

# Tarkett A/S

Industrivej 2

2640 Hedehusene

CVR No. 79203718

## Annual Report 2015

30. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 30 May 2016

---

Peter Jangstam  
Chairman

**Contents**

Management's Statement.....	3
Independent Auditor's Report.....	4
Company Information.....	6
Management's Review.....	7
Accounting Policies.....	8
Income Statement .....	11
Balance Sheet .....	12
Notes.....	14

**Tarkett A/S**

## **Management's Statement**

Today, Management has considered and adopted the Annual Report of Tarkett A/S for the financial year 1 January 2015 - 31 December 2015.

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 2015 and of the results of the Company's operations for the financial year 1 January 2015 - 31 December 2015.

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

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

Hedehusene, 30 May 2016

### **Executive Board**

Kenn Holger Nielsen  
Man. Director

### **Supervisory Board**

Peter Jangstam  
Chairman

Per Arne Jansson

Kenn Holger Nielsen  
Man. Director

Tarkett A/S

## Independent Auditor's Report

To the shareholders of Tarkett A/S

### Report on the Financial Statements

We have audited the Financial Statements of Tarkett A/S for the financial year 1 January 2015 - 31 December 2015 comprising Accounting Policies, Income Statement, Balance Sheet and Notes. The Annual Report is presented in accordance with the Danish Financial Statements Act.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with the Danish Financial Statements Act, and for such internal controls as Management determines is necessary to enable preparation of Financial Statements that are free from material misstatements, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We have conducted our audit in accordance with international standards on auditing and additional requirements under Danish auditor regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain a high degree of assurance as to whether the Financial Statements are free from material misstatements.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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.

In our opinion, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualifications.

#### Opinion

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 2015 and of the results of the Company's operations for the financial year 1 January 2015 - 31 December 2015 in accordance with the Danish Financial Statements Act.

Tarkett A/S

## **Independent Auditor's Report**

### **Statement on Management's Review**

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

København, 30 May 2016

**Mazars Denmark**

**Statsautoriseret Revisionspartnerselskab**

CVR-nr. 31061741

Christian Hjortshøj

State Authorised Public Accountant

## Tarkett A/S

### Company details

<b>Company</b>	Tarkett A/S Industrivej 2 2640 Hedehusene
Telephone	43906011
Telefax	43903700
email	info.dk@tarkett.com
Website	www.tarkett.com
CVR No.	79203718
Date of formation	10 October 1985
Registered office	Høje-Taastrup
Financial year	1 January 2015 - 31 December 2015
<b>Supervisory Board</b>	Peter Jangstam, Chairman Per Arne Jansson Kenn Holger Nielsen, Man. Director
<b>Executive Board</b>	Kenn Holger Nielsen, Man. Director
<b>Auditors</b>	Mazars Denmark Statsautoriseret Revisionspartnerselskab Østerfælled Torv 10, 2 2100 København Ø CVR-no.: 31061741

Tarkett A/S

## Management's Review

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

Tarkett A/S is a sales company in the Tarkett SA Group. The company's main purpose is to sell the group's flooring products on the Danish and Icelandic markets.

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

The Company's Income Statement of the financial year 1. januar 2015 - 31. december 2015 shows a result of DKK 2.730.589 and the Balance Sheet at 31. december 2015 a balance sheet total of DKK 11.191.888 and an equity of DKK 6.333.130.

### **Post financial year events**

After the end of the financial year, no events have occurred which may change the financial position of the Company substantially.

### **Expectations for the future**

The Company expects its operations to develop positively next year.

## Accounting Policies

### Reporting Class

The Annual Report of Tarkett A/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Company has also decided to follow the class B and C rules on management's review.

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.

## 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.

The accounting value of Intangible and tangible assets are examined on a yearly basis to determine if there are any indications of impairment, other than what has been declared by regular depreciations. If this is the case, an impairment will be done to the lowest recuperation value.



## Accounting Policies

### Income Statement

#### Commission income

Commission income concerns sales directly from supplier to the customer. The revenue is calculated exclusive of VAT, charges and discounts.

#### Distribution costs

Distribution costs comprise costs incurred for the distribution goods sold during the year, including costs for sales staff, transport, promotion activities and similar costs as well as amortisation and impairment of intangible and tangible assets.

#### Administration expenses

Expenses incurred during the year for management and administration are recognised in administration expenses. This includes expenses incurred for the administrative staff, Management, offices as well as office expenses and similar expenses and amortisation and impairment of intangible and tangible assets.

#### Staff expenses

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

#### Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and 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>
Goodwill	10 years	0%
Other fixtures and fittings, tools and equipment	2-5 years	0%
Leasehold improvements	5 years	0%

Profit or loss resulting from the sale of intangible or 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

#### Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

An impairment test of goodwill is performed in the event of indications of a decrease in value. The impairment test is performed for the activity or the business area to which the goodwill relates. Goodwill is written down to the higher of the value in use and the net selling price for the activity or business area to which the goodwill relates (recoverable amount) in the event that this one is lower than the carrying amount.

#### 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 write-downs 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. Cash-pool has been classified under short-term intercompany balance.

#### Equity

Proposed dividend for the year is recognised as a separate item in equity.

#### 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.

#### Financial liabilities

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

#### 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.

## Income Statement

	Note	2015 kr.	2014 kr.
Commission income		27.813.578	25.585.432
<b>Gross result</b>		<b>27.813.578</b>	<b>25.585.432</b>
Distribution costs	1	-22.104.482	-20.246.108
Administrative expenses	1	-2.015.285	-1.823.203
<b>Profit from ordinary operating activities</b>		<b>3.693.811</b>	<b>3.516.121</b>
Finance expences	2	-41.816	-23.100
<b>Profit from ordinary activities before tax</b>		<b>3.651.995</b>	<b>3.493.021</b>
Tax expense on ordinary activities	3	-921.406	-890.480
<b>Profit</b>		<b>2.730.589</b>	<b>2.602.541</b>
<b>Distribution of profit</b>			
Proposed dividend recognised in equity		-3.500.000	-1.500.000
Retained earnings		3.833.130	2.602.541
		<b>333.130</b>	<b>1.102.541</b>

## Balance Sheet as of 31. December

	Note	2015 kr.	2014 kr.
<b>Assets</b>			
Fixtures, fittings, tools and equipment	4	144.040	70.016
Leasehold improvements	5	28.505	59.906
<b>Property, plant and equipment</b>		<b>172.545</b>	<b>129.922</b>
Deposits, investments		173.748	173.748
<b>Investments</b>		<b>173.748</b>	<b>173.748</b>
<b>Fixed assets</b>		<b>346.293</b>	<b>303.670</b>
Short-term receivables from group enterprises		10.198.684	8.526.671
Other short-term receivables		583.331	421.701
Deferred income		15.766	36.883
Current deferred tax		47.814	62.660
<b>Receivables</b>		<b>10.845.595</b>	<b>9.047.915</b>
<b>Current assets</b>		<b>10.845.595</b>	<b>9.047.915</b>
<b>Assets</b>		<b>11.191.888</b>	<b>9.351.585</b>

## Balance Sheet as of 31. December

	Note	2015 kr.	2014 kr.
<b>Liabilities and equity</b>			
Contributed capital		2.500.000	2.500.000
Retained earnings	6	333.130	1.102.541
Proposed dividend recognised in equity	7	3.500.000	1.500.000
<b>Equity</b>	8	<b>6.333.130</b>	<b>5.102.541</b>
Trade payables		369.996	531.872
Payables to group enterprises		85.807	60.758
Tax payables		906.560	881.216
Other payables		3.496.395	2.775.198
<b>Short-term liabilities other than provisions</b>		<b>4.858.758</b>	<b>4.249.044</b>
<b>Liabilities other than provisions within the business</b>		<b>4.858.758</b>	<b>4.249.044</b>
<b>Liabilities and equity</b>		<b>11.191.888</b>	<b>9.351.585</b>
Related parties	9		
Contingent liabilities	10		
Collaterals and assets pledged as security	11		

## Notes

	2015	2014
<b>1. Employee benefits expense</b>		
Wages and salaries	12.621.736	12.027.692
Post-employment benefit expense	956.562	935.325
Social security contributions	143.343	157.949
	<b>13.721.641</b>	<b>13.120.966</b>
<i>Employee benefits expense are allocated as follows in the income statement</i>		
Distribution costs	13.721.641	13.120.966
	<b>13.721.641</b>	<b>13.120.966</b>
<b>2. Finance expenses</b>		
Finance expenses arising from group enterprises	1.150	1.250
Other finance expenses	40.666	21.850
	<b>41.816</b>	<b>23.100</b>
<b>3. Tax expense</b>		
Tax expense for the year	906.560	881.216
Deffered taxes regulation	14.846	9.264
	<b>921.406</b>	<b>890.480</b>
<b>4. Fixtures, fittings, tools and equipment</b>		
Cost at the beginning of the year	1.567.090	1.567.090
Addition during the year, incl. improvements	148.362	0
<b>Cost at the end of the year</b>	<b>1.715.452</b>	<b>1.567.090</b>
Depreciation and amortisation at the beginning of the year	-1.497.074	-1.408.606
Amortisation for the year	-74.338	-88.468
<b>Impairment losses and amortisation at the end of the year</b>	<b>-1.571.412</b>	<b>-1.497.074</b>
<b>Carrying amount at the end of the year</b>	<b>144.040</b>	<b>70.016</b>

## Notes

	2015	2014
<b>5. Leasehold improvements</b>		
Cost at the beginning of the year	157.004	157.004
<b>Cost at the end of the year</b>	<b>157.004</b>	<b>157.004</b>
Depreciation and amortisation at the beginning of the year	-97.098	-65.697
Amortisation for the year	-31.401	-31.401
<b>Impairment losses and amortisation at the end of the year</b>	<b>-128.499</b>	<b>-97.098</b>
<b>Carrying amount at the end of the year</b>	<b>28.505</b>	<b>59.906</b>
<b>6. Retained earnings</b>		
Balance at the beginning of the year	1.102.541	0
Additions during the year	2.730.589	2.602.541
Disposals during the year	-3.500.000	-1.500.000
<b>Balance at the end of the year</b>	<b>333.130</b>	<b>1.102.541</b>
<b>7. Proposed dividend for the financial year</b>		
	<b>2015</b>	<b>2014</b>
Balance at the beginning of the year	1.500.000	2.107.276
Additions during the year	3.500.000	1.500.000
Disposals during the year	-1.500.000	-2.107.276
<b>Balance at the end of the year</b>	<b>3.500.000</b>	<b>1.500.000</b>

## Notes

2015

2014

**8. Statement of changes in equity**

	Contributed capital	Retained earnings	Proposed dividend	Total
Equity, beginning balance	2.500.000	1.102.541	1.500.000	5.102.541
Dividend paid	0	0	-1.500.000	-1.500.000
Proposed distribution of results	0	2.730.589	3.500.000	6.230.589
	<b>2.500.000</b>	<b>3.833.130</b>	<b>3.500.000</b>	<b>9.833.130</b>

The share capital consists of 2.500 shares of DKK 1.000. Shares are not divided into classes.

There are not incurred direct costs associated with the kapital reduction.

*The share capital has developed as follows:*

	2015	2014	2013	2012	2011
Opening Equity	2.500.000	2.500.000	5.500.000	5.500.000	5.500.000
Disposals for the year	0	0	-3.000.000	0	0
	<b>2.500.000</b>	<b>2.500.000</b>	<b>2.500.000</b>	<b>5.500.000</b>	<b>5.500.000</b>

**9. Related parties**

The smallest group, in which these financial statements of the company are consolidated, are those of Tarkett AB. The registered office of Tarkett AB is Hammarbacken 12, 191 24 Sollentuna, Sverige.

The largest group, in which these financial statements of the company are consolidated, are those of Tarkett SA. The registered office of Tarkett SA is 2 Rue d l'Egalité, F92748 Nanterre, France.

**10. Contingent liabilities**

The companys tenancy can be terminated at the earlist on September 1st 2016, against payment of a fine, when vacancy is in the period of September 1st 2016 till August 31st 2021. The fine can at the utmost be at tDKK 659.

Operational leasing

The company has entered into operational leasing agreements regarding cars for the following amounts:  
Total liability is approximately tDKK 1.413.

The company has entered into leasing agreements regarding copying machine for the following amounts:  
Total liability is approximately DKK 49.

The company has entered into leasing agreements regarding telephony for the following amounts:  
Total liability is approximately DKK 28.

**11. Collaterals and securities**

No securities or mortgages exist at the balance sheet date.