Annual report for 2019

Eurowrap A/S

Odinsvej 30, 4100 Ringsted

CVR no. 79 52 41 15

Adopted at the annual general meeting on 4
March 2020

Anders Ditlev Jørgensen
chairman

Table of contents

Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Eurowrap A/S for the financial year 1 April - 31 December 2019.

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

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the company and the group financial position at 31 December 2019 and of the results of the group and the company operations and consolidated cash flows for the financial year 1 April - 31 December 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Ringsted, 4 March 2020

Executive board

Anders Ditlev Jørgensen

Supervisory board

Guillaume Marie Georges Nusse chairman	Martin Ian Bramley	Anders Ditlev Jørgensen

Johnny Engelund Kampman

Independent auditor's report

To the shareholder of Eurowrap A/S

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the group and the parent at 31 December 2019 and of the results of the group's and the parent company's operations as well as the consolidated cash flows for the financial year 1 April - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the consolidated financial statements and the parent company financial statements of Eurowrap A/S for the financial year 1 April - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the group and the parent company as well as consolidated statement of cash flows [''financial statements''].

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the “Auditor's responsibilities for the audit of the financial statements” section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, in our view, management's review is in accordance with the consolidated financial statements and parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Independent auditor's report

Management's responsibilities for the financial statements

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

In preparing the financial statements, management is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements , whether due to fraud or error, design and perform audit procedures responsive 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 for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of 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 group's and the parent company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent auditor's report

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent 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 financial statements 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 group and the parent company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient and appropriate audit evidence regarding the financial information for the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 internal control that we identify during our audit.

Hellerup, 4 March 2020

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Jacob F Christiansen
State Authorised Public Accountant
MNE no. mne18628

Jesper Bo Winther
State Authorised Public Accountant
MNE no. mne26864

Company details

The company	Eurowrap A/S Odinsvej 30 4100 Ringsted	
	CVR no.:	79 52 41 15
	Reporting period:	1 April - 31 December 2019
	Incorporated:	29. November 1985
	Financial year:	35th financial year
	Domicile:	Ringsted
Supervisory board	Guillaume Marie Georges Nusse, chairman Martin Ian Bramley Anders Ditlev Jørgensen Johnny Engelund Kampman	
Executive board	Anders Ditlev Jørgensen	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup	

Financial highlights

Seen over a 5-year period, the development of the Group may be described by means of the following financial highlights:

	Group				
	2019	2018/19	2017/18	2016/17	2015/16
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Revenue	188.978	218.649	230.636	246.902	277.961
Gross profit	50.565	64.672	66.917	78.208	89.641
EBITDA	21.957	26.213	27.565	40.027	44.960
Operating profit/loss	16.301	20.485	20.812	31.096	36.115
Profit before financial income and expenses	18.128	21.243	22.232	32.895	38.080
Net financials	-505	-1.390	-1.717	-2.050	-2.439
Profit/loss for the year	14.210	16.043	16.436	24.239	28.610
Balance sheet					
Balance sheet total	229.193	218.163	203.735	198.483	200.296
Equity	153.900	149.897	130.500	123.469	105.425
Cash flows from:					
- operating activities	2.369	18.431	14.984	38.363	30.522
- investing activities	-583	-1.686	-3.635	-3.639	-4.600
- financing activities	-6.418	-1.813	-5.341	-15.209	-28.144
The year's changes in cash and cash equivalents	-4.632	14.932	6.008	19.515	-2.222
Financial ratios					
Gross margin	26,8%	29,6%	29,0%	31,7%	32,2%
EBIT margin	9,6%	9,7%	9,6%	13,3%	13,7%
Return on assets	7,9%	9,7%	10,9%	16,6%	19,0%
Solvency ratio	67,1%	68,7%	64,1%	62,2%	52,6%
Return on equity	9,4%	11,4%	12,9%	21,2%	25,2%
Number of employees	98	107	105	106	115

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

The numbers for 2019 only comprises a 9 month period as the Group has changed the financial year.

Management's review

Financial review

Consolidated and Parent Company Financial Statements of Eurowrap A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

Investment in subsidiaries in the Parent company was in previous years recognised and measured under the equity method. The Parent Company has changed the accounting policies so that investment in subsidiaries are now recognised and measured under the cost price method.

The Consolidated and Parent Company Financial Statements have except for the matter described above been prepared under the same accounting policies as last year.

The financial year for the Group has been changed from 1 April - 31 March to 1 January - 31 December. The Financial Statements for 2019 is therefore based on a 9 month period (1 April - 31 December 2019)

Business activities

Eurowrap is a leading designer, manufacturer and distributor of gift packaging including gift wrap, giftbags, gift tags, bows and ribbons and other related products.

Eurowrap is part of the French Group Exacompta Clairefontaine, since 28 March 2019. Due to the change of ownership the Company's financial year has been changed to end 31 December.

Eurowrap comprises of Eurowrap A/S in Denmark and Eurowrap Ltd. in England. The Danish company manufactures gift roll wrap and is responsible for group sales in Continental Europe, whereas the UK subsidiary is responsible for design, Far East sourcing and group sales in the UK.

Business review

The group income statement for the year ended 31 December shows a profit of TDKK 14.210, and the balance sheet at 31 December 2019 shows equity of TDKK 153.900.

The Group figures in TDKK have been negatively influenced by the Brexit uncertainty and the subsequent development in the British currency.

The profit for the Group was below last year but is considered satisfactory.

The Group expects a stable development for the coming year in local currency.

Management's review

Special risks apart from generally occurring risks in industry

Operating risks

Eurowrap serves European retail where understanding market trends, customer requirements, expectations and on-time deliveries are essential for company performance. The business is seasonal with a large part of group turnover being Christmas items, which makes order timing and planning crucial for the business. The company has the normal risk attached to the market interest rate. The Company's mortgage loan have a flexible interest rate that will be adjusted twice a year.

Currency risks

The company's primary markets are Great Britain, France, Germany and Scandinavia. The foreign exchange risks are primarily attached to the British market.

External environment

The Company has a highly energy-efficient production system which recycles hot air pressure and drying process several times after which the excess heat is used to heat the building via a cooling system that reduces energy and water consumption for cooling significantly. The company uses only water-based inks.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Eurowrap A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The annual report for 2019 is presented in TDKK

Changes in accounting policies

Investment in subsidiaries in the Parent company was in previous years recognised and measured under the equity method. The Parent Company has changed the accounting policies so that investment in subsidiaries are now recognised and measured under the cost price method.

Management belives that it gives a more true and fair view due to a better connection between the recognition and measurement and the cashflow of the Company.

Comparatives have been restated to reflect the policy change.

The accumulated effect of the policy changes in the Parent Company is:

- The profit/loss for the previous year is reduced by TDKK 17.428.

- The balance sheet total for the previous year has decreased by TDKK 11.888.

The profit/loss for the year for 2019 is unchanged, whereas equity at 1 April 2019 has decreased by TDKK 11.888.

The accounting policies are otherwise consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the group's and the parent company's 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 will flow from the group's and the parent company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Accounting policies

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are measured at the exchange rate at the transaction date.

Foreign subsidiaries and associates are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of such entities opening equity at closing rate and on translation of the income statements from the exchange rates at the transaction date to closing rate are taken directly to equity.

Foreign exchange adjustments of balances with separate entities which are considered part of the investment in the subsidiary are taken directly to equity. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments entered into to hedge net investments in such entities are taken directly to equity.

Consolidated financial statements

The consolidated financial statements comprise the parent company Eurowrap and subsidiaries in which the parent company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates.

Accounting policies

On consolidation, intra-group income and expenses, holdings of shares, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition. Entities disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Hedge accounting

Fair value adjustments of financial instruments that are designated and qualify as fair value hedges of recognised assets or liabilities are recognised in the income statement together with any fair value adjustments of the hedged asset or liability that can be attributed to the hedged risk.

Changes in the fair value of financial instruments that are designated and qualify as hedges of expected future transactions are recognised in equity under retained earnings as regards the effective portion of the hedge. The ineffective portion of the hedge is recognised in the income statement. If the hedged transaction results in an asset or a liability, amounts deferred under equity are transferred to the cost of the asset or liability. If the hedged transaction results in income or expenses, amounts deferred under equity are transferred to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair value of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, while the ineffective portion is recognised in the income statement.

Income statement

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Cost of productions

Cost of productions comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Accounting policies

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and property, plant and equipment.

Distribution costs

Distribution costs comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to distribution activities.

Administrative costs

Administrative costs comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to administrative activities.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Profit/loss from investments in subsidiaries and associates

Dividend from investments is recognised in the reporting year in which the dividend is declared.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Accounting policies

	Useful life		Residual value
Buildings	10-50	years	0 %
Production plant and machinery	3-15	years	0 %
Other fixtures & fittings, tools and equipment	3-5	years	0 %

Assets costing less than DKK 13.800 are expensed in the year of acquisition.

The useful life and residual value of the company's property, plant and equipment is reassessed annually.

Investments in subsidiaries

Investment in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Inventories

Inventories are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

Production overheads include the indirect cost of materials, wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the cost.

The net realisable value of inventories is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

Accounting policies

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Cash flow statement

The cash flow statement shows the group's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the group's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are stated as the group's profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes.

Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the group's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Accounting policies

Financial highlights

Definitions of financial ratios.

Gross margin ratio $\frac{\text{Gross profit x 100}}{\text{Revenue}}$

EBIT margin $\frac{\text{Profit/loss before financials x 100}}{\text{Revenue}}$

Return on assets $\frac{\text{Profit/loss before financials x 100}}{\text{Total assets}}$

Solvency ratio $\frac{\text{Equity at year-end x 100}}{\text{Total assets at year-end}}$

Return on equity $\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$

Income statement 1 April 2019 - 31 December 2019

	Note	Group 2019 TDKK	Group 2018/19 TDKK	Parent Company 2019 TDKK	Parent Company 2018/19 TDKK
Revenue		**188.978**	**218.649**	**82.477**	**93.060**
Cost of productions	1	-138.413	-153.977	-69.561	-77.705
Gross profit		**50.565**	**64.672**	**12.916**	**15.355**
Distribution costs	1	-25.350	-32.442	-7.692	-9.492
Administrative costs	1	-8.914	-11.745	-4.926	-6.701
Operating profit/loss		**16.301**	**20.485**	**298**	**-838**
Other operating income		1.827	758	539	387
Profit/loss before financial income and expenses		**18.128**	**21.243**	**837**	**-451**
Income from investments in subsidiares		0	0	20.876	0
Financial income	2	218	53	22	53
Financial costs	3	-723	-1.443	-642	-1.316
Profit/loss before tax		**17.623**	**19.853**	**21.093**	**-1.714**
Tax on profit/loss for the year	4	-3.413	-3.810	-49	329
Net profit/loss for the year		**14.210**	**16.043**	**21.044**	**-1.385**
Distribution of profit	5				

Balance sheet at 31 December 2019

	Note	Group 31.12.2019 TDKK	Group 31.03.2019 TDKK	Parent Company 31.12.2019 TDKK	Parent Company 31.03.2019 TDKK
Assets					
Land and buildings		69.878	71.454	53.599	54.953
Plant and machinery		6.399	7.391	6.092	7.017
Other fixtures and fittings, tools and equipment		1.606	2.213	132	343
Tangible assets	6	**77.883**	**81.058**	**59.823**	**62.313**
Investments in subsidiaries	7	0	0	92.161	92.161
Fixed asset investments		**0**	**0**	**92.161**	**92.161**
Total non-current assets		**77.883**	**81.058**	**151.984**	**154.474**
Inventories	8	**48.087**	**56.093**	**24.521**	**38.108**
Trade receivables		41.981	14.603	24.699	5.193
Receivables from Group		380	0	2.475	556
Other receivables		2.218	2.980	634	813
Deferred tax asset		44	0	0	0
Prepayments	9	1.160	1.357	1.160	1.357
Receivables		**45.783**	**18.940**	**28.968**	**7.919**
Cash at bank and in hand		**57.440**	**62.072**	**10.479**	**0**
Total current assets		**151.310**	**137.105**	**63.968**	**46.027**
Total assets		**229.193**	**218.163**	**215.952**	**200.501**

Balance sheet at 31 December 2019

	Note	Group		Parent Company	
		31.12.2019	31.03.2019	31.12.2019	31.03.2019
		TDKK	TDKK	TDKK	TDKK
Equity and liabilities					
Share capital		12.195	12.195	12.195	12.195
Revaluation reserve		17.561	18.176	17.561	18.176
Retained earnings		124.144	109.026	118.988	97.138
Proposed dividend for the year		0	10.500	0	10.500
Equity	10	**153.900**	**149.897**	**148.744**	**138.009**
Provision for deferred tax	11	10.146	10.326	9.788	9.812
Total provisions		**10.146**	**10.326**	**9.788**	**9.812**
Mortgage loans		31.057	32.254	31.057	32.254
Other credit institutions		493	786	0	0
Total non-current liabilities	12	**31.550**	**33.040**	**31.057**	**32.254**
Mortgage loans	12	1.593	1.590	1.593	1.590
Other credit institutions	12	11.472	5.896	11.137	5.744
Trade payables		10.638	10.245	7.758	9.326
Payables to Group		280	0	2.758	456
Corporation tax		2.016	1.810	127	0
Other payables		7.598	5.359	2.990	3.310
Total current liabilities		**33.597**	**24.900**	**26.363**	**20.426**
Total liabilities		**65.147**	**57.940**	**57.420**	**52.680**
Total equity and liabilities		**229.193**	**218.163**	**215.952**	**200.501**

Staff	1
Rent and lease liabilities	13
Mortgages and collateral	14
Financial instruments	15
Related parties and ownership structure	18

Statement of changes in equity

Group

	Share capital	Revaluation reserve	Retained earnings	Proposed dividend for the year	Total
Equity at 1 April 2019	12.195	18.176	109.026	10.500	149.897
Exchange adjustments	0	0	458	0	458
Ordinary dividend paid	0	0	0	-10.500	-10.500
Dissolution of previous years' revaluation	0	-615	615	0	0
Fair value adjustment of hedging instruments	0	0	-165	0	-165
Net profit/loss for the year	0	0	14.210	0	14.210
Equity at 31 December 2019	**12.195**	**17.561**	**124.144**	**0**	**153.900**

Parent Company

Equity at 1 April 2019	12.195	18.176	109.026	10.500	149.897
Net effect from change of accounting policy	0	0	-11.888	0	-11.888
Adjusted equity at 1 April 2019	12.195	18.176	97.138	10.500	138.009
Ordinary dividend paid	0	0	0	-10.500	-10.500
Dissolution of previous years' revaluation	0	-615	615	0	0
Fair value adjustment of hedging instruments	0	0	191	0	191
Net profit/loss for the year	0	0	21.044	0	21.044
Equity at 31 December 2019	**12.195**	**17.561**	**118.988**	**0**	**148.744**

Cash flow statement 1 April 2019 - 31 December 2019

	Note	Group 2019 TDKK	Group 2018/19 TDKK
Net profit/loss for the year		14.210	16.043
Adjustments	16	8.283	11.234
Change in working capital	17	-16.209	-3.042
Cash flows from operating activities before financial income and expenses		**6.284**	**24.235**
Financial income		218	53
Financial costs		-723	-1.443
Cash flows from ordinary activities		**5.779**	**22.845**
Corporation tax paid		-3.410	-4.414
Cash flows from operating activities		**2.369**	**18.431**
Purchase of property, plant and equipment		-583	-1.686
Cash flows from investing activities		**-583**	**-1.686**
Repayment of mortgage loans		-1.197	-1.590
Repayment of loans from credit institutions		-299	193
Repayment of short-term credit institutions		5.578	84
Dividend paid		-10.500	-500
Cash flows from financing activities		**-6.418**	**-1.813**
Change in cash and cash equivalents		**-4.632**	**14.932**
Cash and cash equivalents		62.072	47.140
Cash and cash equivalents		**57.440**	**62.072**
Analysis of cash and cash equivalents:			
Cash at bank and in hand		57.440	62.072
Cash and cash equivalents		**57.440**	**62.072**

Notes

		Group		Parent Company	
		2019	2018/19	2019	2018/19
		TDKK	TDKK	TDKK	TDKK
1	**Staff**				
	Wages and Salaries	25.918	36.917	14.549	22.778
	Pensions	1.730	2.121	625	1.053
	Other social security expenses	513	946	318	492
		28.161	**39.984**	**15.492**	**24.323**
	Wages and Salaries, pensions and other social security expenses are recognised in the following items:				
	Cost of products	9.994	16.728	9.994	16.728
	Distribution costs	12.204	15.426	2.069	2.897
	Administrative costs	5.963	7.830	3.429	4.698
		28.161	**39.984**	**15.492**	**24.323**
	Average number of employees	98	107	43	55

Including remuneration to the Executive Board and Board of Directors TDKK 3.996 (2018/19: TDKK 5.713)

		Group 2019	Group 2018/19	Parent Company 2019	Parent Company 2018/19
2	**Financial income**				
	Interest received from group companies	0	0	22	0
	Other financial income	218	53	0	53
		218	**53**	**22**	**53**

Notes

		Group		Parent Company	
		2019	2018/19	2019	2018/19
		TDKK	TDKK	TDKK	TDKK
3	**Financial costs**				
	Interest paid to subsidiaries	2	0	2	0
	Other financial costs	721	1.443	640	1.316
		723	**1.443**	**642**	**1.316**
4	**Tax on profit/loss for the year**				
	Current tax for the year	3.602	4.239	127	0
	Deferred tax for the year	-189	-429	-78	-329
		3.413	**3.810**	**49**	**-329**
5	**Distribution of profit**				
	Proposed dividend for the year	0	10.500	0	10.500
	Retained earnings	14.210	5.543	21.044	-11.885
		14.210	**16.043**	**21.044**	**-1.385**

Notes

6 Tangible assets

Group

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
Cost at 1 April 2019	126.491	87.001	15.594	229.086
Exchange adjustment	175	17	32	224
Additions for the year	229	150	204	583
Disposals for the year	0	-1.574	-68	-1.642
Cost at 31 December 2019	126.895	85.594	15.762	228.251
Impairment losses and depreciation at 1 April 2019	55.037	79.610	13.381	148.028
Exchange adjustment	55	16	36	107
Depreciation for the year	1.925	1.143	760	3.828
Reversal of impairment and depreciation of sold assets	0	-1.574	-21	-1.595
Impairment losses and depreciation at 31 December 2019	57.017	79.195	14.156	150.368
Carrying amount at 31 December 2019	**69.878**	**6.399**	**1.606**	**77.883**

	2019 TDKK	2018/19 TDKK
Amortisation and impairment of intangible assets are recognised in the following items:		
Depreciation and impairment, production	2.658	3.492
Depreciation and impairment, distribution	820	1.040
Depreciation and impairment, administrative	350	549
	3.828	**5.081**

Notes

6 Tangible assets (continued)

Parent Company

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
Cost at 1 April 2019	104.294	84.799	11.480	200.573
Additions for the year	229	150	29	408
Disposals for the year	0	-1.574	-68	-1.642
Cost at 31 December 2019	104.523	83.375	11.441	199.339
Impairment losses and depreciation at 1 April 2019	49.341	77.782	11.137	138.260
Depreciation for the year	1.583	1.075	193	2.851
Reversal of impairment and depreciation of sold assets	0	-1.574	-21	-1.595
Impairment losses and depreciation at 31 December 2019	50.924	77.283	11.309	139.516
Carrying amount at 31 December 2019	**53.599**	**6.092**	**132**	**59.823**

	2019	2018/19
	TDKK	TDKK
Amortisation and impairment of intangible assets are recognised in the following items:		
Depreciation and impairment, production	2.658	3.492
Depreciation and impairment, administrative	193	352
	2.851	**3.844**

Notes

		Group		Parent Company	
		31.12.2019	31.03.2019	31.12.2019	31.03.2019
		TDKK	TDKK	TDKK	TDKK
7	**Investments in subsidiaries**				
	Cost at 1 April 2019	0	0	92.161	92.161
	Cost at 31 December 2019	0	0	92.161	92.161
	Carrying amount at 31 December 2019	**0**	**0**	**92.161**	**92.161**

Group
Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest
Euro Wrap Ltd.	Skelmersdale, UK	100%

		Group		Parent Company	
		31.12.2019	31.03.2019	31.12.2019	31.03.2019
8	**Inventories**				
	Raw materials and consumables	16.836	15.950	16.836	15.950
	Work in progress	1.862	4.065	1.862	4.065
	Finished goods and goods for resale	29.389	36.078	5.823	18.093
		48.087	**56.093**	**24.521**	**38.108**

9 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest as well.

10 Equity

The share capital consists of24.390 shares of a nominal value of TDKK 500. No shares carry any special rights.

Notes

		Group		Parent Company	
		31.12.2019	31.03.2019	31.12.2019	31.03.2019
		TDKK	TDKK	TDKK	TDKK
11	**Provision for deferred tax**				
	Provision for deferred tax at 1 April 2019	10.326	10.455	9.812	10.092
	Exchange adjustment	7	0	0	0
	Provision in year	-145	-429	-78	-329
	Amounts recognised in equity for the year	-42	300	54	49
	Provision for deferred tax at 31 December 2019	**10.146**	**10.326**	**9.788**	**9.812**

		Group		Parent Company	
		31.12.2019	31.03.2019	31.12.2019	31.03.2019
12	**Long term debt**				
	Mortgage loans				
	After 5 years	23.998	25.089	23.998	25.089
	Between 1 and 5 years	7.059	7.165	7.059	7.165
	Non-current portion	31.057	32.254	31.057	32.254
	Within 1 year	1.593	1.590	1.593	1.590
		32.650	**33.844**	**32.650**	**33.844**
	Other credit institutions				
	Between 1 and 5 years	493	786	0	0
	Non-current portion	493	786	0	0
	Other short-term debt to credit institutions	11.472	5.896	11.137	5.744
	Current portion	11.472	5.896	11.137	5.744
		11.965	**6.682**	**11.137**	**5.744**

Notes

	Group		Parent Company	
	31.12.2019	31.03.2019	31.12.2019	31.03.2019
	TDKK	TDKK	TDKK	TDKK
13 Rent and lease liabilities				
Operating lease liabilities. Total future lease payments:				
Within 1 year	1.467	1.720	170	181
Between 1 and 5 years	7.228	133	9	133
	8.695	**1.853**	**179**	**314**

14 Mortgages and collateral

The following assets have been put up as security for debt to mortgage credit institutions:

	Group 31.12.2019	Group 31.03.2019	Parent Company 31.12.2019	Parent Company 31.03.2019
Land and buldings with a carrying amount of	69.878	71.454	53.599	54.953
	69.878	**71.454**	**53.599**	**54.953**

The following assets have been put us as security for the group’s bankers:

	Group 31.12.2019	Group 31.03.2019	Parent Company 31.12.2019	Parent Company 31.03.2019
Mortage registrered to the mortgagor amounting to TDKK 50.000 in land and buildings with a carrying amount of	69.878	71.454	53.599	54.953
	69.878	**71.454**	**53.599**	**54.953**

Eurowrap Ltd has given suretyship for Eurowrap A/S' banks.

15 Financial instruments

The group has entered into a number of forward contracts during the year which had not been settled at 31 December 2019. The purpose of these contracts was to hedge future fluctuations in the GBP and USD exchange rate and the resulting impact on purchases. At the balance sheet date, the fair value of the forward exchange contracts amounts to TDKK -165 (2018/19: TDKK -272).

Notes

		Group	
		2019	2018/19
		TDKK	TDKK
16	**Cash flow statement - adjustments**		
	Financial income	-218	-53
	Financial costs	723	1.443
	Depreciation, amortisation and impairment losses	3.875	4.970
	Tax on profit/loss for the year	3.413	3.810
	Other adjustments	490	1.064
		8.283	**11.234**

17	**Cash flow statement - change in working capital**		
	Change in inventories	8.149	-7.107
	Change in receivables	-26.999	6.114
	Change in trade payables, etc.	2.434	-581
	Fair value adjustments recognised in equity	207	-1.468
		-16.209	**-3.042**

Notes

18 Related parties and ownership structure

Controlling interest

The ultimate parent undertaking is Exacompta Clairefontaine SA, incorporated in France.

Exacompta Clairefontaine SA (incorporated in France) is the largest group to consolidate these financial statements and copies can be obtained from:

Exacompta Clairefontaine SA
19 Rue de l'Abbaye
F-88480 Etival Clairafontaine
France

Immediate parent company

AE4 2012 Holding AB, c/o Hamilton Advokat, byrå, Box 715 101 33, Stockholm