

Rothenberger Scandinavia A/S

Smedevænget 8

9560 Hadsund

CVR No. 78865415

Annual Report 2016

31. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 10 March 2017

Dr. Helmut Rothenberger
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 2016 - 31 December 2016.

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 2016 and of the results of the Company's operations for the financial year 1 January 2016 - 31 December 2016.

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, 10 March 2017

Executive Board

Thomas Lars Drue
Manager

Supervisory Board

Christian Peter Heine

Falk Hülkenberg

Helmut Rothenberger

Rothenberger Scandinavia A/S

Company details

Company	Rothenberger Scandinavia A/S Smedevænget 8 9560 Hadsund
CVR No.	78865415
Date of formation	7 August 1985
Registered office	Mariagerfjord
Financial year	1 January 2016 - 31 December 2016
Supervisory Board	Christian Peter Heine Falk Hülkenberg Helmut Rothenberger
Executive Board	Thomas Lars Drue, Manager

Management's Review

The Company's principal activities

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

Material changes in the Company's operations and financial matters

The Company expects its operations to develop positively next year.

The Company has negative equity of DKK 1.590.602 as per 31. December 2016.

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 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

Changed accounting policies

Accounting policies has been changed according to new legislation. The change hasn't had any effect at the result and equity.

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.

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:

	Useful life	Residual value
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.

Receivables

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

Accrued income, assets

Accrued income 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.

Other payables

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

Income Statement

	Note	2016 kr.	2015 kr.
Gross profit		64.001	438.683
Employee benefits expense	1	-2.722.852	-1.692.739
Depreciation, amortisation expense and impairment losses of property, plant and equipment recognised in profit or loss		-3.658	-3.658
Profit from ordinary operating activities		-2.662.509	-1.257.714
Finance income		8.594	0
Other finance expenses		0	-15.490
Profit from ordinary activities before tax		-2.653.915	-1.273.204
Tax expense on ordinary activities		0	0
Profit		-2.653.915	-1.273.204
 Proposed distribution of results			
Retained earnings		-2.653.915	-1.273.204
Distribution of profit		-2.653.915	-1.273.204

Rothenberger Scandinavia A/S

Balance Sheet as of 31. December

	Note	2016 kr.	2015 kr.
Assets			
Fixtures, fittings, tools and equipment		608	4.266
Property, plant and equipment		608	4.266
Deposits, investments		19.375	19.375
Investments		19.375	19.375
Fixed assets		19.983	23.641
Short-term trade receivables		49.500	49.500
Other short-term receivables		43.390	84.606
Deferred income		230.271	13.858
Receivables		323.161	147.964
Cash and cash equivalents		116.664	16.583
Current assets		439.825	164.547
Assets		459.808	188.188

Rothenberger Scandinavia A/S

Balance Sheet as of 31. December

	Note	2016 kr.	2015 kr.
Liabilities and equity			
Contributed capital		2.500.000	2.500.000
Retained earnings		-4.090.602	-4.514.363
Equity		-1.590.602	-2.014.363
Trade payables		477.910	62.893
Payables to group enterprises		871.391	1.686.719
Other payables		701.109	452.939
Short-term liabilities other than provisions		2.050.410	2.202.551
Liabilities other than provisions within the business		2.050.410	2.202.551
Liabilities and equity		459.808	188.188
Uncertainties relating to going concern	2		
Contingent liabilities	3		

Notes

	2016	2015
1. Employee benefits expense		
Wages and salaries	2.583.776	1.637.262
Post-employment benefit expense	110.962	36.000
Social security contributions	28.114	19.477
	<u>2.722.852</u>	<u>1.692.739</u>
Average number of employees	<u>5</u>	<u>3</u>

2. Uncertainties relating to going concern

The company expects its operations to develop positively next year.

The company has negative equity of DKK 1.590.602 as per 31. December 2016.

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 11.823.

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