

# **Rothenberger Scandinavia A/S**

Smedevænget 8

9560 Hadsund

CVR No. 78865415

## **Annual Report 2017**

32. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 22 May 2018

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Thomas Lars Drue  
Chairman

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## **Management's Statement**

Today, Management has considered and adopted the Annual Report of Rothenberger Scandinavia A/S for the financial year 1 January 2017 - 31 December 2017.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January 2017 - 31 December 2017.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the Financial Statement have been met.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hadsund, 22 May 2018

### **Executive Board**

Thomas Lars Drue  
Manager

### **Supervisory Board**

Christian Peter Heine  
Chairman

Falk Hülkenberg

Philipp Kannengiesser

## **Management's Review**

### **The Company's principal activities**

The Company's principal activities consist of trading with plumbing tools and machines.

### **Capital Resources**

The Company expects its operations to develop positively next year.

The Company has a negative equity of DKK 2.973.169 per the 31st of December 2017.

The shareholder has signed a letter of comfort.

The Annual Report has been presented according to the going concern principle.

## **Accounting Policies**

### **Reporting Class**

The Annual Report of Rothenberger Scandinavia A/S for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

### **Reporting currency**

The Annual Report is presented in Danish kroner.

### **Translation policies**

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

### **Grants regarding consolidation**

Grants provided to and received from the parent company are recognised in equity.

## **General Information**

### **Basis of recognition and measurement**

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve 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 accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

## **Accounting Policies**

### **Income Statement**

#### **Gross profit/loss**

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit contains revenue, raw materials and consumables, and other external expenses.

#### **Revenue**

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

#### **Raw materials and consumables**

Costs for raw materials and consumables comprise purchase of goods and services for resale.

#### **Other external expenses**

Other external expenses comprise expenses regarding sale and administration.

#### **Staff expenses**

Staff expenses comprise wages and salaries, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

#### **Amortisation and impairment of tangible assets**

Amortisation and impairment of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	<b>Useful life</b>	<b>Residual value</b>
Other fixtures and fittings, tools and equipment	3-6 years	0%

Profit or loss resulting from the sale of tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

#### **Financial income and expenses**

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding debt and foreign currency transactions, as well as surcharges and allowances under the tax repayment scheme.

#### **Tax on net profit/loss for the year**

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

## **Accounting Policies**

### **Balance Sheet**

#### **Tangible assets**

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

An impairment test of tangible assets is performed in the event of indications of a decrease in value. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

#### **Other financial investments**

Other financial investments are measured at amortised cost price.

#### **Receivables**

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

#### **Prepaid expenses**

Prepaid expenses recognised in assets comprises prepaid costs regarding subsequent financial years.

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

Cash and cash equivalents comprise cash at bank and in hand.

#### **Deferred tax**

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

#### **Current tax liabilities**

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

#### **Payables**

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

**Income Statement**

	Note	2017 kr.	2016 kr.
<b>Gross profit</b>		<b>1.105.265</b>	<b>64.001</b>
Employee benefits expense	1	-2.583.861	-2.722.852
Depreciation, amortisation expense and impairment losses of property, plant and equipment recognised in profit or loss		-608	-3.658
<b>Profit from ordinary operating activities</b>		<b>-1.479.204</b>	<b>-2.662.509</b>
Other finance income		139.512	8.594
Other finance expenses		-42.875	0
<b>Profit from ordinary activities before tax</b>		<b>-1.382.567</b>	<b>-2.653.915</b>
Tax expense on ordinary activities		0	0
<b>Profit</b>		<b>-1.382.567</b>	<b>-2.653.915</b>
<b>Proposed distribution of results</b>			
Retained earnings		-1.382.567	-2.653.915
<b>Distribution of profit</b>		<b>-1.382.567</b>	<b>-2.653.915</b>



Rothenberger Scandinavia A/S

Balance Sheet as of 31 December

	Note	2017 kr.	2016 kr.
<b>Assets</b>			
Fixtures, fittings, tools and equipment		0	608
<b>Property, plant and equipment</b>		<b>0</b>	<b>608</b>
Deposits, investments		19.375	19.375
<b>Investments</b>		<b>19.375</b>	<b>19.375</b>
<b>Fixed assets</b>		<b>19.375</b>	<b>19.983</b>
Short-term trade receivables		52.161	49.500
Other short-term receivables		96.490	43.390
Prepaid expenses		35.360	230.271
<b>Receivables</b>		<b>184.011</b>	<b>323.161</b>
<b>Cash and cash equivalents</b>		<b>132.131</b>	<b>116.664</b>
<b>Current assets</b>		<b>316.142</b>	<b>439.825</b>
<b>Assets</b>		<b>335.517</b>	<b>459.808</b>

Rothenberger Scandinavia A/S

Balance Sheet as of 31 December

	Note	2017 kr.	2016 kr.
<b>Liabilities and equity</b>			
Contributed capital		2.500.000	2.500.000
Retained earnings		-5.473.169	-4.090.602
<b>Equity</b>		<b>-2.973.169</b>	<b>-1.590.602</b>
Trade payables		113.112	477.910
Payables to group enterprises		2.623.714	871.391
Other payables		571.860	701.109
<b>Short-term liabilities other than provisions</b>		<b>3.308.686</b>	<b>2.050.410</b>
<b>Liabilities other than provisions within the business</b>		<b>3.308.686</b>	<b>2.050.410</b>
<b>Liabilities and equity</b>		<b>335.517</b>	<b>459.808</b>
Capital Resources	2		
Contingent liabilities	3		

**Notes**

	<b>2017</b>	<b>2016</b>
<b>1. Employee benefits expense</b>		
Wages and salaries	2.411.660	2.583.776
Post-employment benefit expense	138.860	110.962
Social security contributions	33.341	28.114
	<u><b>2.583.861</b></u>	<u><b>2.722.852</b></u>
Average number of employees	<u>5</u>	<u>5</u>

**2. Capital Resources**

The Company expects its operations to develop positively next year.

The Company has a negative equity of DKK 2.973.169 per the 31st of December 2017.

The shareholder has signed a letter of comfort.

The Annual Report has been presented according to the going concern principle.

**3. Contingent liabilities**

The company has contracted operating lease arrangements for 2 cars. The liability for lease payments are DKK 144.950.

The company has an office rent agreement with 3 months notice. The liability for payments are DKK 11.100.