

# Ashland Danmark ApS

Tuborg Havnevej 19, DK-2900 Hellerup

CVR no. 62 48 51 16



## Annual report 2015/16

Approved at the annual general meeting of shareholders on 7 February 2017

Chairman:

.....  
Arnold Bosgoed



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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 Ashland Danmark ApS for the financial year 1 October 2015 - 30 September 2016.


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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 September 2016 and of the results of the Company's operations for the financial year 1 October 2015 - 30 September 2016.


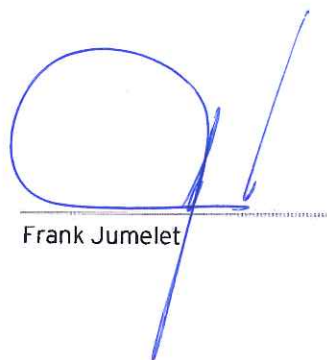
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Gentofte, 7 February 2017  
Executive Board:

  
\_\_\_\_\_  
Frank Jumelet

Board of Directors:

  
\_\_\_\_\_  
Arnold Bosgoed  
Chairman  
\_\_\_\_\_  
Frank Jumelet  
\_\_\_\_\_  
Kevin D. Higgins



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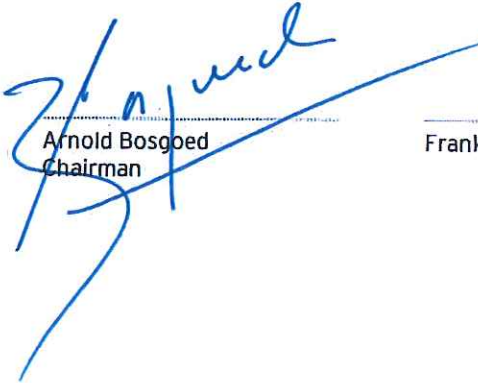
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Gentofte, 7 February 2017  
Executive Board:

\_\_\_\_\_  
Frank Jumelet

Board of Directors:

  
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Arnold Bosgoed  
Chairman

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Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Gentofte, 7 February 2017  
Executive Board:

.....  
Frank Jumelet

Board of Directors:

.....  
Arnold Bosgoed  
Chairman

.....  
Frank Jumelet

  
.....  
Kevin D. Higgins



## Independent auditors' report

To the shareholders of Ashland Danmark ApS

### Independent auditors' report on the financial statements

We have audited the financial statements of Ashland Danmark ApS for the financial year 1 October 2015 - 30 September 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

### *Management's responsibility for the financial statements*

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

### *Auditors' responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 September 2016 and of the results of its operations for the financial year 1 October 2015 - 30 September 2016 in accordance with the Danish Financial Statements Act.

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

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 7 February 2017

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Carsten Kjær

State Authorised Public Accountant



## Management's review

### Company details

Name	Ashland Danmark ApS
Address, Postal code, City	Tuborg Havnevej 19, DK-2900 Hellerup
CVR no.	62 48 51 16
Established	1 September 1960
Registered office	Gentofte
Financial year	1 October 2015 - 30 September 2016
Board of Directors	Arnold Bosgoed, Chairman Frank Jumelet Kevin D. Higgins
Executive Board	Frank Jumelet
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Citibank



## **Management's review**

### **Management commentary**

#### **Business review**

Ashland Danmark ApS, which is wholly owned by Ashland Holdings B.V., used to comprise the division Ashland Consumer Markets.

On August 1, the sole employee in the Company was transferred within the Ashland group to the company Ellis Enterprises B.V. As of that date the company did not have any activities anymore. As a result of this it is the intention to liquidate the company.

#### **Financial review**

The income statement for 2015/16 shows a profit of DKK 126 thousand against a DKK 76 thousand last year, and the balance sheet at 30 September 2016 shows equity of DKK 8,601 thousand. Management considers the Company's financial performance in the year satisfactory.

#### **Events after the balance sheet date**

No significant events have occurred after the balance sheet date.





## Financial statements for the period 1 October 2015 - 30 September 2016

### Income statement

Note	DKK'000	2015/16	2014/15
	<b>Gross margin</b>	<u>1,055</u>	<u>1,053</u>
2	Staff costs	-805	-881
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	<u>-1</u>	<u>-1</u>
	<b>Profit before net financials</b>	<u>249</u>	<u>171</u>
	Financial income	6	0
	Financial expenses	<u>-86</u>	<u>-65</u>
	<b>Profit before tax</b>	<u>169</u>	<u>106</u>
3	Tax for the year	<u>-43</u>	<u>-30</u>
	<b>Profit for the year</b>	<u><u>126</u></u>	<u><u>76</u></u>
	<b>Proposed profit appropriation</b>		
	Proposed dividend recognised under equity	0	19,300
	Retained earnings/accumulated loss	<u>126</u>	<u>-19,224</u>
		<u><u>126</u></u>	<u><u>76</u></u>

## Financial statements for the period 1 October 2015 - 30 September 2016

### Balance sheet

Note	DKK'000	2015/16	2014/15
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
4	<b>Property, plant and equipment</b>		
	Other fixtures and fittings, tools and equipment	0	4
		0	4
	<b>Total fixed assets</b>	0	4
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Trade receivables	15	36
	Receivables from group entities	0	258
	Deferred tax assets	0	32
	Income taxes receivable	0	437
	Other receivables	60	43
		75	806
	<b>Cash at bank and in hand</b>	8,948	27,509
	<b>Total non-fixed assets</b>	9,023	28,315
	<b>TOTAL ASSETS</b>	9,023	28,319
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
5	Share capital	8,356	8,356
	Retained earnings	245	119
	Dividend proposed for the year	0	19,300
	<b>Total equity</b>	8,601	27,775
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Trade payables	6	355
	Payables to group entities	223	0
	Income taxes payable	13	10
	Other payables	180	179
		422	544
	<b>Total liabilities other than provisions</b>	422	544
	<b>TOTAL EQUITY AND LIABILITIES</b>	9,023	28,319

- 1 Accounting policies
- 6 Contractual obligations and contingencies, etc.
- 7 Related parties

## Financial statements for the period 1 October 2015 - 30 September 2016

### Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Dividend proposed for the year</u>	<u>Total</u>
Equity at 1 October 2015	8,356	119	19,300	27,775
Profit/loss for the year	0	126	0	126
Dividend distributed	<u>0</u>	<u>0</u>	<u>-19,300</u>	<u>-19,300</u>
<b>Equity at 30 September 2016</b>	<u><u>8,356</u></u>	<u><u>245</u></u>	<u><u>0</u></u>	<u><u>8,601</u></u>

## Financial statements for the period 1 October 2015 - 30 September 2016

### Notes to the financial statements

#### 1. Accounting policies

The annual report of Ashland Danmark ApS has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The accounting policies applied by the Company are consistent with those of last year.

#### Recognition and measurement in general

Revenues are recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost.

Moreover, all expenses incurred to generate the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet, when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet, when an outflow of future economic benefits is probable, and when the value of the liability can be reliably measured.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Currency translation

Transactions denominated in foreign currencies are translated into DKK at the exchange rate at the date of the transaction.

Receivables, payables and other monetary items denominated in foreign currencies are translated into DKK at the exchange rate at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

#### Income statement

##### Revenue

The Company is an agent office for the division of Ashland Consumer Markets, accordingly revenue relates thereto.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

##### Gross margin

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross margin'.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the Company's employees. The item is net of refunds made by public authorities.





## Financial statements for the period 1 October 2015 - 30 September 2016

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Depreciation of property, plant and equipment

The item comprises depreciation of property, plant and equipment.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of each individual asset. The depreciation basis is the cost and less expected residual value.

The expected useful lives and the residual value of the assets are as follows:

	<u>Useful life (year)</u>	<u>Residual value DKK'000</u>
Other fixtures and fittings, tools and equipment	9	0

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The parent and all Danish group entities are jointly taxed. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method). The parent acts as a management company for all the entities encompassed by the joint taxation arrangement and is thus responsible for ensuring that tax charges, etc. are paid to the Danish tax authorities.

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

##### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

##### Impairment of fixed assets

Every year, property, plant and equipment are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

##### Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

##### Cash and cash equivalents

Cash comprises cash balances and bank balances.



## Financial statements for the period 1 October 2015 - 30 September 2016

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Equity

##### *Proposed dividends*

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

##### Corporation tax

Current tax payable and receivable is recognised in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Provisions for deferred tax are calculated based on the liability method on all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for the subsidiaries' income taxes vis-à-vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivables are recognised in the balance sheet as income tax receivable or payable.

##### Liabilities

Financial liabilities are recognised at the date of raising the loan at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

## Financial statements for the period 1 October 2015 - 30 September 2016

### Notes to the financial statements

	2015/16	2014/15
DKK'000		
<b>2 Staff costs</b>		
Wages/salaries	635	689
Pensions	57	67
Other staff costs	<u>113</u>	<u>125</u>
	<u><u>805</u></u>	<u><u>881</u></u>

	2015/16	2014/15
DKK'000		
<b>3 Tax for the year</b>		
Estimated tax charge for the year	11	17
Deferred tax adjustments in the year	<u>32</u>	<u>13</u>
	<u><u>43</u></u>	<u><u>30</u></u>

#### 4 Property, plant and equipment

DKK'000	Other fixtures and fittings, tools and equipment
Cost at 1 October 2015	12
Disposals in the year	<u>-12</u>
Cost at 30 September 2016	<u>0</u>
Impairment losses and depreciation at 1 October 2015	8
Amortisation/depreciation in the year	1
Reversal of amortisation/depreciation and impairment of disposals	<u>-9</u>
Impairment losses and depreciation at 30 September 2016	<u>0</u>
Carrying amount at 30 September 2016	<u><u>0</u></u>

#### 5 Share capital

The Company's share capital has remained DKK 8,356 thousand over the past 5 years.



## Financial statements for the period 1 October 2015 - 30 September 2016

### Notes to the financial statements

#### 6 Contractual obligations and contingencies, etc.

##### Other financial obligations

The Company has entered into lease agreements for vehicles. Lease payments at 30 September 2016 amounted to DKK 15 thousand.

#### 7 Related parties

Ashland Danmark ApS' related parties comprise the following:

##### Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Ashland Holdings B.V.	Holland	<a href="http://investor.ashland.com/annuals.cfm">http://investor.ashland.com/annuals.cfm</a>