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# ***DHL Supply Chain (Denmark) A/S***

Ventrupvej 25, DK-2670 Greve

## **Annual Report for 1 January - 31 December 2015**

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CVR No 80 14 26 17

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
20/6 2016

Alexander Oliver Hislop  
Chairman



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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of DHL Supply Chain (Denmark) A/S for the financial year 1 January - 31 December 2015.

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 financial position at 31 December 2015 of the Company and of the results of the Company operations for 2015.

In our opinion, 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.

Greve, 20 June 2016

## Executive Board

Alexander Oliver Hislop  
CEO

## Board of Directors

Bo Mickael Jinglöv  
Chairman

Dirk Rudolf Hein

Alexander Oliver Hislop

Dan Alex Wærn

# **Independent Auditor's Report on the Financial Statements**

To the Shareholder of DHL Supply Chain (Denmark) A/S

## **Report on the Financial Statements**

We have audited the Financial Statements of DHL Supply Chain (Denmark) A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, notes and 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 as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, 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 conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, 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 auditor considers 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 audit opinion.

Our audit has not resulted in any qualification.

### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

# **Independent Auditor's Report on the Financial Statements**

## **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.

Hellerup, 20 June 2016

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Bo Schou-Jacobsen  
State Authorised Public Accountant

Anders Røjleskov  
State Authorised Public Accountant

## Company Information

### **The Company**

DHL Supply Chain (Denmark) A/S  
Ventrupvej 25  
DK-2670 Greve

CVR No: 80 14 26 17  
Financial period: 1 January - 31 December  
Municipality of reg. office: Greve

### **Board of Directors**

Bo Mickael Jinglöv, Chairman  
Dirk Rudolf Hein  
Alexander Oliver Hislop  
Dan Alex Wærn

### **Executive Board**

Alexander Oliver Hislop

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# Management's Review

## Main activity

The company's activity in the year has comprised of logistics services to companies. The logistics services consist of inventory service and inventory management ect.

## Development in the year

The income statement of the Company for 2015 shows a profit of DKK 459,805, and at 31 December 2015 the balance sheet of the Company shows negative equity of DKK 147,712,983.

The Company has at the end of the year a negative equity. We refer to Note 1 in the Financial Statements where it is stated that the Company has received a Letter of Support from ultimate parent Company.

The Company has changed its name to DHL Supply Chain (Denmark) A/S from DHL Exel Supply Chain (Denmark) A/S.

## The past year and follow-up on development expectations from last year

The result for the year is considered as satisfying.

## Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income Statement 1 January - 31 December

	Note	2015 DKK	2014 DKK
<b>Gross profit/loss</b>		<b>23.994.339</b>	<b>7.653.023</b>
Staff expenses	2	-19.614.767	-4.981.152
Depreciation and impairment of property, plant and equipment	5	-2.235.360	-293.115
Other operating expenses		<u>0</u>	<u>185.000</u>
<b>Profit/loss before financial income and expenses</b>		<b>2.144.212</b>	<b>2.563.756</b>
Financial income		10.166	7.064
Financial expenses	3	<u>-1.694.573</u>	<u>-1.622.382</u>
<b>Profit/loss before tax</b>		<b>459.805</b>	<b>948.438</b>
Tax on profit/loss for the year	4	<u>0</u>	<u>1.615.056</u>
<b>Net profit/loss for the year</b>		<b><u>459.805</u></b>	<b><u>2.563.494</u></b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		<u>459.805</u>	<u>2.563.494</u>
		<b><u>459.805</u></b>	<b><u>2.563.494</u></b>



## Balance Sheet 31 December

### Assets

	Note	2015 DKK	2014 DKK
Other fixtures and fittings, tools and equipment		12.759.426	10.939.499
<b>Property, plant and equipment</b>	5	<b>12.759.426</b>	<b>10.939.499</b>
<b>Fixed assets</b>		<b>12.759.426</b>	<b>10.939.499</b>
Trade receivables		4.389.743	11.412.971
Receivables from group enterprises		1.299.914	3.625.033
Other receivables		1.982.977	0
<b>Receivables</b>		<b>7.672.634</b>	<b>15.038.004</b>
<b>Currents assets</b>		<b>7.672.634</b>	<b>15.038.004</b>
<b>Assets</b>		<b>20.432.060</b>	<b>25.977.503</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2015 DKK	2014 DKK
Share capital		13.100.000	13.100.000
Retained earnings		-160.812.983	-161.272.788
<b>Equity</b>	<b>6</b>	<b>-147.712.983</b>	<b>-148.172.788</b>
Credit institutions		334	281
Prepayments received from customers		1.398.901	1.743.937
Trade payables		5.663.459	2.841.197
Payables to group enterprises	1	155.021.070	166.794.577
Other payables		6.061.279	2.770.299
<b>Short-term debt</b>		<b>168.145.043</b>	<b>174.150.291</b>
<b>Debt</b>		<b>168.145.043</b>	<b>174.150.291</b>
<b>Liabilities and equity</b>		<b>20.432.060</b>	<b>25.977.503</b>
Going concern	1		
Contingent liabilities and other financial obligations	7		
Group relation	8		

# Notes to the Financial Statements

## 1 Going concern

The Company has at the year-end a negative equity. The Company has received a Letter of Support and Subordination from its ultimate parent Deutsche Post AG insuring the required funding of its future operation upto 15 January 2020. Furthermore, the Parent Company will subordinate their receivables in favour of other creditors of the Company.

Management has on this basis prepared the Financial Statements on a going concern basis.

	<u>2015</u> DKK	<u>2014</u> DKK
<b>2 Staff expenses</b>		
Wages and salaries	15.536.747	4.338.246
Pensions	1.106.456	256.912
Other social security expenses	112.552	16.948
Other staff expenses	<u>2.859.012</u>	<u>369.046</u>
	<b><u>19.614.767</u></b>	<b><u>4.981.152</u></b>
<b>Average number of employees</b>	<b><u>34</u></b>	<b><u>7</u></b>
<b>3 Financial expenses</b>		
Interest paid to group companies	1.366.685	1.395.098
Other financial expenses	248.447	202.756
Exchange adjustments	<u>79.441</u>	<u>24.528</u>
	<b><u>1.694.573</u></b>	<b><u>1.622.382</u></b>
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	0	0
Adjustment of tax concerning previous years	<u>0</u>	<u>-1.615.056</u>
	<b><u>0</u></b>	<b><u>-1.615.056</u></b>

At 31 December 2015 the Company has a non-recognised deferred tax asset of DKK 0.6 million (2014 1.0 million).

# Notes to the Financial Statements

## 5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost at 1 January	11.232.614
Additions for the year	<u>4.055.287</u>
Cost at 31 December	<u>15.287.901</u>
Impairment losses and depreciation at 1 January	293.115
Depreciation for the year	<u>2.235.360</u>
Impairment losses and depreciation at 31 December	<u>2.528.475</u>
<b>Carrying amount at 31 December</b>	<b><u>12.759.426</u></b>

## 6 Equity

	Share capital DKK	Retained earnings DKK	Total DKK
Equity at 1 January	13.100.000	-161.272.788	-148.172.788
Net profit/loss for the year	<u>0</u>	<u>459.805</u>	<u>459.805</u>
<b>Equity at 31 December</b>	<b><u>13.100.000</u></b>	<b><u>-160.812.983</u></b>	<b><u>-147.712.983</u></b>

The share capital consists of 100 shares of a nominal value of DKK 131,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

# Notes to the Financial Statements

	2015	2014
	DKK	DKK
<b>7 Contingent liabilities and other financial obligations</b>		
<b>Rental agreements and leases</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	11.664.120	14.580.156
Between 1 and 5 years	46.656.480	58.320.624
After 5 years	43.740.450	69.255.741
	<b>102.061.050</b>	<b>142.156.521</b>

The company has until 2024 leased a building on an unredeemable lease contract. The building is rented to 3. part on an unredeemable lease contract towards 2024.

The lease agreement includes an obligation to restore all changes to the leased property at the time of termination of the lease. According to the signed agreement all obligations with respect to restoration have been taken over by the lessee.

## **Contingent liabilities**

The Company is jointly taxed with other Danish Companies and branches of the DPDHL Group. The Company and the other Companies and branches subject to joint taxation have unlimited, joint and several liability for Danish corporation taxes.

## **8 Group relation**

### ***Consolidated Financial Statements***

#### ***Consolidated Financial Statements***

The Company's direct parent, DHL Express (Denmark) A/S, does not prepare consolidated financial statements pursuant to section 112(1) of the Danish Financial Statements Act. The Company's ultimate parent, which prepares consolidated financial statements into which the Company is incorporated as a subsidiary, is Deutsche Post AG DE 53105 Bonn.

The Group Annual Report may be obtained at the following address:

Deutsche Post AG  
DE 53105 Bonn  
Germany

## **Accounting Policies**

### **Basis of Preparation**

The Annual Report of DHL Supply Chain (Denmark) A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 are presented in DKK.

### **Recognition and measurement**

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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 flow 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 will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially 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 maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

# Accounting Policies

## Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

## Income Statement

### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

### Revenue

Revenue from logistics services is recognised in the income statement when the sale is considered effected based on the following criteria:

- the services are rendered;
- a binding sales agreement has been made;
- the amount of revenue and income can be reliably measured; and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

## **Accounting Policies**

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

### **Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise, including gains and losses on the sale of property, plant and equipment.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

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

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with its Parent Company. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## **Balancen**

### **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-10	years
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Assets costing less than DKK 12,800 are expensed in the year of acquisition.



# Accounting Policies

## Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

## Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

## Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

## Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

## Financial debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.

## **Accounting Policies**

### **Deferred income**

Deferred income comprises payments received in respect of income in subsequent years.