Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
Dokken 8
Postbox 200
6701 Esbjerg

Phone 79 12 84 44
Fax 79 12 84 55
www.deloitte.dk

HKJ Group A/S

Murervej 4 - 6
6710 Esbjerg V
Central Business Registration
No 27967574

Annual report 2018

The Annual General Meeting adopted the annual report on 17.06.2019

Chairman of the General Meeting

____
Name: Roy Kjellerup

Contents

Entity details

Entity
HKJ Group A/S
Murervej 4 - 6
6710 Esbjerg V

Central Business Registration No (CVR): 27967574
Registered in: Esbjerg
Financial year: 01.01.2018 - 31.12.2018

Board of Directors
Klaus Kisum Kjær, chairman
Robert John Dye
Chris Kjellerup-Krönlein
Lawrence Jamieson Howie
Roy Kjellerup

Executive Board
Roy Kjellerup

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Dokken 8
Postbox 200
6701 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of HKJ Group A/S for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations and cash flows for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Esbjerg, 17.06.2019

Executive Board

Roy Kjellerup

Board of Directors

Klaus Kisum Kjær chairman	Robert John Dye	Chris Kjellerup-Krönlein
Lawrence Jamieson Howie	Roy Kjellerup	

Independent auditor's report

To the shareholders of HKJ Group A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of HKJ Group A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2018, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2018 - 31.12.2018 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements

Independent auditor's report

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent 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 consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent'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 consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent'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 consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Esbjerg, 17.06.2019

Deloitte
Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Jørn Jepsen
State Authorised Public Accountant
Identification No (MNE) mne24824

Bo Klitten Kjærgaard
State Authorised Public Accountant
Identification No (MNE) mne34507

Management commentary

	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000	2014 DKK'000
Financial highlights					
Key figures					
Gross profit	37,360	32,411	26,812	42,783	41,926
Operating profit/loss	13,942	12,714	3,222	13,821	16,350
Net financials	(3,389)	(3,604)	(2,337)	(5,910)	(3,864)
Profit/loss for the year	8,157	7,238	699	5,756	9,602
Total assets	173,598	167,383	175,764	196,666	171,097
Investments in property, plant and equipment	1,407	1,337	521	1,516	15,211
Equity	62,004	53,807	46,507	46,349	39,878
Ratios					
Return on equity (%)	14.1	14.4	1.5	13.3	27.3
Equity ratio (%)	35.7	32.1	26.5	23.6	23.3

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Calculation formula reflects
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities
The Group’s activities is primarily sales and overhaul of turbines, as well as services in offshore and on-shore cogeneration.

The parent Company’s objective is to serve as a management company for the Group companies.

Development in activities and finances
Profit for the year is DKK 8,157k against DKK 7,238k last year.

Net profit is considered to be satisfactory in the current market situation.

Outlook
For 2019, Management expects an increased profit compared to 2018.

Particular risks
The Group has purchases and sales in foreign currency. The risk of significant impact on the year's results is minimized as purchases and sales are predominantly carried out in the same currencies.

Intellectual capital resources
The Group’s core business involves providing high-quality services. This element places additional demands on the intellectual capital resources concerning development and provision of services.

Staff
In order to continuously provide high-quality services it is crucial that the Group is able to recruit and retain staff with profound technical knowledge. The Group’s objective is for the entities to always have the highest level of knowledge and relevant technologies with a view to ensuring a high capacity for change.

Environmental performance
The Group aims to provide services consistently with the strictest of security and environmental regulations, and the Group’s enterprises make a targeted effort in this context, including securing external approval under applicable standards.

Events after the balance sheet date
No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2018

	Notes	2018 DKK	2017 DKK
Gross profit		**37,360,476**	**32,411,496**
Staff costs	1	(22,128,108)	(17,635,564)
Depreciation, amortisation and impairment losses	2	(1,289,976)	(2,062,324)
Operating profit/loss		**13,942,392**	**12,713,608**
Income from investments in associates		313,089	883,397
Other financial income		16,701	124,059
Financial expenses from group enterprises		(369,464)	(394,764)
Other financial expenses		(3,348,976)	(4,217,051)
Profit/loss before tax		**10,553,742**	**9,109,249**
Tax on profit/loss for the year	3	(2,396,956)	(1,871,681)
Profit/loss for the year	4	**8,156,786**	**7,237,568**

Consolidated balance sheet at 31.12.2018

	Notes	2018 DKK	2017 DKK
Land and buildings		37,535,714	37,934,930
Other fixtures and fittings, tools and equipment		2,198,284	2,897,034
Property, plant and equipment	5	**39,733,998**	**40,831,964**
Investments in associates		4,207,387	3,890,648
Deposits		200,000	200,000
Fixed asset investments	6	**4,407,387**	**4,090,648**
Fixed assets		**44,141,385**	**44,922,612**
Work in progress		19,240,121	12,970,705
Manufactured goods and goods for resale		84,851,829	94,529,525
Prepayments for goods		195,762	0
Inventories		**104,287,712**	**107,500,230**
Trade receivables		17,613,896	8,418,732
Contract work in progress		4,661,241	1,057,445
Other receivables		449,851	821,126
Prepayments		972,623	1,208,556
Receivables		**23,697,611**	**11,505,859**
Cash		**1,471,406**	**3,454,552**
Current assets		**129,456,729**	**122,460,641**
Assets		**173,598,114**	**167,383,253**

Consolidated balance sheet at 31.12.2018

	Notes	2018 DKK	2017 DKK
Contributed capital		5,000,000	5,000,000
Retained earnings		57,004,213	48,806,535
Equity		**62,004,213**	**53,806,535**
Deferred tax	8	844,831	112,925
Provisions		**844,831**	**112,925**
Mortgage debt		15,948,912	16,642,351
Other payables		0	3,618,764
Non-current liabilities other than provisions	9	**15,948,912**	**20,261,115**
Current portion of long-term liabilities other than provisions	9	3,376,264	815,760
Bank loans		57,354,986	60,216,241
Deposits		50,500	50,500
Prepayments received from customers		281,504	743,997
Contract work in progress		924,148	3,200,000
Trade payables		4,785,428	2,250,429
Payables to group enterprises		12,955,286	11,487,433
Payables to associates		0	1,567,500
Payables to shareholders and management		3,005,362	3,031,930
Income tax payable		1,981,966	904,017
Other payables	10	7,645,102	5,344,810
Deferred income	11	2,439,612	3,590,061
Current liabilities other than provisions		**94,800,158**	**93,202,678**
Liabilities other than provisions		**110,749,070**	**113,463,793**
Equity and liabilities		**173,598,114**	**167,383,253**
Associates	7		
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Assets charged and collateral	15		
Transactions with related parties	16		
Group relations	17		
Subsidiaries	18		

Consolidated statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	5,000,000	48,806,535	53,806,535
Exchange rate adjustments	0	(11,939)	(11,939)
Fair value adjustments of hedging instruments	0	67,732	67,732
Tax of entries on equity	0	(14,901)	(14,901)
Profit/loss for the year	0	8,156,786	8,156,786
Equity end of year	**5,000,000**	**57,004,213**	**62,004,213**

Consolidated cash flow statement for 2018

	Notes	2018 DKK	2017 DKK
Operating profit/loss		15,942,392	12,713,608
Amortisation, depreciation and impairment losses		1,289,976	2,062,324
Working capital changes	12	(7,483,334)	11,750,059
Cash flow from ordinary operating activities		**9,749,034**	**26,525,991**
Financial income received		16,701	124,059
Financial expenses paid		(3,518,199)	(5,025,437)
Income taxes refunded/(paid)		(531,357)	814,121
Cash flows from operating activities		**5,716,179**	**22,438,734**
Acquisition etc of property, plant and equipment		(1,407,216)	(1,336,600)
Cash flows from investing activities		**(1,407,216)**	**(1,336,600)**
Repayments of loans etc		(1,851,699)	(555,309)
Repayment of debt to group enterprises		0	(1,940,978)
Incurrence of debt to associates		0	1,500,000
Repayment of debt to associates		(1,567,500)	0
Cash flows from financing activities		**(3,419,199)**	**(996,287)**
Increase/decrease in cash and cash equivalents		**889,764**	**20,105,847**
Cash and cash equivalents beginning of year		(56,761,689)	(76,850,266)
Currency translation adjustments of cash and cash equivalents		(11,655)	(17,270)
Cash and cash equivalents end of year		**(55,883,580)**	**(56,761,689)**
Cash and cash equivalents at year-end are composed of:			
Cash		1,471,406	3,454,552
Short-term debt to banks		(57,354,986)	(60,216,241)
Cash and cash equivalents end of year		**(55,883,580)**	**(56,761,689)**

Notes to consolidated financial statements

	2018 DKK	2017 DKK
1. Staff costs		
Wages and salaries	18,461,452	14,727,069
Pension costs	2,614,338	2,151,321
Other social security costs	1,052,318	757,174
	22,128,108	**17,635,564**
Average number of employees	**34**	**32**

	Remuneration of management 2018 DKK
Total amount for management categories	2,052,396
	2,052,396

	2018 DKK	2017 DKK
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	1,289,976	2,062,324
	1,289,976	**2,062,324**

	2018 DKK	2017 DKK
3. Tax on profit/loss for the year		
Current tax	1,801,829	1,027,409
Change in deferred tax	731,973	1,236,787
Adjustment concerning previous years	(19,792)	0
Refund in joint taxation arrangement	(117,054)	(392,515)
	2,396,956	**1,871,681**

	2018 DKK	2017 DKK
4. Proposed distribution of profit/loss		
Retained earnings	8,156,786	7,237,568
	8,156,786	**7,237,568**

Notes to consolidated financial statements

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
5. Property, plant and equipment		
Cost beginning of year	42,210,894	12,018,137
Exchange rate adjustments	0	(2,033)
Transfers	0	(1,914,899)
Additions	289,742	1,117,474
Disposals	0	(232,276)
Cost end of year	**42,500,636**	**10,986,403**
Depreciation and impairment losses beginning of year	(4,275,964)	(9,121,103)
Exchange rate adjustments	0	1,726
Transfers	0	700,000
Depreciation for the year	(688,958)	(601,018)
Reversal regarding disposals	0	232,276
Depreciation and impairment losses end of year	**(4,964,922)**	**(8,788,119)**
Carrying amount end of year	**37,535,714**	**2,198,284**
Financial expenses included in carrying amount	**121,094**	**0**

Transfers comprise a gas turbine which is no longer used for rental transferred back to manufactured goods and goods for resale from other fixtures and fittings, tools and equipment.

	Investments in associates DKK	Deposits DKK
6. Fixed asset investments		
Cost beginning of year	2,409,533	200,000
Cost end of year	**2,409,533**	**200,000**
Revaluations beginning of year	1,481,115	0
Exchange rate adjustments	3,650	0
Share of profit/loss for the year	313,089	0
Revaluations end of year	**1,797,854**	**0**
Carrying amount end of year	**4,207,387**	**200,000**

Notes to consolidated financial statements

	Registered in	Equity interest %
7. Associates		
Inopower A/S	Aalborg	45.0

	2018 DKK
8. Deferred tax	
Changes during the year	
Beginning of year	112,925
Recognised in the income statement	731,973
Other changes	(67)
End of year	**844,831**

Deferred tax primarily comprises deferred tax assets on service contracts in progress which is expected to be used in 2019.

	Due within 12 months 2018 DKK	Due within 12 months 2017 DKK	Due after more than 12 months 2018 DKK	Outstanding after 5 years DKK
9. Liabilities other than provisions				
Mortgage debt	700,471	684,509	15,948,912	13,156,750
Other payables	2,675,793	131,251	0	0
	3,376,264	**815,760**	**15,948,912**	**13,156,750**

	2018 DKK	2017 DKK
10. Other short-term payables		
VAT and duties	1,219,202	774,212
Wages and salaries, personal income taxes, social security costs, etc payable	253,863	179,605
Holiday pay obligation	1,391,000	1,192,513
Derivative financial instruments	1,738,972	1,806,704
Other costs payable	3,042,065	1,391,776
	7,645,102	**5,344,810**

Derivative financial instruments contains an interest rate swap for DKK 4,500k. The interest rate swap expires on 30 June 2028. A close-out of the interest swap at the balance sheet date will result in a loss of DKK 1,739k, which is accounted for under current liabilities.

11. Short-term deferred income

Short-term deferred income primarily comprise prepayment regarding service contracts.

Notes to consolidated financial statements

	2018 DKK	2017 DKK
12. Change in working capital		
Increase/decrease in inventories	2,427,417	11,634,944
Increase/decrease in receivables	(12,252,265)	825,669
Increase/decrease in trade payables etc	2,341,514	(710,554)
	(7,483,334)	**11,750,059**

	2018 DKK	2017 DKK
13. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**469,262**	**242,905**

Unrecognised rental and lease commitments comprise operating leasing agreements regarding other fixtures and fittings, tools and equipment until expiry of those agreements in 2019-22

14. Contingent liabilities

The Group’s bank have issued payment guarantee to third party for a total amount of GBP 225,400

15. Assets charged and collateral

Mortgage debt is secured upon the properties.

The carrying amount of mortgaged properties is DKK 36,129,152

To secure bank loans, a mortgage deed registered to the mortgagor for DKK 5,250,000 has been deposited for properties.

The Carrying amount of properties mortgaged is DKK 36,129,152

An all monies mortgage (floating charge) for DKK 40,000,000 nominal has been deposited to secure bank loans.

The floating charge covers inventories of raw materials, semi-products and finished products, unsecured claims resulting from the sale of goods and services, fixtures and fittings, tools and equipment as well as goodwill, domain names and rights under the Danish Consolidate Patents Act, the Danish Consolidate Trademarks Act, the Danish Consolidate Design Act, the Danish Consolidate Utility Models Act, the Danish Patterns Act, the Danish Copyright Act and the Danish Act on the Design of Semi-conductor Products.

The Carrying amount of assets subject to the floating charge is DKK 127,491,315 and attributable to other fixtures and fittings, tools and equipment of DKK 1,148,230 inventories of DKK 106,287,712, trade receivables of DKK 15,394,132 and contract work in progress DKK 4,661,241.

Notes to consolidated financial statements

16. Transactions with related parties
Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

17. Group relations
Name and registered office of the Parent preparing consolidated financial statements for the largest group:
European Support Services (UK) Ltd., United Kingdom

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
European Support Services (UK) Ltd., United Kingdom

The group report for foreign parent company can be ordered from the following address:
European Support Services (UK) Ltd., 15 Newland, Lincoln, Lincolnshire, LN 1XG, United Kingdom

	Registered in	Corporate form	Equity interest %
18. Subsidiaries			
Gas Turbine Services A/S	Esbjerg	A/S	100.0
Gas Turbine Service (Lincoln) Ltd.	United Kingdom	Ltd.	100.0
HKJ Ejendomme ApS	Esbjerg	ApS	100.0
HKJ Invest A/S	Esbjerg	A/S	100.0
Hans Kjellerup Norway AS	Norway	AS	100.0

Parent income statement for 2018

	Notes	2018 DKK	2017 DKK
Gross profit		**3,921,649**	**3,821,177**
Staff costs	1	(3,224,311)	(2,545,460)
Depreciation, amortisation and impairment losses	2	(159,157)	(188,525)
Operating profit/loss		**538,181**	**1,087,192**
Income from investments in group enterprises		7,759,551	5,655,304
Income from investments in associates		313,089	883,397
Other financial income from group enterprises		1,014,768	1,795,261
Other financial income		225,271	566,184
Financial expenses from group enterprises		(425,157)	(1,274,331)
Other financial expenses		(1,238,317)	(1,277,226)
Profit/loss before tax		**8,187,386**	**7,435,781**
Tax on profit/loss for the year	3	(30,600)	(198,213)
Profit/loss for the year	4	**8,156,786**	**7,237,568**

Parent balance sheet at 31.12.2018

	Notes	2018 DKK	2017 DKK
Land and buildings		1,406,562	1,116,820
Other fixtures and fittings, tools and equipment		124,142	175,038
Property, plant and equipment	5	**1,530,704**	**1,291,858**
Investments in group enterprises		80,190,034	72,393,241
Investments in associates		4,207,387	3,890,648
Deposits		200,000	200,000
Fixed asset investments	6	**84,597,421**	**76,483,889**
Fixed assets		**86,128,125**	**77,775,747**
Receivables from group enterprises		30,790,304	52,773,091
Deferred tax	7	80,131	81,442
Other receivables		46,124	46,557
Joint taxation contribution receivable		1,822,171	855,052
Prepayments	8	159,665	181,380
Receivables		**32,898,395**	**53,937,522**
Current assets		**32,898,395**	**53,937,522**
Assets		**119,026,520**	**131,713,269**

Parent balance sheet at 31.12.2018

	Notes	2018 DKK	2017 DKK
Contributed capital	9	5,000,000	5,000,000
Reserve for net revaluation according to the equity method		40,120,372	32,006,840
Retained earnings		16,883,841	16,799,695
Equity		**62,004,213**	**53,806,535**
Other payables		0	3,618,764
Non-current liabilities other than provisions		**0**	**3,618,764**
Current portion of long-term liabilities other than provisions		2,675,793	131,251
Bank loans		32,541,757	29,569,079
Trade payables		290,677	282,109
Payables to group enterprises		15,022,339	37,634,280
Payables to associates		0	1,567,500
Payables to shareholders and management		3,005,362	3,031,930
Income tax payable		1,761,561	771,361
Joint taxation contribution payable		102,153	346,465
Other payables		1,622,665	953,995
Current liabilities other than provisions		**57,022,307**	**74,287,970**
Liabilities other than provisions		**57,022,307**	**77,906,734**
Equity and liabilities		**119,026,520**	**131,713,269**
Unrecognised rental and lease commitments	10		
Contingent liabilities	11		
Assets charged and collateral	12		
Related parties with controlling interest	13		
Transactions with related parties	14		

Parent statement of changes in equity for 2018

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	5,000,000	32,006,840	16,799,695	53,806,535
Exchange rate adjustments	0	(11,939)	0	(11,939)
Value adjustments	0	52,831	0	52,831
Profit/loss for the year	0	8,072,640	84,146	8,156,786
Equity end of year	**5,000,000**	**40,120,372**	**16,883,841**	**62,004,213**

Notes to parent financial statements

	2018 DKK	2017 DKK
1. Staff costs		
Wages and salaries	2,912,922	2,265,015
Pension costs	285,041	259,591
Other social security costs	26,348	20,854
	3,224,311	**2,545,460**
Average number of employees	**4**	**4**

	Remuneration of management 2018 DKK
Total amount for management categories	937,603
	937,603

	2018 DKK	2017 DKK
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	159,157	188,525
	159,157	**188,525**

	2018 DKK	2017 DKK
3. Tax on profit/loss for the year		
Current tax	29,289	200,473
Change in deferred tax	1,311	(2,260)
	30,600	**198,213**

	2018 DKK	2017 DKK
4. Proposed distribution of profit/loss		
Retained earnings	8,156,786	7,237,568
	8,156,786	**7,237,568**

Notes to parent financial statements

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
5. Property, plant and equipment		
Cost beginning of year	1,116,820	2,615,738
Additions	289,742	108,261
Disposals	0	(26,780)
Cost end of year	**1,406,562**	**2,697,219**
Depreciation and impairment losses beginning of year	0	(2,440,700)
Depreciation for the year	0	(159,157)
Reversal regarding disposals	0	26,780
Depreciation and impairment losses end of year	**0**	**(2,573,077)**
Carrying amount end of year	**1,406,562**	**124,142**

	Investments in group enterprises DKK	Investments in associates DKK	Deposits DKK
6. Fixed asset investments			
Cost beginning of year	41,867,516	2,409,533	200,000
Cost end of year	**41,867,516**	**2,409,533**	**200,000**
Revaluations beginning of year	30,525,725	1,481,115	0
Exchange rate adjustments	(15,589)	3,650	0
Share of profit/loss for the year	7,759,551	313,089	0
Fair value adjustments	52,831	0	0
Revaluations end of year	**38,322,518**	**1,797,854**	**0**
Carrying amount end of year	**80,190,034**	**4,207,387**	**200,000**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

	Registered in	Corporate form	Equity interest %
Investments in associates comprise:			
Inopower A/S	Aalborg	A/S	45.0

Notes to parent financial statements

	2018 DKK
7. Deferred tax	
Changes during the year	
Beginning of year	81,442
Recognised in the income statement	(1,311)
End of year	**80,131**

Deferred tax comprises primarily deferred tax assets on other fixtures and fittings, tools and equipment which is expected to be used in the next years.

8. Prepayments

Prepayments comprise primarily of advance payment regarding rent and license fees etc.

	Number	Par value DKK	Nominal value DKK
9. Contributed capital			
Ordinary shares	5,000,000	1	5,000,000
	5,000,000		**5,000,000**

	2018 DKK	2017 DKK
10. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**83,214**	**67,848**

Unrecognised rental and lease commitments comprise operating leases on other fixtures and fittings, tools and equipment effective up to and including 2019-22

11. Contingent liabilities

The company has issued a letter of support to its subsidiary, HKJ Invest A/S, Expressing its willingness to contribute liquidity to the company if necessary.

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

Notes to parent financial statements

12. Assets charged and collateral

Other payables for a total amount of DKK 2,675,973 at the balance sheet date have been secured on Shares in HKJ Ejendomme ApS. The carrying amount of shares charged is DKK 3,651,700

Collateral provided for group enterprises

The Company has guaranteed the subsidiaries' bank loans. The guarantee is unlimited. The subsidiaries' bank loans total DKK 23,887,267

13. Related parties with controlling interest

European Support Services (UK) Ltd., United Kingdom, holds the majority of shares in the Entity and controls the Entity

14. Transactions with related parties

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year with the exception of the changes in classification of costs for service contracts according to the description of changes in accounting policies.

Changes in accounting policies
Anticipated costs to fulfil the service contracts is recognised in the income statement linearly for the period of the service contract. The difference between the actual costs and the costs recognised in the income statement at the balance sheet date is recognised as contract work in progress in the balance sheet. Each service contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value between the actual costs and the costs recognised in the income statement at the balance sheet date is positive or negative.

Prior years anticipated costs to fulfil the service contracts was recognised in the income statement linearly for the period of the service contract. The difference between the actual costs and the costs recognised in the income statement at the balance sheet date was recognised as provisions in the balance sheet.

The change in accounting policies have not had any financial impact on assets, liabilities, the financial position or the profit but only a change in classification between provisions and contract work in progress and the comparative figures are restated.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Accounting policies

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Business combinations
The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc where the enterprises concerned are controlled by the Parent. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity. The comparative figures are restated.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Accounting policies

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

Derivative financial instruments
On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

Income statement
Gross profit or loss
Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and external expenses.

Revenue
Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue from service contracts is recognised linearly for the period of the service contract after vesting principle. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Costs of raw materials and consumables
Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses
Other external expenses include expenses relating to the Entity’s ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Property costs
Property costs include costs incurred to operate the Entity’s properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

Accounting policies

Staff costs
Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of property, plant and equipment.

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Income from investments in associates
Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

Other financial income from group enterprises
Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Other financial income
Other financial income comprises interest income, net exchange gains on payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses from group enterprises
Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses
Other financial expenses comprise interest expenses, net exchange losses on payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Accounting policies

Balance sheet

Property, plant and equipment

Land and buildings as well as other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-manufactured assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	50 years
Other fixtures and fittings, tools and equipment	3-15 years
Leasehold improvements	3-5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits and losses.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on as assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 5 years.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Investments in associates
Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity values

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and direct labour costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Contract work in progress
Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as finance costs are recognised in the income statement as incurred.

Service contracts in progress
Anticipated costs to fulfil the service contracts is recognised in the income statement linearly for the period of the service contract. The difference between the actual costs and the costs recognised in the income statement at the balance sheet date is recognised as contract work in progress in the balance sheet.

Accounting policies

Each service contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value between the actual costs and the costs recognised in the income statement at the balance sheet date is positive or negative.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Mortgage debt
At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income tax receivable or payable
Current tax receivable or payable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Accounting policies

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.