

# Sharp Business Systems Danmark A/S

Roholmsvej 14 A  
2620 Albertslund  
Denmark

**Annual report for the period 1 April 2017 – 31 March 2018**

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

on 11 July 2018

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Henrik Flink  
chairman of the annual general meeting

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**Sharp Business Systems Danmark A/S**

Annual report for the period 1 April 2017 – 31 March 2018

## **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 Sharp Business Systems Danmark A/S for the financial year 1 April 2017 – 31 March 2018.

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 March 2018 and of the results of the Company's operations for the financial year 1 April 2017 – 31 March 2018.

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.

Albertslund, 10 July 2018

Executive Board:

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Torben Lund Rasmussen

Board of Directors:

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Henrik Flink  
Chairman

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Jonas Forsell

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Torben Lund Rasmussen



## **Independent auditor's report**

### **To the shareholder of Sharp Business Systems Danmark A/S**

#### **Opinion**

We have audited the financial statements of Sharp Business Systems Danmark A/S for the financial year 1 April 2017 – 31 March 2018, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are 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 March 2018 and of the results of the Company's operations for the financial year 1 April 2017 – 31 March 2018 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibility 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 that 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.



## Independent auditor's report

### 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 the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 audit. We also

- identify and assess the risks of material misstatement of the company 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.



## Independent auditor's report

### Statement on the Management's review

Management is responsible for the Management's review.

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

Based on the work we have performed, we conclude that the 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 of the Management's review.

Copenhagen, 10 July 2018

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Morten Høgh-Petersen

State Authorised

Public Accountant

MNE no. 34283

**Sharp Business Systems Danmark A/S**  
Annual report for the period 1 April 2017 – 31 March 2018

## Management's review

### Company details

Sharp Business Systems Danmark A/S  
Roholmsvej 14 A  
2620 Albertslund  
Denmark

Telephone: +45 70 23 03 10

CVR no.: 36 53 85 89  
Established: 4 February 2015  
Registered office: Albertslund  
Financial year: 1 April 2017 – 31 March 2018

### Board of Directors

Henrik Flink (Chairman)  
Jonas Forsell  
Torben Lund Rasmussen

### Executive Board

Torben Lund Rasmussen

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab

Dampfærgevej 28  
2100 København Ø  
Denmark

### Annual general meeting

The annual general meeting will be held on 11 July 2018.

## **Management's review**

### **Operating review**

#### **Principal activities**

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

#### **Development in activities and financial position**

The profit of the year amounted DKK 550 thousand, which Management considers satisfactory.

There have been no significant events after the balance sheet date.



## Financial statements 1 April 2017 – 31 March 2018

### Income statement

DKK'000	Note	2017/18	2016/17
<b>Gross profit</b>		15,759	14,414
Staff costs	2	-14,358	-13,210
Depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses		-371	-346
<b>Ordinary operating profit</b>		1,030	858
Other financial income	3	16	36
Other financial expenses	4	-323	-122
<b>Profit before tax</b>		723	772
Tax on profit for the year		-173	-158
<b>Profit for the year</b>		<u>550</u>	<u>614</u>
 <b>Proposed profit appropriation</b>			
Retained earnings		<u>550</u>	<u>614</u>
		<u>550</u>	<u>614</u>

## Financial statements 1 April 2017 – 31 March 2018

### Balance sheet

DKK'000	Note	2017/18	2016/17
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>			
Fixtures and fittings, tools and equipment		807	939
		<u>807</u>	<u>939</u>
<b>Total non-current assets</b>		<u>807</u>	<u>939</u>
<b>Current assets</b>			
<b>Inventories</b>			
Finished goods and goods for resale		7,845	7,019
Prepayments for goods		79	91
		<u>7,924</u>	<u>7,110</u>
<b>Receivables</b>			
Trade receivables		16,291	11,342
Receivables from group entities		288	688
Other receivables		254	218
Deferred tax asset		11	0
Prepayments		4,205	27
		<u>21,049</u>	<u>12,275</u>
<b>Cash at bank and in hand</b>		<u>2,590</u>	<u>2,116</u>
<b>Total current assets</b>		<u>31,563</u>	<u>21,501</u>
<b>TOTAL ASSETS</b>		<u><u>32,370</u></u>	<u><u>22,440</u></u>

## Financial statements 1 April 2017 – 31 March 2018

### Balance sheet

DKK'000	Note	2017/18	2016/17
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		500	500
Retained earnings		1,767	1,217
<b>Total equity</b>		<b>2,267</b>	<b>1,717</b>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Trade payables		2,087	824
Payables to group entities		21,963	14,205
Corporation tax		68	147
Other payables		5,985	5,547
		30,103	20,723
<b>Total liabilities other than provisions</b>		<b>30,103</b>	<b>20,723</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>32,370</b>	<b>22,440</b>
<b>Contractual obligations, contingencies, etc.</b>	5		
<b>Related parties</b>	6		

## Financial statements 1 April 2017 – 31 March 2018

### Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Balance at 1 April 2017	500	1,217	1,717
Transferred; see the profit appropriation	0	550	550
Balance at 31 March 2018	500	1,767	2,267

All shares rank equally.

## **Financial statements 1 April 2017 – 31 March 2018**

### **Notes**

#### **1 Accounting policies**

The annual report of Sharp Business Systems Danmark A/S for 2017/18 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with option of specific provisions for reporting class C.

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

#### **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**

#### **Revenue**

Income from the sale of goods and finished goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be reliably measured and is expected to be received.

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

## Financial statements 1 April 2017 – 31 March 2018

### Notes

#### 1 Accounting policies (continued)

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

##### 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.

### Balance sheet

#### Intangible assets

##### *Patents, licences and trademarks*

Licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period.

#### Property, plant and equipment

Plant and machinery and 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 cost of self-constructed assets comprises direct and indirect costs of materials, components, subsuppliers, energy consumption, staff and depreciation of machinery used.

Where individual components of an item of plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

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	3-5 years
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## Financial statements 1 April 2017 – 31 March 2018

### Notes

#### 1 Accounting policies (continued)

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

#### Leases

All leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations, etc.

#### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Goods and consumables are measured at cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

#### 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.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast 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 1 April 2017 – 31 March 2018

### Notes

#### 1 Accounting policies (continued)

##### Prepayments

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

##### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

##### Equity

###### *Dividends*

Proposed dividends are recognised as a liability at the date on which 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 value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

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

Liabilities are measured at net realisable value.



## Financial statements 1 April 2017 – 31 March 2018

### Notes

	2017/18	2016/17
DKK'000		
<b>2 Staff costs</b>		
Wages and salaries	13,922	12,747
Other social security costs	436	463
	<u>14,358</u>	<u>13,210</u>
Average number of full-time employees	<u>28</u>	<u>26</u>
<b>3 Other financial income</b>		
Foreign exchange gains	16	35
Other interest income	0	1
	<u>16</u>	<u>36</u>
<b>4 Other financial expenses</b>		
Foreign exchange losses	323	122
	<u>323</u>	<u>122</u>
<b>5 Contractual obligations, contingencies, etc.</b>		

#### Lease obligations

The Company has entered into operating leases at the following amounts:

The remaining term of the leases is up to 48 months, totalling DKK 3.1 million.

The remaining term of the rent is up to 30 months with an average monthly lease payment of DKK 57 thousand, totalling DKK 1.7 million.

## **Financial statements 1 April 2017 – 31 March 2018**

### **Notes**

#### **6 Related party transactions**

Sharp Business Systems Danmark A/S' related parties comprise the following:

##### **Control**

Sharp Electronics Europe GmbH  
Nagelsweg 33-35  
Hamburg  
Germany

##### **Related party transactions**

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.