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PERSONLIGT ENGAGEMENT

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REVISIONSAKTIESELSKAB

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# NWL Denmark Services ApS

c/o Horten Advokatpartnerselskab, Philip Heymans Alle 7, 2900 Hellerup

Company reg. no. 58 22 26 15

## Annual report

1 January - 31 December 2017

The annual report has been submitted and approved by the general meeting on the 16 April 2018.

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Marc W. Johnson  
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.



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## **Management's report**

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The executive board has today presented the annual report of NWL Denmark Services ApS for the financial year 1 January to 31 December 2017.

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 2017 and of the company's results of its activities in the financial year 1 January to 31 December 2017.

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.

Hellerup, 9 April 2018

### **Executive board**

Mark Weston Johnson

Sharen Melinda Brooks

Mette Charlotte Lintonbon



## **Independent auditor's report**

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**To the shareholder of NWL Denmark Services ApS**

### **Opinion**

We have audited the annual accounts of NWL Denmark Services ApS for the financial year 1 January to 31 December 2017, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January to 31 December 2017 in accordance with the Danish Financial Statements Act.

### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

### **The management's responsibilities 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. The management is also 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.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:



## **Independent auditor's report**

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- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

### **Statement on the management's review**

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.



## **Independent auditor's report**

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Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 9 April 2018

### **Christensen Kjarulff**

Statsautoriseret Revisionsaktieselskab  
Company reg. no. 15 91 56 41

**Iver Haugsted**

State Authorised Public Accountant  
MNE-nr. 10678



## Company data

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### **The company**

NWL Denmark Services ApS  
c/o Horten Advokatpartnerselskab  
Philip Heymans Alle 7  
2900 Hellerup

Company reg. no. 58 22 26 15  
Established: 30 March 1967  
Domicile: Gentofte  
Financial year: 1 January - 31 December

### **Executive board**

Mark Weston Johnson  
Sharen Melinda Brooks  
Mette Charlotte Lintonbon

### **Auditors**

Christensen Kjørulff  
Statsautoriseret Revisionsaktieselskab  
Store Kongensgade 68  
1264 København K

### **Subsidiaries**

NWL Denmark ApS, Hvidovre  
Newell Poland Services Spólka Z.o.o, Poland

### **Associated enterprise**

NWL Netherlands Holding III B.V., Netherlands



## **Management's review**

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### **The principal activities of the company**

NWL Denmark Services ApS primarily performs internal administrative services for sales companies in the Nordic countries and invests in group companies in Poland, the Netherlands and Denmark.

### **Development in activities and financial matters**

The management consider the financial results as expected.





## Profit and loss account 1 January - 31 December

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Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

<u>Note</u>	<u>2017</u>	<u>2016</u>
<b>Gross profit</b>	<b>1.786.017</b>	<b>3.959</b>
1 Staff costs	-1.802.432	-2.726
Depreciation and writedown relating to tangible fixed assets	<u>-105.190</u>	<u>-263</u>
<b>Operating profit</b>	<b>-121.605</b>	<b>970</b>
Income from equity investments in group enterprises	-27.027.901	-98.000
Other financial income	3.124	-34
2 Other financial costs	<u>-166.388</u>	<u>-344</u>
<b>Results before tax</b>	<b>-27.312.770</b>	<b>-97.408</b>
Tax on ordinary results	<u>44.900</u>	<u>-1.213</u>
<b>Results for the year</b>	<b><u>-27.267.870</u></b>	<b><u>-98.621</u></b>
<b>Proposed distribution of the results:</b>		
Allocated from results brought forward	<u>-27.267.870</u>	<u>-98.621</u>
<b>Distribution in total</b>	<b><u>-27.267.870</u></b>	<b><u>-98.621</u></b>



## Balance sheet 31 December

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Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

### Assets

<u>Note</u>	<u>2017</u>	<u>2016</u>
<b>Fixed assets</b>		
3 Other plants, operating assets, and fixtures and furniture	127.169	232
Tangible fixed assets in total	<u>127.169</u>	<u>232</u>
4 Equity investments in group enterprises	36.371.240	36.371
5 Equity investment in associated enterprise	229.859.845	256.888
Financial fixed assets in total	<u>266.231.085</u>	<u>293.259</u>
<b>Fixed assets in total</b>	<b><u>266.358.254</u></b>	<b><u>293.491</u></b>
<b>Current assets</b>		
Trade debtors	12.500	0
Amounts owed by group enterprises	451.890	1.232
Deferred tax assets	772.967	823
Receivable, corporate tax	133.392	0
Other debtors	136.164	71
Debtors in total	<u>1.506.913</u>	<u>2.126</u>
Available funds	<u>0</u>	<u>7</u>
<b>Current assets in total</b>	<b><u>1.506.913</u></b>	<b><u>2.133</u></b>
<b>Assets in total</b>	<b><u>267.865.167</u></b>	<b><u>295.624</u></b>



## Balance sheet 31 December

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Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

### Equity and liabilities

<u>Note</u>	<u>2017</u>	<u>2016</u>	
<b>Equity</b>			
6	Contributed capital	51.002.000	51.002
7	Results brought forward	135.734.776	163.003
	<b>Equity in total</b>	<b>186.736.776</b>	<b>214.005</b>
<b>Liabilities</b>			
	Trade creditors	749.363	309
	Debt to group enterprises	79.308.992	79.478
	Corporate tax	0	1.160
	Other debts	1.070.036	672
	Short-term liabilities in total	81.128.391	81.619
	<b>Liabilities in total</b>	<b>81.128.391</b>	<b>81.619</b>
	<b>Equity and liabilities in total</b>	<b>267.865.167</b>	<b>295.624</b>

### 8 Contingencies



## Notes

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Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

	<u>2017</u>	<u>2016</u>
<b>1. Staff costs</b>		
Salaries and wages	1.583.877	2.251
Pension costs	132.300	191
Other costs for social security	24.297	14
Other staff costs	61.958	270
	<u><b>1.802.432</b></u>	<u><b>2.726</b></u>
Average number of employees	<u>3</u>	<u>6</u>
<b>2. Other financial costs</b>		
Financial costs, group enterprises	161.311	214
Other financial costs	5.077	130
	<u><b>166.388</b></u>	<u><b>344</b></u>
<b>3. Other plants, operating assets, and fixtures and furniture</b>		
Cost 1 January 2017	478.119	6.187
Disposals during the year	0	-5.709
<b>Cost 31 December 2017</b>	<u><b>478.119</b></u>	<u><b>478</b></u>
Depreciation and writedown 1 January 2017	-245.760	-5.692
Depreciation for the year	-105.190	-120
Reversal of depreciation, amortisation and writedown, assets disposed of	0	5.566
<b>Depreciation and writedown 31 December 2017</b>	<u><b>-350.950</b></u>	<u><b>-246</b></u>
<b>Book value 31 December 2017</b>	<u><b>127.169</b></u>	<u><b>232</b></u>



## Notes

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

	<u>31/12 2017</u>	<u>31/12 2016</u>
<b>4. Equity investments in group enterprises</b>		
Acquisition sum, opening balance 1 January 2017	36.371.240	36.371
<b>Book value 31 December 2017</b>	<b><u>36.371.240</u></b>	<b><u>36.371</u></b>

### The financial highlights for the enterprises according to the latest approved annual reports

	Share of ownership	Equity	Results for the year	Book value at NWL Denmark Services ApS
NWL Denmark ApS, Hvidovre	100 %	32.649.323	12.750.292	6.228.816
Newell Poland Services Spółka Z.o.o, Poland	73,70 %	41.071.843	2.965.914	30.142.424
		<b><u>73.721.166</u></b>	<b><u>15.716.206</u></b>	<b><u>36.371.240</u></b>

### 5. Equity investment in associated enterprise

Acquisition sum, opening balance 1 January 2017	546.505.804	546.506
<b>Cost 31 December 2017</b>	<b><u>546.505.804</u></b>	<b><u>546.506</u></b>
Revaluation, opening balance 1 January 2017	-289.618.058	-191.618
Adjustment of previous revaluations	-27.027.901	-98.000
<b>Writedown 31 December 2017</b>	<b><u>-316.645.959</u></b>	<b><u>-289.618</u></b>
<b>Book value 31 December 2017</b>	<b><u>229.859.845</u></b>	<b><u>256.888</u></b>

### The financial highlights for the enterprise according to the latest approved annual report

	Share of ownership	Equity	Results for the year	Book value at NWL Denmark Services ApS
NWL Netherlands Holding III B.V., Netherlands	50 %	459.719.690	-60.445.784	229.859.845

### 6. Contributed capital

Contributed capital 1 January 2017	51.002.000	51.002
	<b><u>51.002.000</u></b>	<b><u>51.002</u></b>



## Notes

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Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

	<u>31/12 2017</u>	<u>31/12 2016</u>
<b>7. Results brought forward</b>		
Results brought forward 1 January 2017	163.002.646	261.624
Profit or loss for the year brought forward	<u>-27.267.870</u>	<u>-98.621</u>
	<b><u>135.734.776</u></b>	<b><u>163.003</u></b>

## 8. Contingencies

### Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and, as from the financial year 2012, unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

As from 1 July 2012, the company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of DKK 0 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.



## **Accounting policies used**

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The annual report for NWL Denmark Services ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and 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.

### **Translation of foreign currency**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.



## **Accounting policies used**

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### The profit and loss account

#### **Gross profit**

The gross profit comprises the net turnover and external costs.

The net turnover comprises the value of services provided during the year, including outlay for customers less VAT and price reductions directly associated with the sale.

The turnover is recognised in the profit and loss account when the sale has been completed. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- There is a binding sales agreement
- The sales price has been determined
- The payment has been received, or it can with reasonable assurance be expected to be received.

Hereby, it is ensured that recognition does not take place until the total income and costs as well as the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the economic benefits, including payments, will be received by the enterprise.

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

#### **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, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Dividend from equity investments is recognised in the financial year where the dividend is declared.

#### **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 and directly in the equity with the share referring to entries directly on the equity.





## Accounting policies used

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The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

### The balance sheet

#### **Tangible fixed assets**

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	Useful life
Other plants, operating assets, fixtures and furniture	6-10 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

#### **Financial fixed assets**

##### **Equity investments in group enterprises and associated enterprise**

Equity investments in group enterprises and associated enterprise are measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower value.



## **Accounting policies used**

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### **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.

### **Available funds**

Available funds comprise cash at bank and in hand.

### **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.

NWL Denmark Services ApS is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, NWL Denmark Services ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

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

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

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**

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