profit/loss for the year		<u>277.640</u>	<u>549.696</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>277.640</u>	<u>549.696</u>
		<u>277.640</u>	<u>549.696</u>

Balance Sheet 31 March

Assets

	<u>Note</u>	<u>2018/19</u> DKK	<u>2017/18</u> DKK
Other fixtures and fittings, tools and equipment		892.155	806.801
Property, plant and equipment	5	<u>892.155</u>	<u>806.801</u>
Fixed assets		<u>892.155</u>	<u>806.801</u>
Inventories		<u>8.747.980</u>	<u>7.924.191</u>
Trade receivables		14.698.196	16.290.529
Receivables from group enterprises		438.271	287.547
Other receivables		288.297	253.660
Deferred tax asset		6.700	11.031
Prepayments		627.948	4.204.968
Receivables		<u>16.059.412</u>	<u>21.047.735</u>
Cash at bank and in hand		<u>948.521</u>	<u>2.589.520</u>
Currents assets		<u>25.755.913</u>	<u>31.561.446</u>
Assets		<u>26.648.068</u>	<u>32.368.247</u>

Balance Sheet 31 March

Liabilities and equity

	<u>Note</u>	<u>2018/19</u> DKK	<u>2017/18</u> DKK
Share capital		500.000	500.000
Retained earnings		<u>2.044.193</u>	<u>1.766.553</u>
Equity		<u>2.544.193</u>	<u>2.266.553</u>
Trade payables		3.094.567	3.343.329
Payables to group enterprises		16.878.065	21.963.255
Corporation tax		55.721	68.427
Other payables		<u>4.075.522</u>	<u>4.726.683</u>
Short-term debt		<u>24.103.875</u>	<u>30.101.694</u>
Debt		<u>24.103.875</u>	<u>30.101.694</u>
Liabilities and equity		<u>26.648.068</u>	<u>32.368.247</u>
Key activities	1		
Contingent assets, liabilities and other financial obligations	6		
Related parties	7		
Subsequent events	8		
Accounting Policies	9		

Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 April	500.000	1.766.553	2.266.553
Net profit/loss for the year	0	277.640	277.640
Equity at 31 March	500.000	2.044.193	2.544.193

Notes to the Financial Statements

1 Key activities

The Company's main activity is to handle electronic appliance sales for the SHARP Group, mainly copying and printing machines.

	<u>2018/19</u> DKK	<u>2017/18</u> DKK
2 Staff expenses		
Wages and salaries	13.782.553	13.043.382
Pensions	891.458	878.595
Other social security expenses	69.025	54.743
Other staff expenses	<u>405.871</u>	<u>381.208</u>
	<u>15.148.907</u>	<u>14.357.928</u>
Average number of employees	<u>30</u>	<u>28</u>

3 Financial expenses

Interest paid to group enterprises	542.042	299.170
Other financial expenses	26.469	8.407
Exchange loss	<u>26.657</u>	<u>15.752</u>
	<u>595.168</u>	<u>323.329</u>

4 Tax on profit/loss for the year

Current tax for the year	102.671	184.140
Deferred tax for the year	<u>4.331</u>	<u>-11.031</u>
	<u>107.002</u>	<u>173.109</u>

Notes to the Financial Statements

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 April	1.535.192
Additions for the year	794.112
Disposals for the year	<u>-918.909</u>
Cost at 31 March	<u>1.410.395</u>
Impairment losses and depreciation at 1 April	728.391
Depreciation for the year	287.846
Reversal of impairment and depreciation of sold assets	<u>-497.997</u>
Impairment losses and depreciation at 31 March	<u>518.240</u>
Carrying amount at 31 March	<u>892.155</u>

Notes to the Financial Statements

6 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Company has entered operational lease agreements totalling 4,6 million DKK (2018: 3,1 million)

7 Related parties

The consolidated financial statements of Sharp Electronics Europe GmbH, which is ultimately owned by Sharp Corporation, Japan, can be obtained at the following address: Sharp Electronics Europe GmbH, Nagelsweg 33-35, Hamburg, Germany

8 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of Sharp Business Systems Danmark A/S for 2018/19 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2018/19 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Notes to the Financial Statements

9 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue from sale of goods where installation is a condition for major risk being considered transferred to the buyer is recognised as revenue when installation has been completed.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise of expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

9 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment 3-5 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,800 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Inventories

Inventories are measured at the lower of cost based on weighted average prices and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale and consumables equals landed cost.

Notes to the Financial Statements

9 Accounting Policies (continued)

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions etc.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets 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.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.