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C. Otto Gehrckens GmbH & Co. KG

Pinneberg

Annual financial statements for the business year from 01/01/2017 to 12/31/2017**Balance sheet as of December 31, 2017****ASSETS**

	EUR	EUR	KEUR
		December 31, 2017	(12/31/2016)

CAPITAL ASSETS

Intangible assets

Acquired concessions, industrial property rights and similar rights and values as well as licenses to such rights and values

138,409.00

286

Property, plant and equipment

Land and buildings

9,728,269.26

10.195

Technical equipment and machinery

808,227.00

946

Other equipment, factory and office equipment

1,802,820.00

1,970

Payments on account and assets under construction

748,929.19

0

13,088,245.45

13.111

CURRENT ASSETS

Stocks

Raw materials and supplies

508,886.00

390

Unfinished products

222,480.72

221

Finished products and goods

5,161,222.00

4,895

5,892,588.72

5,506

Receivables and other assets

Requests from deliveries and services

1,819,516.26

1,714

Other assets

222,100.07

56

2,041,616.33

1,770

Cash and bank balances

6,802,375.56

5,384

ACCRUED INCOME

44,947.88

56

28,008,182.94

26,113

LIABILITIES

	EUR	EUR	KEUR
		December 31, 2017	(12/31/2016)

EQUITY

Capital shares of the limited partners

380,000.00

380

ACCRUALS

Tax provisions

423,478.00

287

Other provisions

374,022.93

339

797,500.93

626

LIABILITIES

	EUR	EUR	KEUR
		December 31, 2017	(12/31/2016)
Liabilities to banks	4,184,492.78		4,084
Advance payments received on orders	13,800.00		0
liabilities from goods and services	834,995.14		566
Liabilities to shareholders	20,067,706.06		18,695
Other liabilities	1,729,688.03		1,762
- of which from taxes: EUR 308,744.41 (previous year: EUR 248 thousand) -		26,830,682.01	25,107
		28,008,182.94	26,113

Income statement for the period from January 1 to December 31, 2017

	2017	(2016)
	EUR	EUR
		KEUR
Sales	31,590,374.00	28,651
Increase in stocks of finished and unfinished products	186,233.06	93
Other own work capitalized	124,347.39	145
	31,900,954.45	28,889
Other company income	140,538.13	262
Cost of materials		
Expenses for raw materials and supplies and for purchased goods	-10,571,749.54	-9,492
Personnel expenses		
Wages and salaries	-9,607,786.78	-9,091
Social security and pension and support expenses	-1,847,528.52	-1,750
- of which for old age pensions: EUR 39,544.91 (previous year: EUR 39 thousand) -		-11,455,315.30
Depreciation on intangible assets and property, plant and equipment		-1,396,996.44
Other operating expenses		-4,621,187.31
		3,996,243.99
Other interest and similar income	1,429.98	6th
Interest and similar expenses	-963,724.54	-862
		-962,294.56
Taxes on income and earnings		-591,025.90
Result after taxes		2,442,923.53
Other taxes		-29,000.48
Annual surplus		2,413,923.05
Credit to the clearing accounts of the limited partners		-2,413,923.05
Result after usage calculation		0.00
		0

**C. Otto Gehrckens GmbH & Co KG,
Gehrstücke 9, 25421 Pinneberg**

District court Pinneberg HRA 2106

Annual financial statements for the financial year from January 01, 2017 to December 31, 2017

attachment

1. General information

The annual financial statements as of December 31, 2017 were prepared in accordance with the provisions of Sections 238 ff. And 264 ff. The supplementary provisions of the articles of association have been observed. C. Otto Gehrckens GmbH & Co KG, Pinneberg, is a medium-sized company within the meaning of Section 267 of the German Commercial Code (HGB). The size-dependent relief for medium-sized companies has largely been used (e.g. also Section 286 (4) HGB). The total cost method was chosen for the preparation of the profit and loss account.

2. Accounting and valuation methods

Fixed assets are valued at acquisition / production costs in accordance with Sections 253 - 255 of the German Commercial Code (HGB) less scheduled depreciation. The depreciation is carried out according to the linear and degressive method according to their expected useful life over a period of 3 to 15 years (building depreciation up to 33 years). In 2017, asset additions were depreciated using the straight-line method. For the sake of simplicity, assets with an acquisition value of up to EUR 410.00 are written off in full in the year of acquisition.

The inventories are valued at acquisition / production costs or the lower applicable value. The raw materials, consumables and supplies are stated at their acquisition costs (moving average). For mixtures, endless blanks and semi-finished O-rings, the production costs are set according to the respective production status. Components of the

production costs are direct material costs, material overheads, direct production costs and production overheads (including special production costs and the depreciation of fixed assets).

Finished products and goods are valued at acquisition or manufacturing cost plus an overhead surcharge, taking into account the strict lower of cost or market principle.

Other assets, liquid funds and prepaid expenses are shown at their nominal values.

Asset positions in foreign currency were valued at the closing rate.

As of the balance sheet date, pension commitments made by the company amounted to a value of EUR 72.1 thousand determined according to actuarial principles. In accordance with Art. 28 (1) EGHGB, it is not taken into account in the annual financial statements.

The provisions contain all identifiable risks and uncertain obligations. The assessment takes place in the amount of the fulfillment amount necessary according to a reasonable commercial assessment.

The reported liabilities are valued at the settlement amounts.

3. Notes on the balance sheet

The development of fixed assets is shown in the appendix to the notes. The schedule of fixed assets was drawn up in accordance with the provisions of Section 284 (3) HGB.

All receivables and other assets have a remaining term of less than one year.

Other provisions

	December 31, 2017	Previous year
	KEUR	KEUR
Retention requirements	3	5
Trade association	29	25th
Employee	222	198
vacation	90	75
Missing incoming invoices	0	6th
miscellaneous	30th	30th
	374	339

The liabilities shown in the balance sheet are made up as follows:

	Total amount on December 31, 2017	Thereof with a remaining maturity			Remaining term up to 1 year previous year
		up to 1 year	1 to 5 years	more than 5 years	
	EUR	EUR	EUR	EUR	KEUR
Liabilities to banks	4,184,492.78	805,461.00	2,690,101.00	688,930.78	637
Trade payables	834,995.14	834,995.14	0.00	0.00	567
Liabilities to shareholders	20,067,706.06	1,274,103.02	4,007,367.44	14,786,235.60	1,162
Payments received	13,800.00	13,800.00	0.00	0.00	0
Other liabilities	1,729,688.03	471,712.11	267,038.02	990,937.90	385
	26,830,682.01	3,400,071.27	6,964,506.46	16,466,104.28	2,751

The liabilities to banks are fully secured by land charges.

The liabilities to shareholders are other liabilities.

4. Notes on the income statement

The average number of employees during the financial year was:

	2017 number	Previous year number
Industrial workers	135	127
Employees	99	96
	234	223

The other operating expenses and other operating income include amounts from currency conversion of less than EUR 1 thousand each.

5. Management of the company, information on the personally liable partner, capital

The company is represented by its personally liable partner, Metzger Verwaltungs- und Vertriebs-GmbH, Pinneberg (subscribed capital: EUR 25,564.59), acting by Ingo Metzger, full-time technical manager, and Jan Metzger, full-time commercial manager

Pinneberg, March 20, 2017

C. Otto Gehrckens GmbH & Co. KG
Represented by:
Metzger Verwaltungs- und Vertriebs-GmbH
Ingo Metzger
Jan Metzger

Management report for the business year from 01/01/2017 to 12/31/2017**1. Business and framework conditions**

C. Otto Gehrckens GmbH & Co. KG showed a very positive sales development in the past financial year.

The increase in sales of 10.2% results as follows:

In the area of own production there was an increase of 6.9%, in the trade the increase was 12.7%.

The increase in the domestic business was 12.5 c1 / 0, in the international business a slight decrease of 0.5% was recorded.

The reasons for the increase in sales in Germany lie mainly in the extremely stable development of the most important customer industries in 2017 as well as in the successful expansion of business with new customers.

In the majority of our customer industries, a clearly positive business development was noted in 2017.

Abroad, significant sales declines for some major customers led to a slight decline in sales despite the restructuring of sales activities.

The target sales increase of 5.1% planned for 2017 was achieved with the achieved increase of 10.2% to 200%.

Financial performance indicators that are essential for the company and used for internal corporate management are in particular

- Earnings development
- Sales development
- Sales per employee
- Return on sales
- Capitalization

The earnings development in 2017 was as follows: Net income for the year T € 2,414 compared to T € 1,999 in 2016.

The sales development shows an increase from T € 28,651 in 2016 to T € 31,590 in 2017.

The turnover per employee was € 126,360 in 2017 compared to € 125,113 in 2016.

The return on sales was 7.64% in 2017 and 6.98% in 2016.

In terms of capital resources, the share of own funds was 73.0% at the end of 2017 compared to 73.0% at the end of 2016.

2. Earnings, financial and asset position

The company's earnings situation in 2017 improved once again compared to the previous year.

The annual surplus in 2017 was T € 2,414 compared to T € 1,999 in 2016.

Earnings-relevant here for 2017 are the sharp rise in sales and the only slight increase in depreciation, which led to a corresponding improvement in earnings despite significant increases in personnel costs and other operating expenses.

The cost of materials rose overall in 2017 due to the rising demand situation, the material usage rate is slightly above the previous year's level.

The own sales prices were not increased across the board in 2017, individual condition adjustments were made.

The average sales prices for in-house production are slightly below the previous year's level, as some customers abroad have purchased less high-quality materials. The values for merchandise are slightly above the previous year's level, which is due to the increased sales of higher-quality materials, mainly in Germany.

The increases in personnel costs are due to the further increase in the number of employees. The company also invested in many new employees in 2017 in order to be able to take advantage of future opportunities to expand the business.

The slightly increased depreciation can be attributed to the investments made in machines and systems in 2017.

In the area of other operating expenses, savings were made in legal and consulting costs. There were higher expenses in the area of personnel leasing and in the area of advertising. The largest part of the additional expenses in the area of advertising are one-off expenses for the organization of the celebrations for the 150th anniversary of the company.

The company had 250 employees on December 31, 2017. The number of employees will only change slightly in the 2018 financial year if economic conditions remain unchanged. A further increase in the number of employees is currently planned.

The main features of investment activity in 2017 were the acquisition of a new CNC milling machine, a new extruder and new equipment for the finishing area.

Furthermore, the construction of a new production building on the company property began.

The investment volume in 2017 was financed from cash flow and leasing. The new construction of the production building is financed by a KfW loan and from the cash flow.

Sufficient liquidity reserves existed as of December 31, 2017.

The shareholder funds ratio (including the loan accounts of the shareholders) was 73.0% as of December 31, 2017 (previous year 73.0%).

3. Future development with significant opportunities and risks**Future development**

Due to the rapidly changing framework conditions, it is still difficult to make a realistic forecast for the following financial years.

From today's perspective, we consider the revenue increase of 5.1% planned for 2018 to be realistic. We expect a uniform development over the year without any particular fluctuations.

As of the end of February 2018, the increase in sales was around 12% compared to the previous year.

In 2018, the intensification and restructuring of sales activities at home and abroad will continue to have the highest priority for the company in order to use the existing opportunities in our sales markets with optimized processes, expanded capacities and new products and services and to further increase the company's market share to

expand.

For this purpose, the company's organizational structures were adjusted in 2017 and a new management concept was introduced and implemented.

The most important investments planned for 2018 are the completion and commissioning of another production building as well as the acquisition of various new machines and systems in the production area. The investments are made against the background of the expansion of production capacities and as a rationalization investment for the purpose of increasing efficiency. In addition, further investments, especially in software, are planned.

The investment projects are financed from the cash flow and via leasing.

The new construction of the production building is financed by a KfW loan and from the cash flow.

Due to the market and business situation that has prevailed in our industry to this day, we are currently assuming that we will also be able to achieve a positive result in 2018.

For 2018 and the following years, we expect further sales growth with unchanged framework conditions through the introduction of new products and services, the development of new customer industries in Germany and the development of new foreign markets.

The costs for personnel, energy and services are expected to continue to rise in 2018.

The price increases for raw materials and finished goods are likely to be significantly higher than in previous years, as signs of overheating, shortages and excess demand are becoming more and more visible in a growing number of areas.

Risks of future development

Experience in recent years shows that economic developments and cycles that lasted between 12 and 36 months a few years ago can now change fundamentally from quarter to quarter. The extremely rapid recovery after the severe crisis in 2009 and the overheating of the economy, especially in the first half of 2011, are examples here.

We are currently perceiving a very stable and good business development with most of our customers. Business is currently going very well in many industries, but the risks of significant declines are increasing.

The Russia / Ukraine conflict with the resulting sanctions and trade restrictions is having a noticeable impact on some of our customer industries, such as the oil and gas sector, and further developments are still not foreseeable here.

The situation with regard to the euro / national debt crisis in Europe has hardly changed since previous years, even if the economic development in Europe is currently more positive.

Brexit and the uncertainty about the future of the EU mean that larger and lasting growth impulses from the euro area are not to be expected in the short term.

We are also seeing the growth of protectionist economic policies and trade barriers around the world. It is currently not clear whether this will lead to a trade war between the USA, China and Europe. If so, it would have a very negative impact on global economic growth.

Significant declines in demand for capital goods resulting from the aforementioned points would have clearly negative effects on the company as a supplier, particularly to the German mechanical engineering industry.

On the basis of experience from the crisis year 2009, in the event of a cumulative occurrence of several crisis situations, in the worst case this could also be a decline in sales of 20% and more.

We see further risks for the company in procurement costs and the availability of certain raw materials that are crude oil-based and subject to speculative influences. In the long term, we see the shortage of skilled workers as a risk for the company's future growth prospects.

There are currently no identifiable risks for the company as a going concern.

Pinneberg, March 20, 2018

Development of fixed assets in the 2017 financial year

	Acquisition and production costs			
	As of 01/01/2017 EUR	Accesses EUR	Departures EUR	As of December 31, 2017 EUR
Intangible assets				
Acquired concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	1,488,398.37	39,154.90	0.00	1,527,553.27
Property, plant and equipment				
Land and buildings	14,507,664.28	0.00	0.00	14,507,664.28
Technical equipment and machinery	3,373,995.40	14,194.40	0.00	3,388,189.80
Other equipment, factory and office equipment	5,977,842.97	431,904.94	229,797.87	6,179,950.04
Payments on account and assets under construction	0.00	748,929.19	0.00	748,929.19
	23,859,502.65	1,195,028.53	229,797.87	24,824,733.31
	25,347,901.02	1,234,183.43	229,797.87	26,352,286.58
		Accumulated depreciation		
	As of 01/01/2017 EUR	Accesses EUR	Departures EUR	As of December 31, 2017 EUR
Intangible assets				
Acquired concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	1,202,405.37	186,738.90	0.00	1,389,144.27
Property, plant and equipment				
Land and buildings	4,312,244.02	467,151.00	0.00	4,779,395.02

	Accumulated depreciation			
	As of			As of December
	01/01/2017	Accesses	Departures	31, 2017
	EUR	EUR	EUR	EUR
Technical equipment and machinery	2,428,404.40	151,558.40	0.00	2,579,962.80
Other equipment, factory and office equipment	4,007,691.47	591,548.14	222,109.57	4,377,130.04
Payments on account and assets under construction	0.00	0.00	0.00	0.00
	10,748,339.89	1,210,257.54	222,109.57	11,736,487.86
	11,950,745.26	1,396,996.44	222,109.57	13,125,632.13
	Balance values			
	Book values as of December			Book values December 31,
	31, 2017			2016
	EUR			EUR
Intangible assets				
Acquired concessions, industrial property rights and similar rights and values as well as licenses to such rights and values		138,409.00		285,993.00
Property, plant and equipment				
Land and buildings		9,728,269.26		10,195,420.26
Technical equipment and machinery		808,227.00		945,591.00
Other equipment, factory and office equipment		1,802,820.00		1,970,151.50
Payments on account and assets under construction		748,929.19		0.00
		13,088,245.45		13,111,162.76
		13,226,654.45		13,397,155.76

Auditor's report

We have audited the annual financial statements - consisting of the balance sheet, income statement and notes - including the bookkeeping system and the management report of C. Otto Gehrckens GmbH & Co. KG, Pinneberg, for the financial year from January 1 to December 31, 2017. The bookkeeping and the preparation of the annual financial statements and management report in accordance with German commercial law and the supplementary provisions of the articles of association are the responsibility of the company's legal representatives. Our task is to provide an assessment of the annual financial statements, including the bookkeeping, and the management report on the basis of the audit we have carried out.

We conducted our audit of the annual financial statements in accordance with Section 317 of the German Commercial Code (HGB), taking into account the generally accepted German auditing principles established by the Institute of Auditors (IDW). According to this, the audit is to be planned and performed in such a way that inaccuracies and violations that have a material impact on the presentation of the asset, financial and earnings position conveyed by the annual financial statements in compliance with the principles of proper bookkeeping and the management report are given with sufficient certainty be recognized. When determining the audit activities, knowledge of the business activity and the economic and legal environment of the company as well as expectations of possible errors are taken into account. As part of the audit, the effectiveness of the accounting-related internal control system and evidence of the information in the books and records, the annual financial statements and the management report are assessed primarily on the basis of random samples. The audit includes the assessment of the accounting principles used and the significant estimates made by the legal representatives, as well as the appraisal of the overall presentation of the annual financial statements and the management report. We believe our audit has not led to any reservations.

In our opinion, based on the knowledge gained during the audit, the annual financial statements comply with the statutory provisions and the supplementary provisions of the articles of association and, in compliance with the principles of proper accounting, give a true and fair view of the company's asset, financial and earnings position. The management report is consistent with the annual financial statements, complies with the legal requirements, as a whole provides a suitable view of the company's position and suitably presents the opportunities and risks of future development.

Hamburg, April 3, 2018

Baker Tilly GmbH & Co. KG
auditing company
(Düsseldorf)

Dr. K. Herder, auditor

O. Ebeneoe, auditor

Other part of the report

Approval of the annual financial statements:

The annual financial statements were approved on October 24, 2018.