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Revisionspartnerselskab
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ETK EMS PROPERTIES APS

Karlslundvej 7
8330 Beder

CVR no. 31 15 80 79

ANNUAL REPORT FOR 2016/17 **(10. Financial year)**

Adopted at the annual general
meeting on
26. oktober 2017

chairman

CONTENTS

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Company details	
Company details	5
Financial statements	
Accounting policies	6
Income statement 1 July - 30 June	9
Balance sheet 30 June	10
Notes to the annual report	12

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The executive board has today discussed and approved the annual report of ETK EMS Properties ApS for the financial year 1 July 2016 - 30 June 2017.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 30 June 2017 and of the results of the company's operations for the financial year 1 July 2016 - 30 June 2017.

Management recommends that the annual report should be approved at the annual general meeting.

Beder, 26 October 2017

Executive board

Thomas Vinter
President

INDEPENDENT AUDITOR'S REPORT

To the shareholder of ETK EMS Properties ApS

Opinion

We have audited the financial statements of ETK EMS Properties ApS for the financial year 1 July 2016 - 30 June 2017, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 juni 2017 and of the results of the company's operations for the financial year 1 July 2016 - 30 June 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 financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for 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 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 as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 company'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 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 company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

INDEPENDENT AUDITOR'S REPORT

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.

Skanderborg, 26 October 2017

ADVOSSION

Statsautoriseret revisionspartnerselskab
CVR no. 37 55 70 64

Henrik Hansen
Statsautoriseret revisor

Ole Christensen
Statsautoriseret revisor

COMPANY DETAILS

The company

ETK EMS Properties ApS
Karlslundvej 7
8330 Beder

CVR no.: 31 15 80 79
Reporting period: 1 July 2016 - 30 June 2017
Domicile: Odder

Executive board

Thomas Vinter, President

Auditors

ADVOSION
Statsautoriseret revisionspartnerselskab
Krøyer Kielbergs Vej 3, 5 th.
8660 Skanderborg

ACCOUNTING POLICIES

The annual report of ETK EMS Properties ApS for 2016/17 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2016/17 is presented in EUR

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report are presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less raw materials and consumables and other external expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

ACCOUNTING POLICIES

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Buildings	50	years
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Assets costing less than EUR 1,775 are expensed in the year of acquisition.

Receivables

Receivables are measured at amortised cost.

Equity

Dividend

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

ACCOUNTING POLICIES

Income tax and deffered tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Other liabilities, which include trade receivables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

INCOME STATEMENT 1 JULY - 30 JUNE

	Note	2016/17 EUR	2015/16 EUR
Gross profit		651,256	903,499
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-118,138	-118,094
Profit/loss before financial income and expenses		533,118	785,405
Financial income	1	20,823	46,338
Financial costs	2	-98,006	-53,311
Profit/loss before tax		455,935	778,432
Tax on profit/loss for the year	3	-104,639	-171,439
Net profit/loss for the year		351,296	606,993
Extraordinary dividend for the year		3,563,455	0
Retained earnings		-3,212,159	606,993
		351,296	606,993

BALANCE SHEET 30 JUNE

	<u>Note</u>	<u>2017</u> EUR	<u>2016</u> EUR
Assets			
Land and buildings		5,205,314	5,321,473
Tangible assets	4	<u>5,205,314</u>	<u>5,321,473</u>
Fixed assets total		<u>5,205,314</u>	<u>5,321,473</u>
Receivables from subsidiaries		0	1,344,485
Other receivables		0	9,771
Receivables		<u>0</u>	<u>1,354,256</u>
Cash at bank and in hand		<u>707,508</u>	<u>396,215</u>
Current assets total		<u>707,508</u>	<u>1,750,471</u>
Assets total		<u><u>5,912,822</u></u>	<u><u>7,071,944</u></u>

BALANCE SHEET 30 JUNE

	<u>Note</u>	<u>2017</u> EUR	<u>2016</u> EUR
Liabilities and equity			
Share capital		16,809	16,803
Retained earnings		790,672	4,001,342
Equity	5	<u>807,481</u>	<u>4,018,145</u>
Provision for deferred tax		244,207	218,382
Provisions total		<u>244,207</u>	<u>218,382</u>
Mortgage loans		3,231,381	2,274,200
Long-term debt	6	<u>3,231,381</u>	<u>2,274,200</u>
Short-term part of lon-term debt	6	264,642	198,732
Payables to subsidiaries		1,041,290	0
Payables to shareholders and management		1,345	1,344
Other payables		140,854	184,880
Deposits		181,622	176,261
Short-term debt		<u>1,629,753</u>	<u>561,217</u>
Debt total		<u>4,861,134</u>	<u>2,835,417</u>
Liabilities and equity total		<u>5,912,822</u>	<u>7,071,944</u>
Main activity	7		
Charges and securities	8		

NOTES

	2016/17 EUR	2015/16 EUR
1 Financial income		
Interest received from subsidiaries	20,823	46,338
	20,823	46,338
 2 Financial costs		
Other financial costs	98,006	53,311
	98,006	53,311
 3 Tax on profit/loss for the year		
Current tax for the year	78,895	145,619
Deferred tax for the year	25,744	25,820
	104,639	171,439
 4 Tangible assets		
		Land and buildings
Cost at 1 July 2016		6,234,601
Cost at 30 June 2017		6,234,601
Impairment losses and depreciation at 1 July 2016		911,149
Depreciation for the year		118,138
Impairment losses and depreciation at 30 June 2017		1,029,287
Carrying amount at 30 June 2017		5,205,314

NOTES

5 Equity

	Share capital	Retained earnings	Proposed extraordinary dividend	Total
Equity at 1 July 2016	16,809	4,002,831	0	4,019,640
Extraordinary dividend paid	0	0	-3,563,455	-3,563,455
Net profit/loss for the year	0	-3,212,159	3,563,455	351,296
Equity at 30 June 2017	16,809	790,672	0	807,481

6 Long term debt

	Debt at 1 July 2016	Debt at 30 June 2017	Payment within 1 year	Debt after 5 years
Mortgage loans	2,472,932	3,496,023	264,642	2,343,401
	2,472,932	3,496,023	264,642	2,343,401

7 Main activity

The company's purpose is to own and rent real estate

8 Charges and securities

There is a registered letter of ownership in the property Industrivej 45, DK-8660 Skanderborg, for EUR 320,039 for collateral for bank debt. 30/6 2017.

Mortgage debt EUR 2,472,932 have mortgages in properties at book value EUR 5,205,314.

The company is jointly and severally liable for tax on consolidated taxable income and dividend tax. The total amount of income tax payable etc. is shown in the annual report for Javitek ApS, which is the management company in relation to the joint taxation.