

Advanced Couplings IVS

Klokkestøbervej 43, 8800 Viborg

Company reg. no. 37 32 97 70

Annual report

29 December 2015 - 31 December 2016

The annual report have been submitted and approved by the general meeting on the 31 May 2017.

Morten Kirkegaard
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The executive board has today presented the annual report of Advanced Couplings IVS for the financial year 29 December 2015 to 31 December 2016.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2016 and of the company's results of its activities in the financial year 29 December 2015 to 31 December 2016.

The executive board considers the requirements of omission of audit of the annual accounts for 2015/16 as met.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Viborg, 30 May 2017

Executive board

Lars Andersen

Morten Bjerre Kirkegaard

The independent auditor's report on review of the annual accounts

To the shareholders of Advanced Couplings IVS

We have reviewed the annual accounts of Advanced Couplings IVS for the financial year 29 December 2015 to 31 December 2016. Our review comprised accounting policies used, profit and loss account, balance sheet and notes.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts. We conducted our review in accordance with the international standard on engagements to review historical annual accounts and additional requirements under Danish audit regulation. This standard requires us to conclude whether anything has come to our attention that causes us to believe that the annual accounts, taken as a whole, are not in all material respects in accordance with the applicable financial reporting framework. The standard also requires us to comply with relevant ethical requirements.

A review of annual accounts performed in accordance with the international standard on engagements to review historical annual accounts is an limited assurance engagement. The review consists primarily of making inquiries of the management and, when appropriate, of others within the enterprise, applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with international standards on auditing. Accordingly, we do not express an audit opinion on the annual accounts.

Opinion

Based on our review, nothing has come to our attention which causes us to believe that the annual accounts do not provide a true and fair view of the company's assets, liabilities and financial position as of 31 December 2016 and of the results from its activities and for the financial year 29 December 2015 to 31 December 2016 in accordance with the Danish Financial Statements Act.

Viborg, 30 May 2017

Ullits & Winther

State Authorised Public Accountants
Company reg. no. 32 09 32 72

Jørgen Winther Øster

State Authorised Public Accountant

Company data

The company

Advanced Couplings IVS
Klokkestøbervej 43
8800 Viborg

Company reg. no. 37 32 97 70
Established: 29 December 2015
Domicile: Viborg Municipality
Financial year: 29 December 2015 - 31 December 2016

Executive board

Lars Andersen
Morten Bjerre Kirkegaard

Auditors

Ullits & Winther Statsautoriseret Revisionspartnerselskab
Agerlandsvej 1
8800 Viborg

Management's review

The principal activities of the company

The principal activity consists of being a wholesale business; supplying stainless steel tube connections and fittings to the food and pharmaceutical industries.

Development in activities and financial matters

The profit and loss account covers the period 29 December 2015 to 31 December 2016 and shows a result of DKK 32,804. The balance sheet shows equity of DKK 32,806.

The management considers the result for the year to be satisfactory.

Accounting policies used

The annual report for Advanced Couplings IVS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Accounting policies used

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year.

The balance sheet

Leasing contracts

All leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Accounting policies used

Available funds

Available funds comprise cash at bank and in hand.

Equity

Reserve for entrepreneurial companies

The enterprise transfers at least 25 % of the profit for the year to the reserve for entrepreneurial companies under the equity. Transfer of 25 % of the profit for the year shall continue until the contributed capital and the reserve for entrepreneurial companies reaches a total amount of DKK 50,000.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account 29 December - 31 December

<u>Note</u>	<u>2015/16</u>
Gross profit	1.082.678
1 Staff costs	-975.213
Depreciation and writedown relating to tangible fixed assets	<u>-64.129</u>
Results before net financials	43.336
Financial costs	<u>-786</u>
Results before tax	42.550
2 Tax of the results for the year	<u>-9.746</u>
Results for the year	<u>32.804</u>
 Proposed distribution of the results:	
Allocated to other statutory reserves	<u>32.804</u>
Distribution in total	<u>32.804</u>

Balance sheet

<u>Note</u>	<u>31/12 2016</u>
Assets	
Current assets	
Manufactured goods and trade goods	2.660.114
Prepayments for goods	<u>171.321</u>
Inventories in total	<u>2.831.435</u>
Trade debtors	945.890
Accrued income and deferred expenses	<u>25.700</u>
Debtors in total	<u>971.590</u>
Available funds	<u>723.055</u>
Current assets in total	<u>4.526.080</u>
Assets in total	<u>4.526.080</u>

Balance sheet

<u>Note</u>	<u>31/12 2016</u>
Equity and liabilities	
Equity	
	2
3 Reserve for unpaid contributed capital	32.804
Equity in total	32.806
Liabilities	
Trade creditors	220.336
Debt to group enterprises	3.969.017
Corporate tax	9.746
Other debts	294.175
Short-term liabilities in total	4.493.274
Liabilities in total	4.493.274
Equity and liabilities in total	4.526.080
4 Mortgage and securities	
5 Contingencies	

Notes

	<u>2015/16</u>
1. Staff costs	
Salaries and wages	959.360
Other costs for social security	6.816
Other staff costs	<u>9.037</u>
	<u>975.213</u>
Average number of employees	<u>2</u>
2. Tax of the results for the year	
Tax of the results for the year	<u>9.746</u>
	<u>9.746</u>
	<u>31/12 2016</u>
3. Reserve for unpaid contributed capital	
Paid contributed capital for the year	<u>32.804</u>
	<u>32.804</u>
4. Mortgage and securities	
None.	
5. Contingencies	
Contingent liabilities	
The company has entered into operational leasing contracts with an average annual leasing payment of DKK 42k. The leasing contracts have 24 months left to run, and the total outstanding leasing payment is DKK 83k.	