Deloitte.

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 2017

The Annual General Meeting adopted the annual report on 30.05.2018

Chairman of the General Meeting

____

Name: Lars Lund

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: 01.01.2017 - 31.12.2017

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

Executive Board
Lars Lund, CEO

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 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations and cash flows for the financial year 01.01.2017 - 31.12.2017.

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, 30.05.2018

Executive Board

Lars Lund
CEO

Board of Directors

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

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 01.01.2017 - 31.12.2017, 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 31.12.2017, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2017 - 31.12.2017 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 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, 30.05.2018

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

	2017 DKK'000	2016 DKK'000	2015 DKK'000	2014 DKK'000	2013 DKK'000
Financial highlights					
Key figures					
Gross profit	32,411	26,812	42,783	41,926	39,914
Operating profit/loss	12,714	3,222	13,821	16,350	7,863
Net financials	(3,604)	(2,337)	(5,910)	(3,864)	(2,635)
Profit/loss for the year	7,238	699	5,756	9,602	2,202
Total assets	167,383	175,764	196,867	171,097	140,661
Investments in property, plant and equipment	1,337	521	1,516	15,211	23,129
Equity	53,807	46,507	46,349	39,878	30,443
Average invested capital incl goodwill	153,841	162,347	152,943	136,530	100,170
Net interest-bearing debt	94,880	115,913	111,077	88,208	70,707
Ratios					
Return on invested capital incl goodwill (%)	8.3	2.0	9.0	12.0	13.6
Financial gearing (%)	1.8	2.5	2.4	2.2	2.3
Return on equity (%)	14.4	1.5	13.3	27.3	7.6
Equity ratio (%)	32.1	26.5	23.5	23.3	21.6

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Calculation formula reflects
Return on invested capital incl goodwill (%)	$\frac{\text{EBITA x 100}}{\text{Average invested capital incl goodwill}}$	The return generated by the entity on the investors' funds.
Financial gearing	$\frac{\text{Net interest-bearing debt}}{\text{Equity}}$	The entity's financial gearing.
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.

EBITA (Earnings Before Interest, Tax and Amortisation) is defined as operating profit plus the year's amortisation and the impairment losses for intangible assets including goodwill.

Invested capital including goodwill is defined as net working capital plus the carrying amount of property, plant and equipment and intangible assets as well as accumulated amortisation of intangible assets including goodwill, and less other provisions and long-term operating liabilities. Accumulated impairment losses for goodwill are not added.

Net working capital is defined as inventories, receivables and other operating current assets net of trade payables and other short-term operating liabilities. Income taxes receivable and payable as well as cash are not included in net working capital.

Net interest-bearing debt is defined as interest-bearing liabilities, including income tax payable, net of interest-bearing assets, including cash and income tax receivable.

Management commentary

Primary activities

The Group’s activities is primarily sales and overhaul of turbines, as well as services in offshore and onshore 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 7,238k against DKK 699k last year.

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

Outlook

For 2018, Management expects an increased profit compared to 2017.

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 2017

	Notes	2017 DKK	2016 DKK
Gross profit		**32,411,496**	**26,812,485**
Staff costs	1	(17,635,564)	(21,952,522)
Depreciation, amortisation and impairment losses	2	(2,062,324)	(1,638,354)
Operating profit/loss		**12,713,608**	**3,221,609**
Income from investments in associates		883,397	366,363
Other financial income	3	124,059	1,863,130
Financial expenses from group enterprises		(394,764)	(423,213)
Other financial expenses	4	(4,217,051)	(4,142,918)
Profit/loss before tax		**9,109,249**	**884,971**
Tax on profit/loss for the year	5	(1,871,681)	(185,743)
Profit/loss for the year	6	**7,237,568**	**699,228**

Consolidated balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Land and buildings		37,934,930	37,507,070
Other fixtures and fittings, tools and equipment		2,897,034	2,136,655
Property, plant and equipment	7	**40,831,964**	**39,643,725**
Investments in associates		3,890,648	3,017,391
Deposits		200,000	200,000
Fixed asset investments	8	**4,090,648**	**3,217,391**
Fixed assets		**44,922,612**	**42,861,116**
Raw materials and consumables		86,385,760	100,527,267
Work in progress		12,970,705	20,448,053
Manufactured goods and goods for resale		8,143,765	74,753
Inventories		**107,500,230**	**121,050,073**
Trade receivables		8,418,732	5,682,322
Contract work in progress		1,057,445	150,825
Receivables from group enterprises		0	1,300,023
Deferred tax		0	1,123,688
Other receivables		821,126	846,113
Income tax receivable		0	569,604
Prepayments		1,208,556	829,589
Receivables		**11,505,859**	**10,502,164**
Cash		**3,454,552**	**1,350,415**
Current assets		**122,460,641**	**132,902,652**
Assets		**167,383,253**	**175,763,768**

Consolidated balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Contributed capital		5,000,000	5,000,000
Retained earnings		48,806,535	41,507,467
Equity		**53,806,535**	**46,507,467**
Deferred tax		112,925	0
Other provisions	10	3,200,000	0
Provisions		**3,312,925**	**0**
Mortgage debt		16,642,351	17,319,462
Other payables		3,618,764	3,496,391
Non-current liabilities other than provisions	11	**20,261,115**	**20,815,853**
Current portion of long-term liabilities other than provisions	11	815,760	792,188
Bank loans		60,216,241	78,200,681
Deposits		50,500	50,500
Prepayments received from customers		743,997	0
Trade payables		2,250,429	1,567,538
Payables to group enterprises		11,487,433	14,965,780
Payables to associates		1,567,500	0
Payables to shareholders and management		3,031,930	3,007,787
Income tax payable		904,017	0
Other payables	12	5,344,810	5,506,508
Deferred income	13	3,590,061	4,349,466
Current liabilities other than provisions		**90,002,678**	**108,440,448**
Liabilities other than provisions		**110,263,793**	**129,256,301**
Equity and liabilities		**167,383,253**	**175,763,768**
Associates	9		
Unrecognised rental and lease commitments	15		
Contingent liabilities	16		
Assets charged and collateral	17		
Transactions with related parties	18		
Group relations	19		
Subsidiaries	20		

Consolidated statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	5,000,000	41,507,467	46,507,467
Exchange rate adjustments	0	(101,766)	(101,766)
Fair value adjustments of hedging instruments	0	209,316	209,316
Tax of entries on equity	0	(46,050)	(46,050)
Profit/loss for the year	0	7,237,568	7,237,568
Equity end of year	**5,000,000**	**48,806,535**	**53,806,535**

Consolidated cash flow statement for 2017

	Notes	2017 DKK	2016 DKK
Operating profit/loss		12,713,608	3,221,609
Amortisation, depreciation and impairment losses		2,062,324	1,638,354
Other provisions		3,200,000	(10,000,000)
Working capital changes	14	8,550,059	1,618,161
Cash flow from ordinary operating activities		**26,525,991**	**(3,521,876)**
Financial income received		124,059	275
Financial income paid		(5,025,437)	(5,029,969)
Income taxes refunded/(paid)		814,121	321,987
Cash flows from operating activities		**22,438,734**	**(8,229,583)**
Acquisition etc of property, plant and equipment		(1,336,600)	(521,152)
Sale of property, plant and equipment		0	1,798,750
Cash flows from investing activities		**(1,336,600)**	**1,277,598**
Loans raised		0	4,606,726
Repayments of loans etc		(555,309)	(2,696,187)
Incurrence of debt to group enterprises		0	423,213
Repayment of debt to group enterprises		(1,940,978)	0
Incurrence of debt to associates		1,500,000	0
Cash flows from financing activities		**(996,287)**	**2,333,752**
Increase/decrease in cash and cash equivalents		**20,105,847**	**(4,618,233)**
Cash and cash equivalents beginning of year		(76,850,266)	(72,302,264)
Currency translation adjustments of cash and cash equivalents		(17,270)	70,231
Cash and cash equivalents end of year		**(56,761,689)**	**(76,850,266)**
Cash and cash equivalents at year-end are composed of:			
Cash		3,454,552	1,350,415
Short-term debt to banks		(60,216,241)	(78,200,681)
Cash and cash equivalents end of year		**(56,761,689)**	**(76,850,266)**

Notes to consolidated financial statements

	2017 DKK	2016 DKK
1. Staff costs		
Wages and salaries	14,727,069	18,923,353
Pension costs	2,151,321	2,111,967
Other social security costs	757,174	914,367
Other staff costs	0	2,835
	17,635,564	**21,952,522**
Average number of employees	**32**	**41**

	2017 DKK	2016 DKK
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	2,062,324	1,656,301
Profit/loss from sale of intangible assets and property, plant and equipment	0	(17,947)
	2,062,324	**1,638,354**

	2017 DKK	2016 DKK
3. Other financial income		
Other interest income	43	274
Exchange rate adjustments	124,016	1,862,855
Other financial income	0	1
	124,059	**1,863,130**

	2017 DKK	2016 DKK
4. Other financial expenses		
Financial expenses from associates	67,500	0
Other interest expenses	3,879,444	3,857,564
Interest regarding tax paid on account	23,152	11,925
Other financial expenses	246,955	273,429
	4,217,051	**4,142,918**

Notes to consolidated financial statements

	2017 DKK	2016 DKK
5. Tax on profit/loss for the year		
Current tax	1,027,409	(390,086)
Change in deferred tax	1,236,787	563,131
Adjustment concerning previous years	0	12,698
Refund in joint taxation arrangement	(392,515)	0
	1,871,681	**185,743**

	2017 DKK	2016 DKK
6. Proposed distribution of profit/loss		
Retained earnings	7,237,568	699,228
	7,237,568	**699,228**

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
7. Property, plant and equipment		
Cost beginning of year	41,094,074	9,888,303
Exchange rate adjustments	0	(4,845)
Transfers	0	1,914,899
Additions	1,116,820	219,780
Cost end of year	**42,210,894**	**12,018,137**
Depreciation and impairment losses beginning of year	(3,587,004)	(7,751,648)
Exchange rate adjustments	0	3,909
Depreciation for the year	(688,960)	(1,373,364)
Depreciation and impairment losses end of year	**(4,275,964)**	**(9,121,103)**
Carrying amount end of year	**37,934,930**	**2,897,034**
Financial expenses included in carrying amount	**123,479**	**-**

Transfers comprise a gas turbine used for rental transferred from manufactured goods and goods for resale to other fixtures and fittings, tools and equipment.

Notes to consolidated financial statements

	Investments in associates DKK	Deposits DKK
8. 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	607,858	0
Exchange rate adjustments	(10,140)	0
Share of profit/loss for the year	883,397	0
Revaluations end of year	**1,481,115**	**0**
Carrying amount end of year	**3,890,648**	**200,000**

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

10. Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments and servicecontracts.

	Due within 12 months 2017 DKK	Due within 12 months 2016 DKK	Due after more than 12 months 2017 DKK	Outstanding after 5 years DKK
11. Liabilities other than provisions				
Mortgage debt	684,509	665,376	16,642,351	13,925,447
Other payables	131,251	126,812	3,618,764	0
	815,760	**792,188**	**20,261,115**	**13,925,447**

	2017 DKK	2016 DKK
12. Other short-term payables		
VAT and duties	774,212	1,153,214
Wages and salaries, personal income taxes, social security costs, etc payable	179,605	83,561
Holiday pay obligation	1,192,513	1,301,626
Derivative financial instruments	1,806,704	2,016,020
Other costs payable	1,391,776	952,087
	5,344,810	**5,506,508**

Notes to consolidated financial statements

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 1,807k, which is accounted for under current liabilities.

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

	2017 DKK	2016 DKK
14. Change in working capital		
Increase/decrease in inventories	11,634,944	1,172,480
Increase/decrease in receivables	(2,374,331)	(1,720,661)
Increase/decrease in trade payables etc	(710,554)	2,166,342
	8,550,059	**1,618,161**

	2017 DKK	2016 DKK
15. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**242,905**	**537,527**

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

16. Contingent liabilities
The group’s bank have issued payment guarantee to third party for a total amount of 225,400 GBP.

17. Assets charged and collateral
Mortgage debt is secured upon the properties.

The carrying amount of properties mortgaged is DKK 36,818,110.

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

The carrying amount of properties mortgaged is DKK 28,751,431.

An all monies mortgage (floating charge) for DKK 50,000,000 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 Trade-marks Act, the Danish Consolidate Designs 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.

Notes to consolidated financial statements

The carrying amount of assets subject to the floating charge is DKK 116,444,308 and attributable to other fixtures and fittings, tools and equipment of DKK 1,867,406 inventories of DKK 107,433,525, trade receivables of DKK 6,152,768 and contract work in progress of DKK 990,609.

18. 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.

19. Group relations

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 foreing 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 %
20. Subsidiaries			
Gas Turbine Service A/S	Esbjerg	A/S	100.0
Gas Turbine Service Esbjerg A/S	Esbjerg	A/S	100.0
Gas Turbine Service (Lincoln) Ltd.	United Kingdom	Ltd.	100.0
HKJ Offshore Solutions A/S	Esbjerg	A/S	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 2017

	Notes	2017 DKK	2016 DKK
Gross profit		**3,821,177**	**2,943,584**
Staff costs	1	(2,545,460)	(2,686,884)
Depreciation, amortisation and impairment losses		(188,525)	(337,190)
Operating profit/loss		**1,087,192**	**(80,490)**
Income from investments in group enterprises		5,655,304	(1,369,603)
Income from investments in associates		883,397	366,363
Other financial income from group enterprises		1,795,261	1,502,734
Other financial income	2	566,184	2,496,941
Financial expenses from group enterprises		(1,274,331)	(779,007)
Other financial expenses	3	(1,277,226)	(954,537)
Profit/loss before tax		**7,435,781**	**1,182,401**
Tax on profit/loss for the year	4	(198,213)	(483,173)
Profit/loss for the year	5	**7,237,568**	**699,228**

Parent balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Land and buildings		1,116,820	0
Other fixtures and fittings, tools and equipment		175,038	326,954
Property, plant and equipment	6	**1,291,858**	**326,954**
Investments in group enterprises		72,393,241	66,666,297
Investments in associates		3,890,648	3,017,391
Deposits		200,000	200,000
Fixed asset investments	7	**76,483,889**	**69,883,688**
Fixed assets		**77,775,747**	**70,210,642**
Trade receivables		0	100,000
Receivables from group enterprises		52,773,091	54,269,950
Deferred tax	8	81,442	79,182
Other receivables		46,557	0
Income tax receivable		0	622,424
Joint taxation contribution receivable		855,052	0
Prepayments	9	181,380	180,286
Receivables		**53,937,522**	**55,251,842**
Current assets		**53,937,522**	**55,251,842**
Assets		**131,713,269**	**125,462,484**

Parent balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Contributed capital	10	5,000,000	5,000,000
Reserve for net revaluation according to the equity method		32,006,840	25,406,639
Retained earnings		16,799,695	16,100,828
Equity		**53,806,535**	**46,507,467**
Other payables		3,618,764	3,496,391
Non-current liabilities other than provisions	11	**3,618,764**	**3,496,391**
Current portion of long-term liabilities other than provisions	11	131,251	126,812
Bank loans		29,569,079	28,601,040
Trade payables		282,109	264,239
Payables to group enterprises		37,634,280	42,086,671
Payables to associates		1,567,500	0
Payables to shareholders and management		3,031,930	3,007,787
Income tax payable		771,361	0
Joint taxation contribution payable		346,465	507,695
Other payables		953,995	864,382
Current liabilities other than provisions		**74,287,970**	**75,458,626**
Liabilities other than provisions		**77,906,734**	**78,955,017**
Equity and liabilities		**131,713,269**	**125,462,484**
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Assets charged and collateral	14		
Related parties with controlling interest	15		
Transactions with related parties	16		

Parent statement of changes in equity for 2017

	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	25,406,639	16,100,828	46,507,467
Exchange rate adjustments	0	(101,766)	0	(101,766)
Value adjustments	0	163,266	0	163,266
Profit/loss for the year	0	6,538,701	698,867	7,237,568
Equity end of year	**5,000,000**	**32,006,840**	**16,799,695**	**53,806,535**

Notes to parent financial statements

	2017 DKK	2016 DKK
1. Staff costs		
Wages and salaries	2,265,015	2,400,157
Pension costs	259,591	259,900
Other social security costs	20,854	23,992
Other staff costs	0	2,835
	2,545,460	**2,686,884**
Average number of employees	**4**	**4**

	2017 DKK	2016 DKK
2. Other financial income		
Other interest income	0	201
Exchange rate adjustments	561,220	2,496,740
Interest regarding tax paid on account	4,964	0
	566,184	**2,496,941**

	2017 DKK	2016 DKK
3. Other financial expenses		
Financial expenses from associates	67,500	0
Other interest expenses	1,129,487	820,075
Interest regarding tax paid on account	0	11,758
Other financial expenses	80,239	122,704
	1,277,226	**954,537**

	2017 DKK	2016 DKK
4. Tax on profit/loss for the year		
Current tax	200,473	0
Change in deferred tax	(2,260)	(25,187)
Adjustment concerning previous years	0	665
Refund in joint taxation arrangement	0	507,695
	198,213	**483,173**

	2017 DKK	2016 DKK
5. Proposed distribution of profit/loss		
Retained earnings	7,237,568	699,228
	7,237,568	**699,228**

Notes to parent financial statements

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
6. Property, plant and equipment		
Cost beginning of year	0	2,579,129
Additions	1,116,820	36,609
Cost end of year	**1,116,820**	**2,615,738**
Depreciation and impairment losses beginning of year	0	(2,252,175)
Depreciation for the year	0	(188,525)
Depreciation and impairment losses end of year	**0**	**(2,440,700)**
Carrying amount end of year	**1,116,820**	**175,038**

	Investments in group enterprises DKK	Investments in associates DKK	Deposits DKK
7. 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	24,798,781	607,858	0
Exchange rate adjustments	(91,626)	(10,140)	0
Share of profit/loss for the year	5,655,304	883,397	0
Fair value adjustments	163,266	0	0
Revaluations end of year	**30,525,725**	**1,481,115**	**0**
Carrying amount end of year	**72,393,241**	**3,890,648**	**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

	2017 DKK
8. Deferred tax	
Changes during the year	
Beginning of year	79,182
Recognised in the income statement	2,260
End of year	**81,442**

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.

9. Prepayments

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

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

	Due within 12 months 2017 DKK	Due within 12 months 2016 DKK	Due after more than 12 months 2017 DKK
11. Liabilities other than provisions			
Other payables	131,251	126,812	3,618,764
	131,251	**126,812**	**3,618,764**

	2017 DKK	2016 DKK
12. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**67,848**	**135,696**

Unrecognised rental and lease commitments comprise operating leases on other fixtures and fittings, tools and equipment effective up to and including 2018.

13. 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

Notes to parent financial statements

for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

14. Assets charged and collateral

Other payables for a total amount of DKK 3,750,015 at the balance sheet date have been secured on shares in HKJ Ejendomme ApS. The carrying amount of shares charged is DKK 3,281,616.

Collateral provided for group enterprises

The Company has guaranteed the subsidiaries' bank loans. The guarantee is unlimited. The subsidiaries' bank loans total DKK 29,744,918.

15. Related parties with controlling interest

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

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.

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.

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.

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.

Accounting policies

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, intangible assets, 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 year 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 recognised directly in equity.

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 other 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 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).

Accounting policies

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.

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 and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as 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.

Accounting policies

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 parent is jointly taxed with all its Danish subsidaries. Current Dansih income tax is allocated among the jointly taxed enterprises proportionally to their taxable income (full allocation with a refund concerning tax losses).

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.

Accounting policies

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 straigth-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 an 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.

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

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, direct labour costs and indirect production 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 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.

Accounting policies

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 financecosts are recognised in the income statement as incurred.

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.

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.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Other provisions
Other provisions comprise anticipated costs of non-recourse guarantee commitments and servicecontracts.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

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.

Accounting policies

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.

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.