

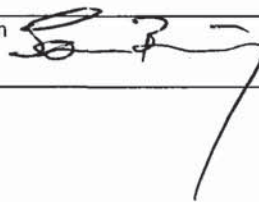
# Ricoh Danmark A/S

## Annual report 2016/17

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

on September 4 20 17

chairman



CVR no. 56 47 04 17

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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 Ricoh Danmark A/S for the financial year 1 April 2016 – 31 March 2017.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements under the Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 March 2017 and of the results of the Group's and the Parent Company's operations and the Group's cash flows for the financial year 1 April 2016 – 31 March 2017.

Further, in our opinion, the Management commentary gives a fair review of the development in the Group and the Parent Company's activities and financial matters, of the results for the year and of the Group and the Parent Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Vallensbæk Strand, 4 September 2017

Executive Board:



Søren Krogh-Nielsen

Board of Directors:

Enrique Calabuig  
Chairman




Søren Krogh-Nielsen



Søren Boserup



Per Guido Sørensen  
employee  
representative



Jørgen Henrik Norup  
employee  
representative

## Independent auditor's report

### To the shareholder of Ricoh Danmark A/S

#### Opinion

We have audited the consolidated financial statements and the parent company financial statements of Ricoh Danmark A/S for the financial year 1 April 2016 – 31 March 2017, which comprise income statement, Statement of Comprehensive Income, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by EU and further requirements in the Danish Financial Statement Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 March 2017 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 April 2016 – 31 March 2017 in accordance with the International Financial Reporting Standards as adopted by EU and further requirements in the Danish Financial Statement 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 consolidated financial statements and the parent company financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and 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.

#### Statement on the Management's Commentary

Management is responsible for Management's commentary.

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

## **Independent auditor's report**

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

### **Management's responsibilities for the consolidated financial statements and the parent company financial statements**

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by EU and further requirements in the Danish Financial Statement Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company, cease operations or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements**

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 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 financial statement users taken on the basis of these consolidated financial statements and parent company 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 consolidated financial statements and the parent 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

## Independent auditor's report

- 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 Group's and the Parent 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 consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company 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 Group and the Company to cease to continue as a going concern
- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Independent auditor's report

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Copenhagen, 4 September 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab  
Cvr. No 25 57 81 88



Jacob Lehman  
State Authorised  
Public Accountant

# **RICOH**

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Ricoh Danmark A/S  
Annual report 2016/17  
CVR no. 56 47 04 17

## **Management commentary**

### **Company details**

Ricoh Danmark A/S  
Delta Park 37  
2665 Vallensbæk Strand

Telephone: +45 70 10 67 68

Website: [www.ricoh.dk](http://www.ricoh.dk)

E-mail: [info@ricoh.dk](mailto:info@ricoh.dk)

CVR no.: 56 47 04 17

Established: 8 July 1976

Registered office: Vallensbæk

Financial year: 1 April 2016 – 31 March 2017

### **Board of Directors**

Enrique Calabuig, chairman  
Søren Krogh-Nielsen  
Søren Boserup  
Per Guido Sørensen  
Jørgen Henrik Norup

### **Executive Board**

Søren Krogh-Nielsen

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø

### **Annual general meeting**

The annual general meeting will be held on 4 September 2017.



## Management commentary

### Financial highlights for the Group

DKKm	2016/17	2015/16	2014/15	2013/14 <sup>1)</sup>	2012/13 <sup>1)</sup>
Revenue	363	319	357	380	365
Gross profit	112	104	103	116	160
Profit from ordinary activities	10	7	5	9	6
Net financial	0	0	0	0	0
Tax	0	3	-2	-3	-5
<b>Profit for the year</b>	<b>11</b>	<b>10</b>	<b>2</b>	<b>6</b>	<b>1</b>
Total assets	275	237	216	153	175
Investment in property, plant and equipment	1	3	2	2	1
<b>Equity</b>	<b>117</b>	<b>107</b>	<b>97</b>	<b>94</b>	<b>76</b>
Gross margin	30.8%	32.4%	28.8%	30.4%	43.8%
Profit margin	3.0%	3.1%	0.6%	2.3%	1.7%
Solvency ratio	42.5%	45.1%	44.9%	53.1%	43.3%
Return on equity	9.8%	9.8%	2.2%	7.1%	1.0%
<b>Average number of employees</b>	<b>162</b>	<b>157</b>	<b>169</b>	<b>176</b>	<b>174</b>

<sup>1)</sup> Financial highlights for 2016/17 - 2014/15 are prepared in accordance with International Financial Reporting Standards as adopted by the EU Act; see note 25. The comparative figures for 2012/13 – 2013/14 have not been restated to reflect the change in accounting policies but have been prepared in accordance with the previous accounting policies based on the provisions of the Danish Financial Statements Act.

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

## Management commentary

### Operating review

#### Principal activities

The principal activities of Ricoh Danmark A/S are to provide services and technologies to large and small businesses that will transform their business transactions and document processes. The Company does this through its core capabilities in Managed Document, Services, Production Printing, Office Solutions and IT Services. This can be offer to the customers via leasing contracts in the subsidiary (Ricoh Capital Danmark A/S) if financing is requested.

#### Results for the year

The consolidated financial statements made a profit for the financial year of DKK 10,658 thousand (2015/16: DKK 9,940 thousand) and the parent company financial made a profit for the financial year of DKK 7,537 thousand (2015/16: DKK 5,280 thousand) has been transferred to reserves. The result is satisfactory considering the market situation. The result for 2017/18 is expected to be in same range.

#### Outlook

The Group made an operating profit before interest and tax of DKK 10.006 thousand (2015/16: DKK 7.264 thousand).

The Group has introduced innovative and environmentally responsible products in the high-end office category and launched well-received products in the production printing market.

The Group's objective is to grow sales and profitability by offering first class, high quality products and services for the business environment, clearly differentiating and pre-empting the competition with total document solutions offerings, while making customers' businesses more productive, efficient and ultimately more profitable.

- The key strategies employed by the Group to support this objective include:
- To become a relations-based group, seen as a partner of customers, offering tailored hardware and software solutions to add value to their business.
- To have the right people, with the right skills to sell, service and support the Group's products.
- To draw on support from the Group's internal partners within the Ricoh Group in areas of research and development, manufacturing, supply chain management and central service support to help achieve the objective.
- To strengthen the corporate brand and position of the Group to support the introduction of new products to new market segments.

## Management commentary

### Operating review

Future trends and developments:

The Group expects to continue to develop relationships with significant customers, maintain and enhance its competitive product range, leverage strategic relationships with other business partners and develop revenue and profit opportunities.

Ricoh clients, partners and employees can stay up-to-date with the latest views from Ricoh at:

- Facebook: [www.facebook.com/ricoheurope](http://www.facebook.com/ricoheurope)
- Twitter: [www.twitter.com/ricoheurope](http://www.twitter.com/ricoheurope)
- You Tube: [www.youtube.com/ricoheurope](http://www.youtube.com/ricoheurope)

### Risks and uncertainties

The key risks and uncertainties facing the Group are:

Competitor risk: Failure to compete with competitors on areas including price, product range, quality and service could have an adverse effect on the Group's financial results.

People risk: Failure to attract, retain and motivate the best people with the right capabilities at all levels of the operation would be detrimental to the success of the Group.

### Material events after the reporting date

No events have occurred after the reporting date that may significantly affect the annual report.

### Corporate Social Responsibility cf. 99a (CSR)

In 2000, Ricoh Group signed UN's Global Compact (UNGC) and in 2004, the "Ricoh Group CSR Charter" was established as well as the "Ricoh Group Code of Conduct", which both reflects the UNGC's 10 principles and applies to all entities within the Group. All 10 base principles (in the areas of human rights, labour, the environment and anti-corruption), are therefore fully integrated in all of our daily activities via our policies and key values.

On our global website <http://www.ricoh.com/csr> it is possible to view in details our CSR policies.

As the activity for the Danish Company comprise of trade and service of document related information technology on behalf of the Ricoh Group, the Danish Company only have policies in respect of environment and employees, which are described below.

## Management commentary

### Operating review

#### Climate and Environment:

##### *Group policies*

In line with the Group's commitment to the environment, it has established an Environmental Policy, which sees it making constant efforts to reduce the climate and environmental impact of the Group's operations. The Group continually seeks out and investigates alternative methods of performing its services. When more environmentally sound methods are identified, we will move promptly, when economic circumstances allow, adopting these practices.

The Group meets and exceeds key current European regulations and guidance standards, which complement our long-term objectives for:

- Energy Conservation and the Prevention of Global Warming - (Energy Star, Blue Angel, EuP directive)
- Resource Conservation and Recycling (WEEE regulations, Battery Directive)
- Pollution Prevention (RoHS, REACH, Hazardous waste regulations)

On our national website <http://www.ricoh.dk> it is possible to view in details our environmental policy, read about our ISO14001 international environmental certification and our implementation of WEEE / RoHS regulations on the environment recycling area.

##### *Local group policies*

Based on the overall Ricoh Group policies, the Danish Group has in 2015/16 initiated various activities to reduce CO2 emission. Visual Communication to reduce travel cost, default eco power saving mode on all sold units, and company cars are continuously being exchanged to diesel engines that are more efficient when leasing car contracts are renewed.

Furthermore, the Company has a HQ, which is a certified Green House with great CO2 savings compared to former HQ build in 1970's.

Use of paper has also dropped in 2016/17 and we expect that this improvement will continue due to our New Ways of Working (NWOW) concept.

The Danish Group does not have any specific policies around human rights.

#### **Gender distribution requirements cf. 99b:**

Ricoh is an equal opportunities employer and all applications are treated on merit, regardless of sex, disability, religious belief, marital status, colour, race or ethnic origins.

## Management commentary

### Operating review

In the event of members of staff becoming disabled every effort is made to ensure that their employment within the Group continues and that appropriate training is arranged.

The training, career development and promotion of disabled persons are, as far as possible, consistent with that of other employees.

As the female gender currently is underrepresented in Ricoh Danmark's management, we have developed policies and goals for the future in an attempt to equalize the gender composition in the future.

At the end of the financial period 2015/16, women occupied 15% of management positions in Ricoh Danmark A/S, which comprises the three top levels of management (Board of Directors/senior management (directors) and middle managers). The current composition is 20% and Ricoh would like rise to 33.3% within a 4 year period, so one third of all management positions in 2018 is occupied by a female employee, and that this increase ultimately could contribute to the same composition in the company's Board of Directors in 2018. We have a target of 1 female to be hired in the Board of Directors in 2018. The current composition of the Board of Directors is 3 members, all males. However if an internal development will not lead to our ultimate target of having at least one female in the Board of Directors in 2018 we will recommend our Group to appoint one such. Current Board of Directors is 3 members, all males.

Besides the above quantitative goals, we have for many years have gender equality build in our CSR policies and have established the following qualitative targets on this background:

- Our employees should feel that Ricoh have an open and unbiased culture in which the individual can use his skills best possible, regardless of gender.
- Ricoh's female employees should feel that they have same opportunities for career and leadership positions as their male colleagues.

Ricoh has implemented specific actions to ensure that the above-mentioned target is achieved by 2018, including that both genders are represented in the candidate selection phase for management positions (where there are qualified applicants of both genders) and that as many women as possible participate in our internal management training program.

Implementation of "policy on the gender composition of management" with associated targets are developed and adopted so late in the fiscal year that no changes in our gender composition are reported yet.

## Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017

### Income Statement / Statement of comprehensive income

DKK'000	Note	Group		Parent Company	
		2016/17	2015/16	2016/17	2015/16
<b>Revenue</b>	4	362,523	319,437	356,463	316,329
Costs of sales	5	-205,483	-170,341	-205,483	-170,341
Other external expenses		-44,559	-45,136	-42,500	-44,239
<b>Gross profit</b>		112,481	103,960	108,480	101,749
Staff costs	6	-101,338	-95,255	-101,338	-95,255
Depreciation and impairment	7	-1,137	-1,441	-1,137	-1,441
<b>Operating profit</b>		10,006	7,264	6,005	5,053
Financial income	10	192	98	192	98
Financial expenses	11	-26	-176	-26	-160
<b>Profit before tax</b>		10,172	7,186	6,171	4,991
Tax on profit for the year	12	486	2,754	1,366	289
<b>Profit for the year/total comprehensive income</b>		10,658	9,940	7,537	5,280

## Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017

### Statement of financial position

DKK'000	Note	Group		Parent Company	
		2016/17	2015/16	2016/17	2015/16
<b>ASSETS</b>					
Goodwill	13	12,637	12,637	12,637	12,637
Finance lease receivables	15	67,105	55,475	0	0
Fixtures and fittings, tools and equipment	14	2,840	2,995	2,840	2,995
Equity investments in subsidiary	9	0	0	500	500
Deferred tax	17	757	2,655	1,237	1,809
Deposits		824	1,018	824	1,018
<b>Non-current assets</b>		<b>84,163</b>	<b>74,780</b>	<b>18,038</b>	<b>18,959</b>
Inventories		10,565	11,008	10,565	11,008
Trade receivables	15	107,373	78,329	102,526	73,253
Finance lease receivables	15	14,831	19,520	0	0
Receivables from group entities		8,553	5,750	14,766	16,056
Other receivables	15	105	84	105	84
Tax receivable		1,849	1,638	323	557
Prepayments		3,471	3,261	2,825	2,636
Cash and cash equivalents	18	44,277	42,220	44,277	42,220
<b>Current assets</b>		<b>191,024</b>	<b>161,810</b>	<b>175,387</b>	<b>145,814</b>
<b>TOTAL ASSETS</b>		<b>275,187</b>	<b>236,590</b>	<b>193,425</b>	<b>164,773</b>

## Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017

### Statement of financial position

DKK'000	Note	Group		Parent Company	
		2016/17	2015/16	2016/17	2015/16
<b>Equity</b>	16				
Share capital		23,501	23,501	23,501	23,501
Retained earnings		93,814	83,156	87,533	79,996
<b>Total equity</b>		<u>117,315</u>	<u>106,657</u>	<u>111,034</u>	<u>103,497</u>
<b>Liabilities</b>					
Provisions for pension liabilities	19	789	943	789	943
<b>Non-current liabilities</b>		<u>789</u>	<u>943</u>	<u>789</u>	<u>943</u>
Loans and borrowings		83,609	65,900	0	0
Trade payables		18,608	22,234	18,595	22,212
Payables to group entities		28,745	14,737	38,800	14,626
Other payables		22,696	22,829	21,289	20,439
Deferred income		3,425	3,290	2,918	3,056
<b>Current liabilities</b>		<u>157,083</u>	<u>128,990</u>	<u>81,602</u>	<u>60,333</u>
<b>Total liabilities</b>		<u>157,872</u>	<u>129,933</u>	<u>82,391</u>	<u>61,276</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>275,187</u>	<u>236,590</u>	<u>193,425</u>	<u>164,773</u>



## Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017

### Statement of changes in equity

DKK'000	Group		
	Share capital	Retained earnings	Total
<b>Equity at 1 April 2016</b>	23,501	83,156	106,657
<b>Comprehensive income in 2016/17</b>			
Profit for the year	0	10,658	10,658
<b>Total comprehensive income for the period</b>	0	10,658	10,658
<b>Equity at 31 March 2017</b>	23,501	93,815	117,315
<b>Equity at 1 April 2015</b>	23,501	73,216	96,717
<b>Comprehensive income in 2015/16</b>			
Profit for the year	0	9,940	9,940
<b>Total comprehensive income for the period</b>	0	9,940	9,940
<b>Equity at 31 March 2016</b>	23,501	83,156	106,657

DKK'000	Parent Company		
	Share capital	Retained earnings	Total
<b>Equity at 1 April 2016</b>	23,501	79,996	103,498
<b>Comprehensive income in 2016/17</b>			
Profit for the year	0	7,537	7,537
<b>Total comprehensive income for the period</b>	0	7,537	7,537
<b>Equity at 31 March 2017</b>	23,501	87,533	111,034
<b>Equity at 1 April 2015</b>	23,501	74,716	98,217
<b>Comprehensive income in 2015/16</b>			
Profit for the year	0	5,280	5,280
<b>Total comprehensive income for the period</b>	0	5,280	5,280
<b>Equity at 31 March 2016</b>	23,501	79,996	103,497

## Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017

### Cash flow statement

DKK'000	Note	Group		Parent Company	
		2016/17	2015/16	2016/17	2015/16
Operating profit for the year		10,006	7,264	6,005	5,053
Depreciation, amortisation and impairment losses		1,137	1,440	1,137	1,440
Other adjustments of non-cash operating items		-154	-153	-154	-153
Cash flow from operating activities before changes in working capital		10,989	8,551	6,988	6,340
Changes in working capital	20	-39,200	-31,083	-31,749	-2,693
Cash flow from operating activities		-28,211	-22,532	-24,761	3,647
Interest income received		192	98	192	98
Interest expense paid		-26	-175	-26	-160
Corporation tax paid		2,171	-204	2,171	-204
<b>Cash flow from operating activities</b>		<b>-25,874</b>	<b>-22,813</b>	<b>-22,424</b>	<b>3,381</b>
Acquisition of fixtures and fittings, tools and equipment		-1,068	-3,094	-1,068	-3,094
Disposal of fixtures and fittings, tools and equipment		85	214	85	214
<b>Cash flow from investing activities</b>		<b>-983</b>	<b>-2,880</b>	<b>-983</b>	<b>-2,880</b>
Loans from Group Enterprises		11,205	-10,823	25,464	-12,218
<b>Cash flow from financing activities</b>		<b>11,205</b>	<b>-10,823</b>	<b>25,464</b>	<b>-12,218</b>
<b>Cash flows for the year</b>		<b>-15,652</b>	<b>-36,516</b>	<b>2,057</b>	<b>-11,717</b>
Cash and cash equivalents at the beginning of the year		-23,680	12,836	42,220	53,937
<b>Cash and cash equivalents at year end*</b>		<b>-39,332</b>	<b>-23,680</b>	<b>44,277</b>	<b>42,220</b>
<b>Cash and cash equivalents</b>					
Bank balances		77	69	77	69
Pool balances, receivables		44,200	42,151	44,200	42,151
Pool balances, Liability		-83,609	-65,900	0	0
		-39,332	-23,680	44,277	42,220

## Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017

### Overview of notes

<i>Note</i>		<i>Note</i>	
1	Accounting policies	15	Receivables
2	Significant accounting estimates and judgements	16	Equity
		17	Deferred tax
3	New accounting regulation	18	Cash and cash equivalents
		19	Provisions for pension obligations
4	Revenue	20	Contingent liabilities and collateral
5	Cost of sales	21	Changes in working capital
6	Staff costs	22	Operating leases
7	Depreciations	23	Financial risks and financial instruments
8	Fees to auditor appointed at the general meeting	24	Related parties disclosures
9	Equity investments in subsidiaries	25	Events after the reporting date
10	Financial income		
11	Financial expenses		
12	Tax		
13	Goodwill		
14	Property, plant and equipment		

## **Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017**

### **Notes**

#### **1 Accounting policies**

##### **General information**

Ricoh Danmark A/S is a limited liability company incorporated and domiciled in Denmark. The annual report comprises both consolidated financial statements and separate parent company financial statements.

The consolidated financial statements of Ricoh Danmark A/S for 2016/17 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements applying to reporting class C large entities under the Danish Financial Statements Act.

On 30 August 2017, the Board of Directors approved this annual report for publication and approval by the shareholder at the annual general meeting to be held on 30 August 2017.

##### **Basis of preparation**

The financial statements are presented in DKK thousands.

##### **Consolidated financial statements**

The consolidated financial statements comprise the Parent Company, Ricoh Danmark A/S and subsidiaries over which Ricoh Danmark A/S exercises control. Ricoh Danmark A/S is considered to exercise control over another entity when the Company has the voting power in the subsidiary, the possibility or right to receive dividends from the subsidiary and possibility to use the voting power to influence the rate of dividends.

The consolidated financial statements have been prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements prepared in accordance with the group accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains on intra-group transactions are eliminated. Unrealised losses are eliminated in the same way as unrealised gains to the extent that impairment has not taken place.

## **Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017**

### **Notes**

#### **1 Accounting policies (continued)**

##### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency translation adjustments resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

##### **Income statement**

###### **Revenue**

All revenues are recognised in the income statement as earned based on the following criteria:

- Delivery has taken place before year end.
- A binding sales agreement has been entered into.
- The sales price has been determined.
- Payment has been received at the time of sale or is with reasonable certainty expected to be received.

Income from the sale of goods is included in the income statement provided that delivery and transfer of risk to the buyer have taken place and that the income can be reliably measured and is expected to be received.

Income from services is invoiced according to the number of copies used or is included in the invoicing of consumables. Service income is accrued on the basis of estimated consumption.

Service contracts comprising time and mileage are recognised as income over the service period.

Profits from sale of lease machines are included in the Company's revenue. Gain/losses from lease contracts are included as income from lease contracts.

Revenues comprise rental from lease contracts, lease services and royalties. The rental cover interest income related to the entered lease agreements, document fee, etc., and any gains related to entered agreements.

## **Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017**

### **Notes**

#### **1 Accounting policies (continued)**

##### **Cost of sales**

Cost of sales comprises the value of goods and materials corresponding to the revenue for the year and current losses on the sale of lease machines.

Expenses regarding lease contracts comprise interest expenses related to financing the portfolio, insurance and any gain/losses related to the entered agreements.

##### **Other external expenses**

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

##### **Staff costs**

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

##### **Depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise depreciation and impairment losses on property, plant and equipment as well as gains and losses from current replacement of non-current assets.

##### **Financial income and expense**

Financial income and expenses comprise interest income and expenses, exchange gains and losses on debt and transactions in foreign currencies, etc.

Dividends from equity investments in group entities measured at cost are recognised as income in the Parent Company's statement of comprehensive income in the financial year when the dividends are declared. To the extent that the dividends exceed the accumulated earnings in the period, an impairment test is conducted.

Impairment losses are recognised in the statement of comprehensive income as net financials.

##### **Corporation tax and deferred tax**

Tax for the year consists of current tax and changes in deferred tax for the year. The tax expense relating to the profit for the year is recognised in the statement of comprehensive income, other comprehensive income or equity.

## **Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017**

### **Notes**

#### **1 Accounting policies (continued)**

Current tax payable and receivable is recognised in the statement of financial position 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.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised under other non-current assets at the expected value of their utilisation.

Deferred tax assets and liabilities are offset provided the Company has a legally enforceable right to set off current tax liabilities and tax assets or intends either to settle current tax liabilities and tax assets on a net basis or to realise the assets and settle the liabilities simultaneously. Adjustment is made to deferred tax resulting from the elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the reporting date. Changes in deferred tax due to changes in tax rate are recognised in the income statement.

The Company and the subsidiary Ricoh Capital Danmark A/S are jointly taxed. Ricoh Danmark A/S is the administrative company.

### **Assets**

#### **Goodwill**

Goodwill is initially recognised in the statement of financial position at cost. Subsequently, goodwill is measured at cost less accumulated impairment losses.

Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the acquisition date. Identification of cash-generating units is based on the management structure and internal financial control.

#### **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

## Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017

### Notes

#### 1 Accounting policies (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably.

Depreciation on other assets is provided on a straight-line basis over their estimated useful lives, as follows:

Leasehold improvements	5 years
Fixtures, fittings, tools and equipment	3-7 years
Lease machines	3-5 years

The cost of an asset is divided into separate components that are depreciated separately if their useful lives differ.

The assets' residual values and useful lives are reviewed and adjusted annually if appropriate.

Current losses and profits on sale of lease machines are included in the Company's revenue and cost of sales.

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

#### Investments in subsidiaries

Investments in subsidiaries are measured at cost. If an indication of impairment is identified, an impairment test is carried out. If the carrying amount of investments exceeds the recoverable amount, a corresponding impairment loss is recognised. Impairment losses are recognised in the income statement as financial items.

When other reserves than earned profit in subsidiaries are distributed, the distribution entails a reduction in the cost of equity investments when the distribution resembles repayment of the Parent Company's investment.

#### Inventories

Inventories comprise of finished goods and goods for resale in the form of hardware for document-related information technology. Inventories are measured at the lower of cost and net realisable value. Cost is determined using the weighted average cost. Write-down is made for obsolescence.



## **Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017**

### **Notes**

#### **1 Accounting policies (continued)**

##### **Receivables**

Trade receivables are recognised at the trade date, initially measured at fair value and subsequently at amortised cost using the effective interest method less provision for impairment. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience.

Leasing contracts are recognised as finance lease receivables. The receivable is measured at cost of the underlying asset at the time of entering the contract. Lease payments under the lease contracts are divided by the annuity method into interests and repayments. The interests are recognised as revenue, while the repayments are deducted in the finance lease receivable. Write downs are made on the finance lease receivable based on an individual assessment of each receivable.

##### **Leases**

Leases of property, plant and equipment, where substantially all the risks and rewards of ownership are transferred to the Group, are classified as finance leases.

Finance leases are treated as described under receivables and the related obligation as described under financial liabilities.

All other leases are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of benefits.

##### **Shareholder's equity**

Dividend distribution to the Company's shareholder is recognised as a liability at the time when the dividends are approved by the Company's shareholder. Dividends proposed for the year are disclosed as a separate item under equity.

Share premium comprises amounts in addition to the nominal share capital that have been paid by the shareholder in connection with capital increases. The reserve is part of the Company's distributable reserves.

## **Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017**

### **Notes**

#### **1 Accounting policies (continued)**

### **Liabilities**

#### **Financial liabilities**

Financial liabilities are initially recognised at fair value (typically the amount of the proceeds received), net of transaction costs incurred. In subsequent periods, the financial liabilities are measured at amortised cost; any difference between the cost (the proceeds) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Financial liabilities also include the outstanding obligation under finance leases measured at amortised cost.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### **Provisions**

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits to settle the obligation. The amount recognised as a provision is Management's best estimate of the present value of the amount at which the liability is expected to be settled.

#### **Prepayments and deferred income**

Prepayments include expenses incurred in respect of subsequent financial years. Such expenses are typically prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred income includes payments received in respect of income in subsequent years.

## **Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017**

### **Notes**

#### **1 Accounting policies (continued)**

### **Cash flow statement**

#### **Cash flows from operating activities**

Cash flows from operating activities are presented using the indirect method and stated as the consolidated profit/loss adjusted for non-cash operating items, including depreciation and impairment losses, provisions and changes in working capital, interest received and paid and corporation taxes paid. Working capital comprises current assets less current liabilities including financial leasing, excluding the items included in cash and cash equivalents, borrowings, tax payables and provisions.

#### **Cash flows from investing activities**

Cash flows from investing activities comprise cash flows from disposals and cash flows from the purchase and sale of fixtures and fittings, tools and equipment.

#### **Cash flows from financing activities**

Cash flows from financing activities comprise changes in the amount or composition of the Group's share capital and related expenses as well as cash flows from draw down and repayment of borrowings as well as payment of dividends to shareholders.

#### **Cash and cash equivalents**

Cash and cash equivalent only represents cash and cash equivalent held outside Ricoh Europe's cash pool scheme. Cash with Ricoh Europe's cash pool scheme is presented as receivables from group entities.

## Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017

### Notes

#### 1 Accounting policies (continued)

##### Financial ratios

The financial ratios have been prepared in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015" and have been calculated as follows:

Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$
Profit margin	$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Revenue}}$

## **Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017**

### **Notes**

#### **2 Significant accounting estimates and judgements**

In connection with the preparation of the consolidated financial statements, Management has made accounting estimates and judgements that affect the assets and liabilities reported at the reporting date as well as the income and expenses reported for the financial period. Management continuously reassesses these estimates and judgements based on a number of other factors in the given circumstances.

The following accounting treatment is considered significant to the financial reporting.

- Classification of leasing arrangements
- The Group consist of sales and leasing Company. The Group is making assessment over the terms and conditions of the entered leasing contracts, which are the based for the classification of the leasing contracts.
- As part of this, the Group has made the assessment that all contracts entered through the leasing Company is finance lease.

#### **3 New accounting regulation**

At the date of the presentation of this annual report, IASB has issued a number of new or amended standards and interpretations that have not yet become effective and have therefore not been included in the consolidated financial statements for 2016/17.

The new standards and interpretations will be implemented as they become mandatory for the Group.

Apart from IFRS 15 *Revenue from contracts with customers* and IFRS 16 *Leases*, none of the new standards or interpretations are expected to materially affect the financial reporting of the Group.

IFRS 15 replaces the current IAS 18 *Revenue*, IAS 11 *Construction contracts* and the related interpretations and will become effective for financial years beginning on or after 1 January 2018.

IFRS 15 comprises one overall comprehensive model for recognition of revenue. The basic principle of IFRS 15 is that the Company must recognise revenue so that it reflects the transfer of goods or services to the customers by an amount corresponding to the amount that the Company expects to be entitled to for the delivery of these goods or services.

The Group has initiated an analysis to clarify which areas IFRS 15 will affect. At present, the Group has identified a number of agreements comprising multiple services that must be bundled or unbundled and where the values must be attributed to the correct components. Moreover, there are agreements comprising variable sales considerations where the customer's price may vary.

## Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017

### Notes

#### 3 New accounting regulation (continued)

The monetary effects have not been calculated yet.

IFRS 16 replaces the current IAS 17 and the related interpretation and is expected to become effective for financial years beginning on or after 1 January 2019.

IFRS 16 will change the accounting treatment of the Group's operating leases.

The current distinction between finance and operating leases will no longer apply for lessees. Instead, the Company must apply one lease model that generally corresponds to the current accounting treatment of finance leases on all leases except for short-term leases and lease of small assets.

The Group has assessed the potential impact of the new lease standard on the financial statements. At present, it is not possible to estimate the effect on the consolidated financial statements and the parent company financial statements for 2019. The Group's undiscounted minimum operating lease payments at 31 March 2017 are disclosed in note 22 to the financial statements.

IFRS 16 is not expected to have material effect on the Group's activities as a lessor.

DKK'000	Group		Parent Company	
	2016/17	2015/16	2016/17	2015/16
<b>4 Revenue</b>				
Sale of goods	173,495	159,335	173,496	159,333
Sale of services	182,831	156,996	182,967	156,996
Income from lease contracts	6,197	3,106	0	0
	<u>362,523</u>	<u>319,437</u>	<u>356,463</u>	<u>316,329</u>

It is Management's assessment that segmentation relating to geographical areas does not provide other relevant information. This is substantiated with 98 % of the sales being to clients in Denmark.

## Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017

### Notes

#### 4 Revenue (continued)

Future minimum lease payments under non-cancellable leases are receivable as follows:

DKK'000	Group		Parent Company	
	2016/17	2015/16	2016/17	2015/16
0-1 years	14,831	19,520	0	0
1-5 years	67,105	55,475	0	0
	<u>81,936</u>	<u>74,995</u>	<u>0</u>	<u>0</u>

DKK'000	Group		Parent Company	
	2016/17	2015/16	2016/17	2015/16
<b>5 Cost of sales</b>				
Cost of sales	<u>205,483</u>	<u>170,341</u>	<u>205,483</u>	<u>170,341</u>
Write-down of inventories	<u>1,597</u>	<u>1,149</u>	<u>1,597</u>	<u>1,149</u>

Write-down on cost price of inventories held at 31 March 2017 amounted to DKK 1,597 thousand (31 March 2016: DKK 1,050 thousand) to net realisable value of DKK 4,576 thousand (31 March 2016: DKK 4,616 thousand).

There have been no reversals of write-downs in the period from change on estimates, only from sales transactions.

DKK'000	Group		Parent Company	
	2016/17	2015/16	2016/17	2015/16
<b>6 Staff costs</b>				
Salaries and remuneration	89,724	84,485	89,724	84,485
Defined contribution plans	7,913	7,133	7,913	7,133
Other social security expenses	1,355	1,435	1,355	1,435
Other staff costs	2,346	2,202	2,346	2,202
	<u>101,338</u>	<u>95,255</u>	<u>101,338</u>	<u>95,255</u>
Average numbers of employees	<u>162</u>	<u>157</u>	<u>162</u>	<u>157</u>

In accordance with section 98b(2) of the Danish Financial Statements Act, Management's remuneration is not presented.

## Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017

### Notes

#### 6 Staff costs (continued)

Remuneration for Key Management Personnel, including Management, amounts to DKK 6,353 thousand (2015/16: DKK 6,162 thousand). Key Management Personnel consist of 4 employees (2015/16: 4 employees) and consists of the Department Heads.

The Company has bonus schemes for Management and Key Management Personnel, which are, depended on both Company and personnel KPI's.

DKK'000	Group		Parent Company	
	2016/17	2015/16	2016/17	2015/16
<b>7 Depreciation</b>				
Depreciation on property, plant and equipment	1,137	1,441	1,137	1,441

Depreciation is included in the financial statement item Depreciation and impairment.

#### 8 Fees to auditor appointed at the general meeting

Total fee to KPMG can be specified as follows:

DKK'000	Group		Parent Company	
	2016/17	2015/16	2016/17	2015/16
Statutory audit	465	450	394	379
Other assurance services	31	31	31	31
	496	481	425	410



## Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017

### Notes

DKK'000		Parent Company	
		2016/17	2015/16
<b>9</b>	<b>Equity investments in subsidiaries</b>		
	Cost at 1 April	500	500
	Cost at 31 March	500	500
	<b>Carrying amount at 31 March</b>	<b>500</b>	<b>500</b>

Name	Registered office	Equity interest	Equity	Profit for the year
Ricoh Capital Danmark A/S	Vallensbæk	100 %	6,783	3,122

DKK'000		Group		Parent Company	
		2016/17	2015/16	2016/17	2015/16
<b>10</b>	<b>Financial income</b>				
	Other financial income	192	98	192	98
		192	98	192	98
<b>11</b>	<b>Financial expenses</b>				
	Foreign exchange losses (net)	26	176	26	160
		26	176	26	160

Intercompany financial expenses from loans related to leasing contracts are included in cost of sales. Intercompany balances derived from ordinary sales within the Group does not carry interest.

## Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017

### Notes

#### 12 Tax

Tax on profit for the year can be specified as follows:

DKK'000	Group		Parent Company	
	2016/17	2015/16	2016/17	2015/16
Current tax	-96	-21	-542	-1,102
Deferred tax	-2,269	776	-943	-245
Adjustment of tax and deferred tax relating to previous years	2,851	1,999	2,851	1,636
	<u>486</u>	<u>2,754</u>	<u>1,366</u>	<u>289</u>

Tax on profit for the year is recognised as follows:

DKK'000	Group		Parent Company	
	2016/17	2015/16	2016/17	2015/16
Computed 22% tax on profit before tax (2015/16: 22%)	-2,239	-1,689	-1,357	-1,173
Tax effect of:				
Other expenses/income not deductible for tax purposes	-126	1,584	-126	-192
Adjustment due to deviation in tax rate	0	18	0	18
Adjustment of tax and deferred tax relating to previous years	2,851	2,841	2,851	1,636
	<u>486</u>	<u>2,754</u>	<u>1,366</u>	<u>289</u>
Effective tax rate	<u>-4.8</u>	<u>-38.3</u>	<u>-22.1</u>	<u>-5.8</u>

#### 13 Goodwill

Cost at 1 April	<u>12,637</u>	<u>12,637</u>	<u>12,637</u>	<u>12,637</u>
Cost at 31 March	<u>12,637</u>	<u>12,637</u>	<u>12,637</u>	<u>12,637</u>
<b>Carrying amount at 31 March</b>	<u>12,637</u>	<u>12,637</u>	<u>12,637</u>	<u>12,637</u>

Goodwill is allocated the cash-generating unit Ricoh Danmark A/S.

## **Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017**

### **Notes**

#### **13 Goodwill (continued)**

##### **Impairment tests**

Management has tested the carrying amount of goodwill based on guidelines from Ricoh Group. The test has been performed with a DCF model for the current business, being Ricoh Danmark A/S as the identified cash generating unit (CGU), comparing the discounted cash flows with book values at year-end.

The impairment tests did not indicate any need for impairment write-down. At 31 March 2017 net present value amounts to DKK 53,786 thousand, compared to book value of DKK 12,637 thousand.

The impairment tests were based on budgets for 2016/177 approved by the Board of Directors and projections during the next 5 years and a terminal period. The budget for 2017/18 shows an increase in revenue of 4% and an increase in gross profit of 28.7% compared to actuals for 2016/17, which is due to expected returns from sale of new strategic product lines. The remaining 4-year budget period is based on a fixed yearly increase in revenue and gross profit of 3%.

Value in use is determined on the basis of a discount rate before tax of 8.7%. A growth rate of 1 pct. in the growth period has been applied.

A significant assumption when preparing the impairment test is the TP agreement entered with the Group related to the Company's performance and results that insures that the Company has a certain profit margin. Consequently, Management has assessed that there is no significant estimation uncertainty of the valuation of goodwill.

## Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017

### Notes

#### 14 Property, plant and equipment

	Group			
	Lease machines	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
DKK'000				
Cost at 1 April 2016	693	3,153	878	4,724
Additions	580	488	0	1,068
Disposals	-57	-896	-50	-1,003
Cost at 31 March 2017	1,216	2,745	828	4,789
Depreciation and impairment losses at 1 April 2016	350	1,215	164	1,729
Depreciation	400	599	138	1,137
Depreciation on disposals	-53	-814	-50	-917
Depreciation and impairment losses at 31 March 2017	697	1,000	252	1,949
<b>Carrying amount at 31 March 2017</b>	<b>519</b>	<b>1,745</b>	<b>576</b>	<b>2,840</b>

	Parent Company			
	Lease machines	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
DKK'000				
Cost at 1 April 2016	693	3,153	878	4,724
Additions	580	488	0	1,068
Disposals	-57	-896	-50	-1,003
Cost at 31 March 2017	1,216	2,745	828	4,789
Depreciation and impairment losses at 1 April 2016	350	1,215	164	1,729
Depreciation	400	599	138	1,137
Depreciation on disposals	-53	-814	-50	-917
Depreciation and impairment losses at 31 March 2017	697	1,000	252	1,949
<b>Carrying amount at 31 March 2017</b>	<b>519</b>	<b>1,745</b>	<b>576</b>	<b>2,840</b>

## Consolidated financial statements and parent company financial statements 1 April 20166 – 31 March 20177

### Notes

DKK'000	Group		Parent Company	
	2016/177	2015/16	2016/17	2015/16
<b>15 Receivables</b>				
Trade receivables	107,373	78,329	102,526	73,253
Financial lease receivable	81,936	74,995	0	0
Other receivables	105	84	105	84
	<u>189,414</u>	<u>153,408</u>	<u>102,631</u>	<u>73,337</u>
<b>Specification of receivables overdue</b>				
Due by 1-30 days	9,457	7,725	9,120	6,378
Due by 30-90 days	4,008	6,342	2,413	4,672
Due by more than 90 days	2,053	2,128	342	1,182
Write-down of receivables overdue	-155	-707	-155	-707
<b>Carrying amount of receivables overdue</b>	<u>15,363</u>	<u>15,190</u>	<u>11,720</u>	<u>11,525</u>
<b>Specification of development in write-down</b>				
Write-down at 1 April	-707	-977	-707	-977
Adjustment of write-down during the year	-450	-352	-450	-352
Realised losses during the year	1,002	622	1,002	622
<b>Write-down at 31 March</b>	<u>-155</u>	<u>-707</u>	<u>-155</u>	<u>-707</u>

The Company does not have any significant credit risks related to individual customers as the client portfolio is spread out on a significant number of customers. Internal assessments are made on an ongoing basis, both related to credit risks of individual customers and the total credit exposure. If a significant risk is identified, Ricoh Europe will be involved to decide the necessary actions to be taken to mitigate or address the risk.

Receivables relates to debtors in Denmark.

## Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017

### Notes

#### 16 Equity

##### Capital management

Ricoh Danmark A/S and Ricoh Capital Danmark A/S are participants in the cash pool for Ricoh Europe Group. The capital management for the group is centralised in Ricoh Europe Finance Limited.

##### Share capital

	Shares issued			
	Number		Nominal value (DKK'000)	
	2016/17	2015/16	2016/17	2015/16
1 April	23,501	23,501	1,000	1,000
<b>31 March – fully paid</b>	<b>23,501</b>	<b>23,501</b>	<b>1,000</b>	<b>1,000</b>

The share capital consists of 23,501 shares of a nominal value of DKK 1,000 each. No shares carry any special rights.

	Group		Parent Company	
	2016/17	2015/16	2016/17	2015/16
DKK'000				
<b>17 Deferred tax</b>				
Deferred tax at 1 April	2,655	1,211	1,809	1,211
Deferred tax for the year recognised in profit for the year	-2,269	776	-943	598
Adjustment of tax relating to previous years	371	668	371	0
<b>Deferred tax at 31 March</b>	<b>757</b>	<b>2,655</b>	<b>1,237</b>	<b>1,809</b>
Deferred tax is recognised in the statement of financial position as follows:				
Deferred tax (asset)	1,237	2,655	1,237	1,809
Deferred tax (liability)	-480	0	0	0
<b>Deferred tax at 31 March, net</b>	<b>757</b>	<b>2,655</b>	<b>1,237</b>	<b>1,809</b>
Deferred tax relates to:				
Provisions	174	207	174	207
Property, plant and equipment	555	691	555	691
Other	28	1,757	508	911
	<b>757</b>	<b>2,655</b>	<b>1,237</b>	<b>1,809</b>

## Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017

### Notes

#### 17 Deferred tax (continued)

Tax losses allowed for carryforward relate to Ricoh Capital Danmark A/S, tax assets or liabilities that are not included in the statement of financial position.

#### 18 Cash and cash equivalents

DKK'000	Group		Parent Company	
	2016/17	2015/16	2016/17	2015/16
Pool balances	44,200	42,151	44,200	42,151
Bank balances	77	69	77	69
	<u>44,277</u>	<u>42,220</u>	<u>44,277</u>	<u>42,220</u>

#### 19 Provisions for pension obligations

The provisions for pension obligations are calculated as the monthly pension for the expected period of payment. No actuarial calculations have been carried out, as the amount is not material. The provision covers one pensioner. The annual payment is DKK 153 thousand.

#### 20 Contingent liabilities and collateral

##### Contingent liabilities

Obligations not recognised as a provision to buy back machines that have been sold to lease companies after termination of the contract total DKK 0 thousand. In the opinion of the Company, the prices at which the buy-back is to be effected will not exceed the market price of the used machines.

The Company is jointly registered for VAT with Ricoh Capital Danmark A/S and severally liable for the payment thereof, amounting to DKK 5,474 thousand (31 March 2016: DKK 4,550 thousand).

The Company is jointly taxed with other Danish companies in the Ricoh Group. As the administrative company, together with the other companies included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends and interest. Corporation tax and withholding tax payable within the joint taxation group amounted to DKK 0 thousand at 31 March 2017 (31 March 2016: DKK 0 thousand).

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### Notes

DKK'000	Group		Parent Company	
	2016/17	2015/16	2016/17	2015/16
<b>21 Changes in working capital</b>				
Change in inventories	443	-3,015	443	-3,015
Change in receivables, etc.	-36,020	-27,688	-29,289	2,136
Prepaid costs/deferred income, net	135	,730	-137	,679
Change in trade payables and other payables	-3,758	-1,110	-2,766	-2,493
	<u>39,200</u>	<u>-31,083</u>	<u>-31,749</u>	<u>-2,693</u>

### 22 Leases

#### The Group as lessee

The Group has entered into rent and operating leases in respect of buildings and fixtures and fittings. The lease term is typically between 1 and 5 years with a renewal clause after the end of the term (for leased premises, up to 6 years). None of the leases contain contingent rent.

Non-cancellable operating leases can be specified as follows:

DKK'000	Group		Parent Company	
	2016/17	2015/16	2016/17	2015/16
0-1 years	8,605	6,006	8,605	6,006
1-5 years	18,582	15,915	18,582	15,915
>5 years	0	597	0	,597
	<u>27,187</u>	<u>22,518</u>	<u>27,187</u>	<u>22,518</u>

For 2016/17, DKK 8,498 thousand (2015/16: DKK 7,488 thousand) has been recognised in the consolidated statement of comprehensive income regarding operating leases.



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### Notes

#### 22 Leases (continued)

##### The Group as lessor

The Group rents out printers, copiers and unified communication equipment at Ricoh Group terms.

Future minimum lease payments under non-cancellable leases are receivable as follows:

DKK'000	Group		Parent Company	
	2016/17	2015/16	2016/17	2015/16
0-1 years	33,905	20,738	8,148	1,218
1-5 years	56,179	59,328	0	3,853
>5 years	0	0	0	0
	<u>90,084</u>	<u>80,066</u>	<u>8,148</u>	<u>5,071</u>

For 2016/17, DKK 2,775 thousand (2015/16: DKK 3,106 thousand) has been recognised in revenue in the consolidated statement of comprehensive income regarding operating leases.

#### 23 Financial risks and financial instruments

##### Risk management policy

Following its operating, investing and financing activities, the Group is exposed to a number of financial risks, including currency and interest rate risks, liquidity risks and credit risks.

The Group does not stand-alone have a formalised Risk Management policy. The Risk Management policy is based on overall instructions from Ricoh Europe via overall group policies, which amongst others covers currency risk, interest rate risks, liquidity risks and credit risks.

It is group policy not to engage in speculation in financial risks. Thus, the Group's financial management is aimed at managing and reducing the financial risks directly attributable to the Group's operations, investments and financing.

Management are on an ongoing basis considering the risk exposures and how to address these. When making the considerations the necessary functions within the Ricoh Group are involved, which includes treasury, legal etc.

Based on an assessment there is only limited risk related to currency risk, interest rate risks, liquidity risk, due to agreements entered into with Ricoh Europe. For credit risks, reference is made to note 15.

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### **Notes**

#### **23 Financial risks and financial instruments (continued)**

##### **Currency risks**

The Group is exposed to currency fluctuations as the individual group companies settle purchases and sales and record receivables and payables in other currencies than their functional currencies – primarily EUR. No speculative currency transactions are made, and transactions are solely carried out based on commercial needs. No agreements on currency transaction hedging have been concluded during the financial year.

Denmark pursues a fixed-exchange-rate policy vis-à-vis EUR, meaning that the Group is not exposed to currency fluctuations in EUR. Fluctuations in other currency have an insignificant impact on the Group's result.

##### **Interest rate risks**

The Group has no significant interest rate risk since it is part of a cash pool arrangement and has no other debt to external parties, other than balances from normal course of business.

The embedded interest rates on leasing contracts are fixed within the duration of the lease contract.

Significant movements in the interest rate levels can have a positive/negative effect on the Company due to the relationship between the variable interest rate on loans against the fixed embedded rate on the leasing contracts.

## Consolidated financial statements and parent company financial statements 1 April 2016 – 31 March 2017

### Notes

#### 23 Financial risks and financial instruments (continued)

##### Maturity analysis

Liabilities are primarily short-term comprising Trade payables, other payables and payables to group entities falling due within one year.

The pension scheme provision is described in note 18.

DKK'000	Accounting amount	Group 2016				
		Cash flow	< 6 mth.	6 – 12 mth.	1 – 5 year	> 5 year
Pension liabilities	789	789	77	77	614	21
Loans and borrowings	83,609	83,609	83,609	0	0	0
Trade payable and other payable	23,077	23,077	23,077	0	0	0
Payable to group entities	28,745	28,745	28,745	0	0	0
Deferred income	3,425	3,425	3,425	0	0	0
(Finance) Lease receivables	81,936	82,839	14,831	14,403	53,605	0
Trade Receivables	107,374	107,374	107,374	0	0	0
Receivables from group entities <sup>1)</sup>	8,553	8,553	8,553	0	0	0
Other receivables	105	105	105	0	0	0

DKK'000	Accounting amount	Group 2015				
		Cash flow	< 6 mth.	6 – 12 mth.	1 – 5 year	> 5 year
Pension liabilities	943	943	77	77	614	175
Loans and borrowings	65,900	65,900	65,900	0	0	0
Trade payable and other payable	45,062	45,062	45,062	0	0	0
Payable to group entities	14,737	14,737	14,737	0	0	0
Deferred income	3,290	3,290	3,290	0	0	0
(Finance) Lease receivables	74,995	83,489	10,854	10,854	61,781	0
Trade Receivables	78,327	78,327	78,327	0	0	0
Receivables from group entities	5,750	5,750	5,750	0	0	0
Other receivables	84	84	84	0	0	0

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### Notes

#### 23 Financial risks and financial instruments (continued)

DKK'000	Accounting amount	Parent Company 2016				
		Cash flow	< 6 mth.	6 – 12 mth.	1 – 5 year	> 5 year
Pension liabilities	789	789	77	77	614	21
Trade payable and other payable	22,262	22,262	22,262	0	0	0
Payable to group entities	38,800	38,800	38,800	0	0	0
Deferred income	2,918	2,918	2,918	0	0	0
Trade Receivables	102,526	102,526	102,526	0	0	0
Receivables from group entities	14,766	14,766	14,766	0	0	0
Other receivables	105	105	105	0	0	0

DKK'000	Accounting amount	Parent Company 2015				
		Cash flow	< 6 mth.	6 – 12 mth.	1 – 5 year	> 5 year
Pension liabilities	943	943	77	77	614	175
Trade payable and other payable	42,268	42,268	42,268	0	0	0
Payable to group entities	14,626	14,626	14,626	0	0	0
Deferred income	3,055	3,055	3,055	0	0	0
Trade Receivables	73,253	73,253	73,253	0	0	0
Receivables from group entities	16,056	16,056	16,056	0	0	0
Other receivables	84	84	84	0	0	0

The carrying amount and fair value of the above categories are the same for both 2016/17 and 2015/16.

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### Notes

#### 24 Related party disclosures

##### The Group's related parties exercising control

- Ricoh Europe Holdings PLC. 20, Triton Street, London NW1 3BF, UK
- The Company is included in the consolidated financial statements of Ricoh Europe Holdings PLC, UK, and ultimately in the consolidated financial statements of the ultimate parent company Ricoh Company Ltd., Japan. The consolidated financial statements can be obtained through Companies House, UK, and from the ultimate parent company at their address Ricoh Building, 8-13-1 Ginza, Chuo-ku, Tokyo 104-8222, Japan.

##### Related party transactions

Related party transactions comprised the following:

DKK'000	Group		Parent Company	
	2016/17	2015/16	2016/17	2015/16
Sale of goods	49,328	64,617	49,328	64,617
Purchase of goods	143,225	137,696	143,225	137,696
Service and group fees	10,604	9,248	9,669	8,314
	<u>203,157</u>	<u>211,561</u>	<u>202,222</u>	<u>210,627</u>

The Company has a rebate agreement with Ricoh Europe Ltd., which is based on revenue and operating profit for the period. Rebate for the year amounted to DKK 26,332 thousand (2015/16: DKK 20,407 thousand)

Transactions with group entities have been eliminated in the consolidated financial statements in accordance with the accounting policies.

The interest charge on these accounts is shown in notes 10 and 11.

##### Management employees

The Group's related parties exercising significant influence comprise the Group's Board of Directors, Executive Board and management employees in the Parent Company.

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**Notes**

**25 Events after the reporting date**

No events have occurred after the reporting date that may significantly affect the annual report.