

Heléns Rør A/S

Koesmosevej 48-58, Kauslunde  
5500 Middelfart  
Denmark

CVR no. 89 63 79 10

**Annual report 2016**

The annual report was presented and approved at the  
Company's annual general meeting on

\_\_\_\_\_ 20 \_\_\_\_\_

Eva Christina Täljegård  
chairman



## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Company details	6
Financial highlights	7
Operating review	8
Financial statements 1 January – 31 December	
Income statement	10
Balance sheet	11
Statement of changes in equity	13
Notes	14

## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Heléns Rør A/S for the financial year 1 January – 31 December 2016.

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

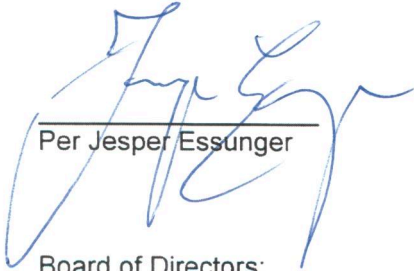
In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Further, In our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Middelfart, 29 March 2017

Executive Board:



---

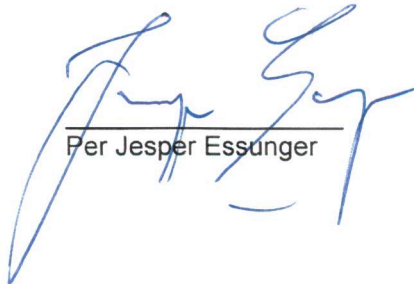
Per Jesper Essunger

Board of Directors:



---

Eva Christina  
Täljegård  
Chairman



---

Per Jesper Essunger



---

Joakim Lindvall



## **Independent auditor's report**

To the shareholders of Heléns Rør A/S

### **Opinion**

We have audited the financial statements of Heléns Rør A/S for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016, and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

### **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 Company 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **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 that 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 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 Company or to cease operations, or has no realistic alternative but to do so.





## Independent auditor's report

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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 Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- 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 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 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.



## Independent auditor's report

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.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Kolding, 29 March 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Nikolaj Møller Hansen  
State Authorised  
Public Accountant

Michael E. K. Rasmussen  
State Authorised  
Public Accountant

**Heléns Rør A/S**  
Annual report 2016  
CVR no. 89 63 79 10

## **Management's review**

### **Company details**

Heléns Rør A/S  
Koesmosevej 48-58, Kauslunde  
5500 Middelfart  
Denmark

Telephone: +45 64 40 39 40  
E-mail: [helens@helens.dk](mailto:helens@helens.dk)

CVR no.: 89 63 79 10  
Established: 1 October 1980  
Registered office: Middelfart  
Financial year: 1 January – 31 December

### **Board of Directors**

Eva Christina Täljegård, Chairman  
Per Jesper Essunger  
Joakim Lindvall

### **Executive Board**

Per Jesper Essunger

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfaergevej 28  
DK-2100 Copenhagen  
Denmark

## Management's review

### Financial highlights

DKK'000	2016	2015	2014	2013	2012
<b>Key figures</b>					
Gross profit	22,070	16,478	24,217	14,251	17,855
Operating profit/loss	1,223	-4,012	2,056	-2,894	-778
Profit/loss from financial income and expenses	-77	-108	-302	-328	-823
Profit/loss for the year	907	-3,228	1,391	-2,560	-1,205
Fixed assets	15,050	14,166	5,741	6,570	9,315
Current assets	44,015	43,000	50,318	51,398	57,600
Total assets	59,065	57,166	56,059	57,968	66,915
Equity	15,116	14,209	17,437	16,045	18,605
Investment in property, plant and equipment	1,795	9,871	1,744	221	607
<b>Financial ratios</b>					
Return on invested capital	2.10%	-7.10%	3.60%	-6.20%	-1.50%
Return on equity	6.20%	-20.40%	8.30%	-14.80%	-6.30%
Solvency ratio	25.80%	24.90%	31.10%	27.70%	27.80%

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". The financial ratios have been calculated as follows:

Return on invested capital 
$$\frac{\text{Operating profit/loss} \times 100}{\text{Average invested capital}}$$

Return on equity 
$$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$$

Solvency ratio 
$$\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total equity and liabilities at year end}}$$



## Management's review

### Operating review

#### Principal activities of the Company

In line with previous years, the principal activities consisted of sale and processing of steel tubes.

Processing takes place in the Company's own factories.

The products are primarily sold in Denmark.

#### Development in activities and financial position

The Company reported a strong performance and good results considering the changes implemented during the year.

The relocation of activities outside the project group from Albertslund to Middelfart took place during the year.

The relocation of the activities that are outside the projectgroup from Albertslund to Middelfart took place during the year.

#### Events after the balance sheet date

Nothing has occurred, which affects the Company's financial position at 31 December 2016.

#### Outlook for 2017

An expected stable development in 2017 based on the existing strategy.

Fluctuation in price level as well as sales volume are important factors to consider when evaluating the development of the company from a risk perspective.

### Risks

#### *Financial risks*

As a result of its solvency and capital resources, the Company is, only to a limited extent, exposed to changes in the interest rate level. However, the Company is exposed to foreign exchange risks with regard to its day-to-day operations.

#### *Foreign exchange risks*

The Company's invoicing is made in EUR and DKK. Most purchases are made in EUR. As purchases and sales, to a wide extent, are settled in the same currencies, Management is of the opinion that the Company is not subject to any substantial currency exposure.

## Management's review

### Operating review

#### *Credit risks*

No customer or business relations pose any significant risk to the Company.

#### Environment

The Company's production primarily comprises the processing and assembly of components from sub-suppliers, and Management is therefore of the opinion that the Company's impact on the external environment is limited. In general, it is the Company's policy to reduce the impact to a level which is financially fair and reasonable.



## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2016	2015
<b>Gross profit</b>		22,070	16,478
Distribution costs		-10,841	-10,421
Administrative expenses		-10,006	-10,069
<b>Operating profit/loss</b>		1,223	-4,012
Financial income		184	53
Financial expenses	2	-261	-161
<b>Profit/loss before tax</b>		1,146	-4,120
Tax on profit/loss for the year	3	-239	892
<b>Profit/loss for the year</b>		907	-3,228

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2016	2015
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>			
Plant and machinery	5	10,416	10,356
Fixtures and fittings, tools and equipment		230	233
Leasehold improvements		2,686	1,859
		<u>13,332</u>	<u>12,448</u>
<b>Investments</b>			
Equity investments in group entities	6	1,604	1,604
Deposits		114	114
		<u>1,718</u>	<u>1,718</u>
<b>Total fixed assets</b>		<u>15,050</u>	<u>14,166</u>
<b>Inventories</b>			
Raw materials and consumables		14,505	16,329
Work in progress		324	263
Finished goods and goods for resale		3,763	2,741
		<u>18,592</u>	<u>19,333</u>
<b>Receivables</b>			
Trade receivables		21,508	19,953
Receivables from group entities		1,501	1,875
Other receivables		1,624	529
Deferred tax asset	7	229	1,028
Corporation tax		561	282
		<u>25,423</u>	<u>23,667</u>
<b>Total current assets</b>		<u>44,015</u>	<u>43,000</u>
<b>TOTAL ASSETS</b>		<u><u>59,065</u></u>	<u><u>57,166</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	8		
Share capital		6,000	6,000
Retained earnings		9,116	8,209
<b>Total equity</b>		<u>15,116</u>	<u>14,209</u>
<b>Non-current liabilities</b>			
Lease obligations		7,616	0
		<u>7,616</u>	<u>0</u>
<b>Current liabilities</b>			
Trade payables		14,113	10,572
Payables to group entities		14,223	26,403
Other payables		7,997	5,982
		<u>36,333</u>	<u>42,957</u>
<b>Total liabilities</b>		<u>43,949</u>	<u>42,957</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>59,065</u>	<u>57,166</u>
Contractual obligations, contingencies, etc.	9		
Staff costs	10		
Related party disclosures	11		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
<b>Equity at 1 January 2016</b>	6,000	8,209	14,209
Transferred over the profit appropriation/distribution of loss	<u>0</u>	<u>907</u>	<u>907</u>
<b>Equity at 31 December 2016</b>	<u><u>6,000</u></u>	<u><u>9,116</u></u>	<u><u>15,116</u></u>

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Heléns Rør A/S for 2016 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

- Going forward, dividends from equity investments in subsidiaries recognised at cost are always recognised in the income statement. In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividend exceeds profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary. Previously, cost was reduced to the extent that distributed dividend exceeded accumulated earnings after the acquisition date.
- Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.
- Going forward, unlisted equity investments are measured at cost. Previously, these were measured at fair value. Pursuant to the transition provisions, the recognised fair value in the annual report for 2015 is considered deemed cost of the equity investments. Comparative figures for the income statement and balance sheet have not been restated.
- Going forward, an amount corresponding to the capitalised development costs will be tied to the restricted reserve "Reserve for development costs" under equity. The reserve cannot be used for dividend, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Heléns Rør AB.

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

##### Income statement

In accordance with section 32 of the Danish Financial Statements Act, revenue and production costs are aggregated in the financial caption item, gross profit.

##### Revenue

Income from the sale of goods, comprising the sale of unprocessed and processed tubes, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

##### Production costs

Production costs comprise costs, including depreciation, amortisation, wages and salaries incurred to generate revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases and depreciation of production plant.

##### Distribution costs

Distribution costs comprise costs incurred to distribute goods sold during the year and to conduct sales campaigns, etc., including costs relating to sales staff, advertising and exhibitions as well as depreciation.

##### Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Company, including expenses for administrative staff, management, office premises, office expenses and depreciation.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

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

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

##### Balance sheet

##### Property, plant and equipment

Buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Leasehold improvements	10 years
Plant and machinery	5-10 years
Fixtures and fittings, tools and equipment	5-10 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

#### Impairment of fixed assets

The carrying amount of property, plant and equipment as well as equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

#### Leases

On initial recognition, leases for fixed assets that transfer substantially all risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet at the lower of fair value and the net present value of future lease payments. When the net present value is calculated, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other fixed assets.

The capitalised lease obligation is recognised in the balance sheet as a liability at amortised cost, allowing the interest element of the lease payment to be recognised in the income statement over the term of the lease.

All other leases are operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Investments

Equity investments in subsidiaries are measured at cost. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Other receivables and deposits are recognised at amortised cost.

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production costs. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance and depreciation of production machinery. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses based on an individual assessment.

##### Cash at bank and in hand

Cash comprise bank deposits and cash.

##### Equity - dividend

The expected dividend payment for the year is disclosed as a separate item under equity.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

##### Corporation tax and deferred tax

Benteler Automotive Tønder A/S is the administrative company for the joint taxation.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, 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.

## Financial statements 1 January – 31 December

### Notes

DKK'000	2016	2015
<b>2 Financial expenses</b>		
Financial expenses attributable to group entities	250	88
Other financial expenses	11	73
	<u>261</u>	<u>161</u>
<b>3 Tax on profit/loss for the year</b>		
Deferred tax adjustment for the year	<u>-239</u>	<u>892</u>
<b>4 Proposed profit appropriation/distribution of loss</b>		
DKK'000	2016	2015
Retained earnings	<u>907</u>	<u>-3,228</u>
	<u>907</u>	<u>-3,228</u>

### 5 Property, plant and equipment

DKK'000	Leasehold improve- ments	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2016	5,975	33,992	3,169	43,136
Additions	1,200	493	102	1,795
Disposals	-224	-5,855	-154	-6,233
Cost at 31 December 2016	<u>6,951</u>	<u>28,630</u>	<u>3,117</u>	<u>38,698</u>
Depreciation and impairment losses at 1 January 2016	-4,116	-23,636	-2,936	-30,688
Depreciation	-373	-433	-105	-911
Additions	224	5,855	154	6,233
Depreciation and impairment losses at 31 December 2016	<u>-4,265</u>	<u>-18,214</u>	<u>-2,887</u>	<u>-25,366</u>
<b>Carrying amount at 31 December 2016</b>	<u>2,686</u>	<u>10,416</u>	<u>230</u>	<u>13,332</u>
Assets held under finance leases	<u>0</u>	<u>7,623</u>	<u>0</u>	<u>7,623</u>

DKK'000	2016	2015
Depreciation is distributed as follows:		
Production costs	859	1,413
Administrative expenses	52	22
	<u>911</u>	<u>1,435</u>



## Financial statements 1 January – 31 December

### Notes

#### 6 Investments

DKK'000	Investment in subsidiary	Deposits
Cost at 1 January	1,604	114
	0	0
	1,604	114

Name/legal form	Stake	Company capital	Equity	Profit/loss for the year
Subsidiaries:			DKK'000	DKK'000
Aktieselskabet Thos. Sonne Junr., Middelfart	100%	952	4,416	1,285
			4,416	1,285

#### 7 Deferred tax asset

DKK'000	2016	2015
Deferred tax asset at 1 January	1,028	418
Deferred tax adjustment for the year	-239	892
Joint taxation contribution receivable	-560	-282
	229	1,028

#### Deferred tax arises from:

Property, plant and equipment	-1,824	-90
Assets held under finance leases	1,676	0
Non-utilised tax losses	377	1,118
	229	1,028

#### 8 Equity

The Company's share capital represents DKK 6,000 thousand and is broken down on DKK 1,000 each. No shares carry any special rights.

## Financial statements 1 January – 31 December

### Notes

#### 9 Contractual obligations, contingencies, etc.

##### Contingent liabilities

The Company is jointly taxed with Benteler Automotive Tønder A/S and Aktieselskabet Thos. Sonne Junr. In accordance with the rules on joint taxation, the Company is liable for corporation tax in the jointly taxed entities until settled with the tax authorities. In addition, the Company has unlimited joint and several liability for Danish withholding taxes on dividends, interest and royalties within the jointly taxed entity.

##### Operating lease obligations

The Company entered into lease contracts with an annual payment of DKK 1.816 thousand (2015: DKK 1,965 thousand). The contracts are terminable at a notice of 3-9 months.

The Company has entered into operating leases with an annual payment of DKK 62-268 thousand for the period 2017-2019. The lease contracts come with different terms and carry a residual payment of DKK 424 thousand (2015: DKK 517 thousand).

## Financial statements 1 January – 31 December

### Notes

#### 10 Staff costs

DKK'000	2016	2015
Payroll	21,765	18,430
Pensions	1,859	2,848
Other social security costs	820	2,079
	<u>24,444</u>	<u>23,357</u>

**Staff costs are recognised in the financial statements as follows:**

Production	12,427	10,391
Distribution	9,665	9,758
Administration	2,352	3,208
	<u>24,444</u>	<u>23,357</u>

**The note on human resources include:**

Average number of full-time employees	<u>49</u>	<u>47</u>
---------------------------------------	-----------	-----------

Remuneration of the Company's Management and Board of Directors is not disclosed pursuant to section 98b(3)(ii) of the Danish Financial Statements Act.

## Financial statements 1 January – 31 December

### Notes

#### 11 Related party disclosures

Heléns Rør A/S' related parties comprise the following:

##### Control

Heléns Rør AB, Vastergårdsvågen 16, box 101, S-30104 Halmstad holds the majority of the share capital in the Company.

Heléns Rør A/S is included in the consolidated financial statement of Heléns Rør AB. The consolidated financial statement are available upon request to the Company

The Company's ultimate parent company is Benteler International AG. Consolidated financial statements are available at [www.benteler.com](http://www.benteler.com).

##### Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.