



Formica Danmark A/S
Østergade 1, 2
1100 København K
Denmark

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www.formica.com

Formica Danmark A/S

Annual report 2016/17

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

on 5th December 20 17

Neil Laurence Mason

Neil Laurence Mason
chairman

CVR no. 52 63 27 14

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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 Formica Danmark A/S for the financial year 1 July 2016 – 30 June 2017.

The annual report, which has not been audited, is presented in accordance with the Danish Financial Statements Act. The Board of Directors considers the requirements for omitting an audit to have been met.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2017 and of the results of the Company's activities for the financial year 1 July 2016 – 30 June 2017.

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.

Copenhagen, 30 November 2017
Executive Board:


Ingvar Delen

Board of Directors:


Neil Laurence Mason
Chairman


Paul Foreman


Ingvar Delen

The general meeting has decided that the financial statements for the coming financial year will not be audited.



Auditor's report on compilation of financial statements

To the Management of Formica Danmark A/S

We have compiled the financial statements of Formica Danmark A/S for the financial year 1 July 2016 – 30 June 2017 based on the Company's bookkeeping records and other information provided by you. The financial statements comprise accounting policies, income statement, balance sheet and notes.

We performed our work in accordance with ISRS 4410 *Engagements to Compile Financial Statements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Auditors Act and FSR – Danish Auditors' ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion as to whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 30 November 2017

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

A handwritten signature in blue ink, appearing to read 'Joakim Juul Larsen', written over a circular stamp.

Joakim Juul Larsen
State Authorised
Public Accountant

Formica Danmark A/S
Annual report 2016/17
CVR no. 52 63 27 14

Management's review

Company details

Formica Danmark A/S
Østergade 1, 2
1100 København K
Denmark

Telephone: +45 43 58 82 00
Website: www.formica.com

CVR no.: 52 63 27 14
Established: 12 March 1984
Registered office: Copenhagen
Financial year: 1 July – 30 June

Board of Directors

Neil Laurence Mason (Chairman)
Paul Foreman
Ingvar Delen

Executive Board

Ingvar Delen

Management's review

Operating review

Principal activities

The principal activity of Formica Danmark A/S is sales work in Denmark for other companies in the Formica Group. The revenue of the Company relates to consideration for sales work according to service agreements with other companies in the Formica Group.

Financial development in 2016/17

The financial development in 2016/17 meets expectations. The net profit for 2016/17 amounts to DKK 182 thousand, and equity at 30 June 2017 amounts to DKK 1,389 thousand.

Events after the balance sheet date and outlook for 2017/18

No events have occurred after the balance sheet date that affect the financial statements for 2016/17. For 2017/18, the Company expects that activities and net results will be at the same level as in 2016/17.

Financial statements 1 July 2016 – 30 June 2017

Income statement

	Note	2016/17	2015/16
Revenue		1,803,314	1,896,733
Other external expenses		-299,641	-384,763
Gross profit		1,503,673	1,511,970
Staff costs	1	-1,385,699	-1,387,885
Operating profit		117,974	124,085
Financial income	2	115,916	116,036
Financial expenses	3	-65	-8,430
Profit before tax		233,825	231,691
Tax on profit for the year	4	-51,441	-55,431
Profit for the year		182,384	176,260
Proposed profit appropriation			
Retained earnings		182,383	176,260
		182,383	176,260

Financial statements 1 July 2016 – 30 June 2017

Balance sheet

	Note	2016/17	2015/16
ASSETS			
Non-current assets			
Receivables			
Receivables from group entities		3,243,218	3,041,229
Deferred tax assets		8,751	11,668
Other receivables		23,721	29,517
		<u>3,275,690</u>	<u>3,082,414</u>
Cash at bank and in hand		89,288	47,877
TOTAL ASSETS		3,364,978	3,130,291
EQUITY AND LIABILITIES			
Equity			
	5		
Share capital		500,000	500,000
Retained earnings		888,962	706,579
Total equity		1,388,962	1,206,579
Current liabilities other than provisions			
Payables to group entities		1,399,243	1,476,127
Corporation tax payable		26,780	39,054
Other payables		549,993	408,531
		<u>1,976,016</u>	<u>1,923,712</u>
Total liabilities other than provisions		1,976,016	1,923,712
TOTAL EQUITY AND LIABILITIES		3,364,978	3,130,291

Financial statements 1 July 2016 – 30 June 2017

Accounting policies

The annual report of Formica Danmark A/S for 2016/17 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

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

Income statement

Revenue

Revenue comprises income from service agreements with other companies in the Formica Group. The income is measured at the fair value of the agreed consideration, excluding VAT and taxes charged on behalf of third parties.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Other external costs

Other external costs comprise costs related to the sales work, including sales promotion, transportation, rent, communication, IT and administration.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest income and expense, cost of finance leases as well as realised and unrealised gains and losses on transactions in foreign currencies 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.

Financial statements 1 July 2016 – 30 June 2017

Accounting policies

Balance sheet

Receivables

Receivables are measured at amortised cost, which corresponds to nominal value. The value is reduced by write-down for bad debts.

Prepayments

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

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.

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 in the respective countries 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.

Financial statements 1 July 2016 – 30 June 2017

Accounting policies

Liabilities

Financial liabilities and finance lease debt are recognised at the date of borrowing, equivalent to proceeds received less transaction costs paid.

Trade payables and payables to group entities are recognised at cost. Subsequently, these financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transactions 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 differences between the exchange rates at the balance sheet date and the date 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.

Notes

	<u>2016/17</u>	<u>2015/16</u>
1 Staff costs		
Wages and salaries	1,215,812	1,225,116
Pensions	148,297	153,941
Other social security costs	21,590	8,828
	<u>1,385,699</u>	<u>1,387,885</u>

The average number of employees during the financial year was 2 full-time employees (2015/16: 2).

2 Financial income		
Interest income from group entities	<u>115,916</u>	<u>116,036</u>

3 Financial expenses		
Other financial expenses	<u>65</u>	<u>8,430</u>

4 Tax on profit for the year		
Tax in the taxable income for the year	48,524	49,892
Adjustment to deferred tax asset for the year	2,917	5,539
	<u>51,441</u>	<u>55,431</u>

5 Equity	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at 1 July 2016	500,000	706,579	1,206,579
Net profit for the year	0	182,383	182,383
Balance at 30 June 2017	<u>500,000</u>	<u>888,962</u>	<u>1,388,962</u>