

# VAPO A/S

c/o Damgaard & Enevoldsen  
Pugdølsvænget 2  
7480 Vildbjerg

CVR no. 29 15 27 72

## Annual report 2017

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

31 May 2018

Heikki Heiskanen  
chairman

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**VAPO A/S**  
Annual report 2017  
CVR no. 29 15 27 72

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

The Board of Directors and the Executive Board have today discussed and approved the annual report of VAPO A/S for the financial year 1 January – 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Vildbjerg, 31 May 2018  
Executive Board:



Martti Savolainen

Board of Directors:



Heikki Paavo Heiskanen  
Chairman



Martti Savolainen



Jan-Juhani Laitinen



# The independent auditor's extended review report on the financial statements

To the shareholder of VAPO A/S

## Extended review report on the financial statements

We have performed an extended review of the financial statements of VAPO A/S for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express a conclusion on the financial statements. We have performed our extended review in accordance with the Danish Business Authority's assurance standard for small entities and FSR – Danish Auditor's standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act.

This requires that we comply with the Danish Auditors Act and FSR – Danish Auditor's Code of Ethics and plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

An extended review comprises procedures primarily consisting of making enquiries of Management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on these financial statements.

### *Conclusion*

Based on the work performed, it is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 in accordance with the Danish Financial Statements Act.

### *Statement on the Management's review*

Management is responsible for Management's Review.

Our conclusion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.



## The independent auditor's extended review report on the financial statements

Based on the work we have performed, we conclude that Management's Review is in accordance with the 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 Management's Review.

Aarhus, 31 May 2018

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

A handwritten signature in blue ink, appearing to read 'Jakob Westerdahl', written over a faint, illegible stamp or watermark.

Jakob Westerdahl  
State Authorised  
Public Accountant  
MNE no. 31449

**VAPO A/S**  
Annual report 2017  
CVR no. 29 15 27 72

## Management's review

### Company details

VAPO A/S  
c/o Damgaard & Enevoldsen, Pugdalvænget 2  
7480 Vildbjerg

Telephone: +45 97 13 11 11  
E-mail: vapo@vildbjerg.dk

CVR no.: 29 15 27 72  
Established: 24 October 2005  
Registered office: Herning  
Financial year: 1 January – 31 December

### Board of Directors

Heikki Paavo Heiskanen, Chairman  
Martti Savolainen  
Jan-Juhani Laitinen

### Executive Board

Martti Savolainen

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Bredskifte Allé 13  
DK-8210 Aarhus V

## **Management's review**

### **Operating review**

#### **Principal activities**

The Company's core activity consists of rental property.

#### **Development in activities and financial position**

The Company reported a loss of DKK 132 thousand for the year under review as against a profit of DKK 191 thousand for 2016.

#### **Events after the balance sheet date**

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2017	2016
<b>Gross profit</b>		1,036,095	2,566,136
Staff costs	2	-294,108	-1,408,356
Depreciation, amortisation and impairment		<u>-871,262</u>	<u>-1,004,325</u>
<b>Operating profit/loss</b>		-129,275	153,455
Financial income	3	0	42,124
Financial expenses		<u>-2,536</u>	<u>-4,413</u>
<b>Profit/Loss before tax</b>		-131,811	191,166
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
<b>Loss for the year</b>		<u>-131,811</u>	<u>191,166</u>
<b>Proposed profit appropriation/distribution of loss</b>			
Retained earnings		<u>-131,811</u>	<u>191,166</u>



## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2017	2016
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>			
Land and buildings	4	7,087,876	7,917,138
Plant and machinery		<u>57,672</u>	<u>99,672</u>
		<u>7,145,548</u>	<u>8,016,810</u>
<b>Total fixed assets</b>		<u>7,145,548</u>	<u>8,016,810</u>
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from group entities		46,405,428	45,686,991
Other receivables		<u>17,082</u>	<u>0</u>
		<u>46,422,510</u>	<u>45,686,991</u>
<b>Cash at bank and in hand</b>		<u>77,308</u>	<u>153,185</u>
<b>Total current assets</b>		<u>46,499,818</u>	<u>45,840,176</u>
<b>TOTAL ASSETS</b>		<u><u>53,645,366</u></u>	<u><u>53,856,986</u></u>

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## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2017	2016
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		2,000,000	2,000,000
Retained earnings		<u>51,324,545</u>	<u>51,456,355</u>
<b>Total equity</b>		<u>53,324,545</u>	<u>53,456,355</u>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Trade payables		247,823	235,069
Other payables		<u>72,998</u>	<u>165,562</u>
		<u>320,821</u>	<u>400,631</u>
<b>Total liabilities other than provisions</b>		<u>320,821</u>	<u>400,631</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>53,645,366</u>	<u>53,856,986</u>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of VAPO A/S for 2017 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Foreign currency translation

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

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Property, plant and equipment and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

### Income statement

#### Revenue

Revenue is recognised in the income statement and consists of income from rental property. Revenue is recognised exclusive of VAT.

#### Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of property, plant and equipment.

#### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

#### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Financial income and expenses

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

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

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

### Balance sheet

#### Property, plant and equipment

Land and buildings as well as plant and machinery are measured at cost less accumulated depreciation and impairment losses.

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

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

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

Buildings	25 years
Plant and machinery	5-10 years

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

Land is not depreciated.

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Impairment of fixed assets

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

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

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

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable is used as discount rate.

##### Equity

###### *Dividends*

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

##### Liabilities other than provisions

Other liabilities are measured at net realisable value.



## Financial statements 1 January – 31 December

### Notes

DKK	2017	2016
<b>2 Staff costs</b>		
Wages and salaries	275,148	1,211,095
Pensions	16,947	183,794
Other social security costs	2,013	13,467
	<u>294,108</u>	<u>1,408,356</u>
Average number of full-time employees	<u>0</u>	<u>2</u>
<b>3 Financial income</b>		
Interest income from group entities	0	7,026
Other financial income	<u>0</u>	<u>35,098</u>
	<u>0</u>	<u>42,124</u>

### 4 Land and buildings

The Company has during 2017 signed agreement to sell its land and buildings with date of transfer 31 May 2018.

### 5 Related party disclosures

Vapo A/S is part of the consolidated financial statements of Vapo Oy, Yrjönkatu 42, FI-40101 Jyväskylä, Finland, which is the smallest group in which the Company is included as a subsidiary.