



# Gorilla Glue Europe A/S

**CVR-number: 31270561**

**Annual report 2014**

(7. fiscal year)

Disclosed and approved on the Annual General Meeting of the company, the <sup>24</sup>7 2015



Chairman  
*Poul Mortensen*

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## COMPANY INFORMATION

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### **The Company**

Gorilla Glue Europe A/S  
Egeskovvej 12  
3490 Kvistgård

Phone: 48 48 05 99  
Homepage: [www.gorillaglu.com](http://www.gorillaglu.com)  
E-mail: [eusales@gorillaglu.com](mailto:eusales@gorillaglu.com)

CVR-no.: 31 27 05 61  
Home: Helsingør  
Financial year: 1. January - 31. December  
Customer number: 14380251

### **Board of directors**

Peter Daniel Ragland  
Joseph Anthony Ragland  
John Jacob Ragland  
Howard Nicholas Ragland IV  
Poul Mortensen

### **Executive board**

Poul Mortensen

### **Bank**

Danske Bank  
Holmens Kanal 2-12  
1000 København K

### **Accountant**

Revision København  
Godkendt Revisionspartnerselskab  
Finsensvej 80 A  
2000 Frederiksberg

### **Ownership**

Gorilla Holding ApS,  
Lønholtvej 4,  
3480 Fredensborg

## MANAGEMENT'S STATEMENT

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Today the Board of Directors and the Executive Board have discussed and approved the Annual Report of Gorilla Glue Europe A/S for the period 1. January - 31. December 2014.

The Annual Report has been prepared in conformity with the Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, equity, liabilities and financial position at 31. December 2014 and of its financial performance for the period 1. January - 31. December 2014.

In our opinion the Management commentary includes a fair review of the matters described.

We recommend that the Annual Report be approved by the Annual General Meeting.

Kvistgård, April 7th 2015

### Management



Poul Mortensen

### Board of Directors



Peter Daniel Ragland



Joseph Anthony Ragland



John Jacob Ragland



Howard Nicholas Ragland IV



Poul Mortensen

## **INDEPENDENT AUDITOR'S REPORTS AND STATEMENTS**

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### **To the shareholders of Gorilla Glue Europe A/S**

#### **Auditor's report on the financial statements**

We have audited the financial statements of Gorilla Glue Europe A/S for the period 1. January - 31. December 2014 , including accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements have been prepared in conformity with the Danish Financial Statements Act.

#### **Management's responsibility for the financial statements**

The Company's Management is responsible for the preparation and fair presentation of financial statements in conformity with the Danish Financial Statements Act. Management is also responsible for the internal control that it deems necessary for 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 have performed the audit in accordance with international auditing standards and additional requirements under Danish audit regulations. That requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence of the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 auditors consider internal control relevant to the Company's preparation and fair presentation of financial statements 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 the accounting policies applied and the reasonableness of the accounting estimates made by Management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The audit did not result in a qualification.

## INDEPENDENT AUDITOR'S REPORTS AND STATEMENTS

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### Conclusion

In our opinion, the financial statements give a true and fair view of the Company's assets, equity, liabilities and financial position at 31. December 2014 and of its financial performance for the period 1. January - 31. December 2014 in conformity with the Danish Financial Statements Act.

### Emphasis of matters

Without qualifying our opinion, we draw attention to the significant uncertainty of the ability of the Company to continue operations. We refer to note 1 of the financial statements disclosing the conditions to be met in order to continue operations.

Without qualifying our opinion, we draw attention to the Management's Review and the Accounting Policies where uncertainty in the recognition and measurement are disclosed.

### Statement on Management commentary

As required by the Danish Financial Statements Act, we have read the Management commentary. We have carried out no procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information given in the Management commentary is consistent with the financial statements.

Frederiksberg, April 7th 2015

### Revision København

Godkendt Revisionspartnerselskab / Certified Public Accountants

  
Mads Lutz Jørgensen  
Certified Public Accountant

## **MANAGEMENT COMMENTARY**

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### **Main activities of the Company**

Marketing and sale of glue and other related products to DIY "Do-it-yourself stores" and other appropriate retail.

### **Uncertainty in the recognition and measurement**

As the company is keeping its entire bookkeeping in British Pounds, income statement is currency translated according to an average currency rate. This means that the company does not currency translate on booking date, but instead is doing this at the end of the year. This is based on an accounting estimate and therefore means that transactions are connected with some uncertainty.

The decision, made by the Management, is based on the companies physical location in England and that the company is taxable in England as well.

### **Development in the activities and the financial situation of the Company**

In 2014 the company will further develop the product lines, and expects a further improvement of operating profit.

### **Material events after the reporting date**

No events have occurred after the reporting date that may materially affect the financial position of the company.

## ACCOUNTING POLICIES

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### GENERAL INFORMATION

The financial statements of Gorilla Glue Europe A/S for the financial year 2014 have been prepared in conformity with the provisions of the Financial Statements Act on class B enterprises combined with a few rules on class C enterprises.

The accounting policies applied in the financial statements are consistent with those of the previous year. The reporting currency is Danish kroner.

#### **Uncertainty regarding recognition and measurement in general**

As the company is keeping its entire bookkeeping in British Pounds, income statement is currency translated according to an average currency rate. This means that the company does not currency translate on booking date, but instead is doing this at the end of the year. This is based on an accounting estimate and therefore means that transactions are connected with some uncertainty.

#### **Leases**

Lease payments under operating leases are recognised in the income statement on a straight-line basis over the lease term. The remaining liability is stated under contingent liabilities.

#### **Foreign currency translation**

Foreign currency transactions are translated at the exchange rates ruling at an average currency rate. Gains and losses arising from movements between the exchange rates at the date of the individual transaction and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, accounts payable and other monetary items denominated in a foreign currency, but not settled at the reporting date, are translated at the exchange rates ruling at the reporting date.

Exchange rate differences between the exchange rates at the reporting date and the date of the individual transaction are recognised in the income statement as financial income or financial expenses.

## ACCOUNTING POLICIES

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### INCOME STATEMENT

#### General information

Certain income and expenses have been aggregated in the item designated 'Gross profit' with reference to section 32 of the Financial Statements Act.

#### Gross profit

Gross profit is a combination of the items of 'Revenue', 'Change in inventories of finished goods, work in progress and goods for resale', 'Other operating income', 'Cost of raw materials and consumables' and 'Other external costs'.

#### Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end. Revenue is recognised exclusive of VAT and net of sales discounts.

#### Cost of raw materials and consumables

Cost of raw materials and consumables includes the cost of goods purchased less discounts and changes in inventories for the year.

#### Other external expenses

Other external expenses include costs for sales, advertising, administration, premises, bad debts, rental expenses under operating leases, etc.

#### Staff costs

Staff costs include wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement from the Government.

#### Other operating expenses

Other operating expenses include items relating to activities secondary to the main activity of the enterprise.

## ACCOUNTING POLICIES

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### Financial income and expenses

Financial income and expenses are recognised in the income statement based on the amounts which relate to the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses on securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme. Dividends from other equity investments are recognised as income in the financial year in which the dividends are declared.

### Tax on net profit for the year

Tax for the year comprises current tax and changes in deferred tax. The share attributable to the profit or loss for the year is recognised in the income statement, and the share attributable directly to equity is recognised directly in equity.

## BALANCE SHEET

### Intangible assets

Software is measured at cost less accumulated amortisation. Software is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

### Property, plant and equipment

Plant and machinery and other fixtures, fittings, tools and equipment are measured at cost less accumulated depreciation.

The cost includes the cost of acquisition and expenses directly related to the acquisition until the time when the asset is ready to be put into use.

Straight-line depreciation is made on the basis of the following assessment of the expected useful life of the individual assets and for standard machinery, including a scrap value of approx. 20%.

Other plants, operating equipment, fixtures and fittings	5 years
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Assets at a cost of less than DKK 12,300 each are expensed in the income statement in the year of acquisition.

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the sales price less cost of sales and the net book value at the time of sale. Gains and losses are included in the income statement.

All leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rent agreements are recognized in the profit and loss account during the lifetime of the contract. The company's total liabilities concerning operational leasing and rent agreements are recognized under contingencies etc.

## ACCOUNTING POLICIES

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### Deposits

Deposits are measured at cost.

### Inventories

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

The Company closely monitors and analyzes inventory for potential obsolescence and slow moving items based upon the aging of the inventory and inventory turns by product. Inventory items designated as obsolete or slow-moving are reduced to net realizable value. Inventories are measured at purchase price according to the FIFO principle. If the net realizable value is lower than the cost, they are written down to the lower value.

### Receivables

Receivables are measured at amortised cost, which normally corresponds to the nominal value. The value is reduced by an allowance for expected impairment losses.

Impairment of accounts receivable past due is established on individual assessment of receivables.

### Prepayments

Prepayments recognised under assets include costs already defrayed but relating to the subsequent financial year.

### Corporate income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as tax calculated on the taxable income for the year adjusted for tax on the taxable income for previous years and for prepaid taxes.

Deferred tax is measured using the balance-sheet liability method on any temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. In cases where the tax base can be determined under alternative taxation rules, such as in relation to shares, deferred tax is measured on the basis of the intended use of the relevant asset or settlement of the liability.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are measured at their anticipated realisable values, either by elimination in tax on future earnings or by being offset against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at their net realisable values.

Deferred tax is measured based on the tax rules and tax rates applicable when the deferred tax is expected to crystallise as current tax according to the legislation in force at the reporting date. Any change in deferred tax as a result of changes in the tax rates is recognised in the income statement.

## **ACCOUNTING POLICIES**

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### **Payables**

Other payables, comprising trade payables and amounts owed to Group enterprises and associates and other accounts payable, are measured at amortised cost, which normally corresponds to the nominal value.

**INCOME STATEMENT 1. JANUAR - 31. DECEMBER 2014**

	2014 kr.	2013 tkr.
<b>GROSS PROFIT</b>	<b>5.401.365</b>	<b>2.363</b>
2 Staff costs	-3.167.583	-2.405
3 Amortisation, depreciation and impairment losses - intangible assets and property, plant and equipment	-58.948	-59
<b>OPERATING PROFIT OR LOSS</b>	<b>2.174.834</b>	<b>-101</b>
Other financial income	187.500	63
Other financial expenses	-52.099	-128
<b>PROFIT OR LOSS BEFORE TAX</b>	<b>2.310.235</b>	<b>-166</b>
4 Tax on net profit for the year	-664.010	133
<b>PROFIT OR LOSS FOR THE YEAR</b>	<b>1.646.225</b>	<b>-33</b>
<b>PROPOSED DISTRIBUTION OF NET PROFIT</b>		
Retained earnings	1.646.225	-33
<b>SETTLEMENT OF DISTRIBUTION TOTAL</b>	<b>1.646.225</b>	<b>-33</b>

**BALANCE SHEET AT 31. DECEMBER 2014 ASSETS**

	2014 kr.	2013 tkr.
Other intangible assets	0	52
<b>Intangible assets</b>	<b>0</b>	<b>52</b>
Other plant, fixtures and operating equipment	21.186	28
<b>Property, plant and equipment</b>	<b>21.186</b>	<b>28</b>
Other receivables	24.172	24
<b>Investments</b>	<b>24.172</b>	<b>24</b>
<b>NON-CURRENT ASSETS</b>	<b>45.358</b>	<b>104</b>
Raw materials and consumables	5.774.959	3.403
<b>Inventories</b>	<b>5.774.959</b>	<b>3.403</b>
Trade receivables	7.067.811	3.158
Receivables from group enterprises	27.200	22
Other receivables	129.404	65
5 Deferred tax asset	820.907	1.485
Accruals	169.470	91
<b>Receivables</b>	<b>8.214.792</b>	<b>4.821</b>
<b>Cash</b>	<b>1.687.613</b>	<b>744</b>
<b>CURRENT ASSETS</b>	<b>15.677.364</b>	<b>8.968</b>
<b>ASSETS</b>	<b>15.722.722</b>	<b>9.072</b>

**BALANCE SHEET AT 31. DECEMBER 2014 EQUITY AND LIABILITIES**

	2014 kr.	2013 tkr.
Contributed capital	8.000.000	8.000
Retained earnings	-2.906.682	-4.553
<b>6 EQUITY</b>	<b>5.093.318</b>	<b>3.447</b>
Trade creditors	10.345.503	5.560
Other accounts payable	283.901	65
<b>Short-term payables</b>	<b>10.629.404</b>	<b>5.625</b>
<b>PAYABLES</b>	<b>10.629.404</b>	<b>5.625</b>
 <b>EQUITY AND LIABILITIES</b>	 <b>15.722.722</b>	 <b>9.072</b>

7 Contingencies, etc.

8 Related parties

**NOTES**

	2014	2013	
	kr.	tkr.	
<b>1 Uncertainty regarding the going concern status</b>			
It is a prerequisite for its ability to continue operations that the parent companies continue to provide the necessary liquidity.			
Management expects that liquidity will continue to be made available to the company.			
<b>2 Staff costs</b>			
Wages and salaries	3.100.132	2.356	
Pensions	24.148	17	
Other social security costs	43.303	32	
	<b>3.167.583</b>	<b>2.405</b>	
<b>3 Amortisation, depreciation and impairment losses - intangible assets and property, plant and equipment</b>			
Other intangible assets	51.886	52	
Other fixtures and fittings, tools and equipment	7.062	7	
	<b>58.948</b>	<b>59</b>	
<b>4 Tax on net profit for the year</b>			
Adjustment of deferred tax	664.010	-133	
	<b>664.010</b>	<b>-133</b>	
<b>5 Deferred tax asset</b>			
	Tax base value	Book value	Temporary difference
Property, plant and equipment	31.024	21.186	9.838
Current Assets	14.856.457	14.856.457	0
Tax losses	3.635.599	0	3.635.599
	<b>18.523.080</b>	<b>14.877.643</b>	<b>3.645.437</b>
<b>Deferred tax asset</b>			<b>820.907</b>

**NOTES**

		2014 kr.	2013 tkr.
	Opening balance	Proposed distribution of net profit	Closing balance
<b>6 Equity</b>			
Contributed capital	8.000.000	0	8.000.000
Retained earnings	-4.552.907	1.646.225	-2.906.682
	<b>3.447.093</b>	<b>1.646.225</b>	<b>5.093.318</b>

The share capital is divided as follows:

8.000 shares of nom	8.000.000
	<b>8.000.000</b>

**7 Contingencies, etc.**

*Security for loans and guarantees:*

The Company has not pledged assets or made some form of security.

*Contingent liabilities:*

There are no contingent liabilities.

*Joint taxation*

The company is in joint taxation with the Danish parent company (administrative company).

**8 Related parties**

The following shareholders are entered in the Company's Register of Shareholders as owners of at least 5% of the voting rights or at least 5% of the share capital:

Gorilla Holding ApS,  
Lønholtvej 4,  
3480 Fredensborg

