



Lohmann & Rauscher A/S

Gøngehusvej 252
2950 Vedbæk
CVR No. 36826916

Annual report 2019

The Annual General Meeting adopted the
annual report on 20.05.2020

Stefan Reinel

Chairman of the General Meeting

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Entity details

Entity

Lohmann & Rauscher A/S

Gøngehusvej 252

2950 Vedbæk

CVR No.: 36826916

Registered office: Rudersdal

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Wolfgang Günter Süssle

Stefan Reinel

Martin Johannes Ortwin Pohl

Executive Board

Søren Andersson

Birgitte Therese Holberg

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Lohmann & Rauscher A/S for the financial year 01.01.2019 - 31.12.2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Vedbæk, 20.05.2020

Executive Board

Søren Andersson

Birgitte Therese Holberg

Board of Directors

Wolfgang Günter Süssle

Stefan Reinel

Martin Johannes Ortwin Pohl

Independent auditor's report

To the shareholder of Lohmann & Rauscher A/S

Opinion

We have audited the financial statements of Lohmann & Rauscher A/S for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant 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 Entity's financial position at 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 20.05.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Sejer Pedersen

State-Authorised Public Accountant
Identification No (MNE) mne14986

Management commentary

Primary activities

As in earlier years, the Company's activities have consisted of the import and sale of surgical dressing materials, medical plaster and related products.

Development in activities and finances

The Board of Directors assesses that the operating results of Lohmann & Rauscher A/S have been satisfactory in 2019. Profit for the year amounted to DKK 1,188 thousand, and the Company's equity amounted to DKK 7,580 thousand at 31.12.2019.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		1,551,987	1,677,566
Staff costs	1	(35,144)	(23,324)
Operating profit/loss		1,516,843	1,654,242
Other financial income	2	21	1,722
Other financial expenses	3	(37,742)	(37,507)
Profit/loss before tax		1,479,122	1,618,457
Tax on profit/loss for the year	4	(325,543)	(351,763)
Profit/loss for the year		1,153,579	1,266,694
Proposed distribution of profit and loss			
Retained earnings		1,153,579	1,266,694
Proposed distribution of profit and loss		1,153,579	1,266,694

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Manufactured goods and goods for resale		3,728,012	2,838,813
Inventories		3,728,012	2,838,813
Trade receivables		3,602,254	3,053,554
Receivables from group enterprises		0	291,435
Deferred tax		17,000	17,000
Income tax receivable		10,435	21,776
Receivables		3,629,689	3,383,765
Cash		3,244,008	1,333,814
Current assets		10,601,709	7,556,392
Assets		10,601,709	7,556,392

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital	5	500,000	500,000
Retained earnings		7,046,408	5,892,829
Equity		7,546,408	6,392,829
Payables to group enterprises		855,565	0
Other payables		2,199,736	1,163,563
Current liabilities other than provisions		3,055,301	1,163,563
Liabilities other than provisions		3,055,301	1,163,563
Equity and liabilities		10,601,709	7,556,392

Group relations 7

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	5,892,829	6,392,829
Profit/loss for the year	0	1,153,579	1,153,579
Equity end of year	500,000	7,046,408	7,546,408

Cash flow statement for 2019

	Notes	2019 DKK	2018 DKK
Operating profit/loss		1,516,843	1,654,242
Working capital changes	6	453,838	(34,241)
Cash flow from ordinary operating activities		1,970,681	1,620,001
Financial income received		21	1,722
Financial expenses paid		(37,743)	(37,507)
Income taxes refunded/(paid)		(314,201)	(365,625)
Cash flows from operating activities		1,618,758	1,218,591
Dividend paid		0	(6,000,000)
Intra-group financing activities		291,436	3,441,527
Cash flows from financing activities		291,436	(2,558,473)
Increase/decrease in cash and cash equivalents		1,910,194	(1,339,882)
Cash and cash equivalents beginning of year		1,333,814	2,673,696
Cash and cash equivalents end of year		3,244,008	1,333,814
Cash and cash equivalents at year-end are composed of:			
Cash		3,244,008	1,333,814
Cash and cash equivalents end of year		3,244,008	1,333,814

Notes

1 Staff costs

	2019 DKK	2018 DKK
Wages and salaries	35,144	23,324
	35,144	23,324

2 Other financial income

	2019 DKK	2018 DKK
Financial income from group enterprises	0	1,709
Other interest income	21	13
	21	1,722

3 Other financial expenses

	2019 DKK	2018 DKK
Other interest expenses	19,836	23,311
Other financial expenses	17,906	14,196
	37,742	37,507

4 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	325,543	356,223
Change in deferred tax	0	(4,460)
	325,543	351,763

5 Share capital

	Number	Par value DKK	Nominal value DKK
Ordinary shares	10	1,200	12,000
Ordinary shares	4	12,000	48,000
Ordinary shares	1	20,000	20,000
Ordinary shares	4	60,000	240,000
Ordinary shares	1	180,000	180,000
	20		500,000

6 Changes in working capital

	2019	2018
	DKK	DKK
Increase/decrease in inventories	(889,199)	52,078
Increase/decrease in receivables	(548,700)	(90,140)
Increase/decrease in trade payables etc	1,891,737	3,821
	453,838	(34,241)

7 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Lohmann & Rauscher International GmbH & Co. KG, Rengsdorf, Germany

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Lohmann & Rauscher GmbH & Co. KG, Rengsdorf, Germany

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, cost of sales and other external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods. This item includes ordinary writedowns of such inventories.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise fee to the Board of Directors.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on payables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans and payment of dividend.

Cash and cash equivalents comprise cash.