

# Empire Denmark ApS

c/o IUNO advokatpartnerselskab, Njalsgade 19 C, 2300 København S

Company reg. no. 31 42 41 35

## Annual report

1 January - 31 December 2016

The annual report have been submitted and approved by the general meeting on the 2 May 2017.

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Ulf Joakim Bork  
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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## **Management's report**

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The managing director has today presented the annual report of Empire Denmark ApS for the financial year 1 January to 31 December 2016.

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

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

The managing director considers the requirements of omission of audit of the annual accounts for 2016 as met.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

København S, 19 April 2017

**Managing Director**

Ulf Joakim Bork

## **Auditor's report on compilation of the annual accounts**

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### **To the shareholder of Empire Denmark ApS**

We have compiled the annual accounts of Empire Denmark ApS for the period 1 January to 31 December 2016 based on the bookkeeping of the company and on further information you have provided.

The annual accounts comprise the accounting policies used, profit and loss account, balance sheet and notes

We performed this engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the annual accounts in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

The annual accounts and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the annual accounts. Accordingly, we do not express an audit opinion or a review conclusion on whether the annual accounts are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 19 April 2017

### **BUUS JENSEN**

State Authorised Public Accountants  
Company reg. no. 16 11 90 40

Lotte Nørskov

State Authorised Public Accountant

## **Company data**

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### **The company**

Empire Denmark ApS  
c/o IUNO advokatpartnerselskab  
Njalsgade 19 C  
2300 København S

Company reg. no. 31 42 41 35  
Established: 8 May 2008  
Domicile: København  
Financial year: 1 January - 31 December

### **Managing Director**

Ulf Joakim Bork

### **Auditors**

BUUS JENSEN, Statsautoriserede revisorer

## **Management's review**

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### **The principal activities of the company**

The company's purpose is to negotiate soda machines and small electric machines

### **Development in activities and financial matters**

The results from ordinary activities after tax are DKK -75.783 against DKK -4.239.314 last year. The management consider the results as expected.

The company has lost more than half of its share capital and is therefore subject to the capital loss rules in the Danish Companies Act. The Company's management believes that the company's current capital position is adequate to meet the company's strategy and refer otherwise to the description in note 1 about the company's continued operation.

## **Accounting policies used**

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The annual report for Empire Denmark ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

### **Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

## **The profit and loss account**

### **Gross loss**

The gross loss comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

## **Accounting policies used**

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Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

### **Staff costs**

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

### **Net financials**

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

### **Tax of the results for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

## **The balance sheet**

### **Tangible fixed assets**

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.



## **Accounting policies used**

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The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Buildings	30 years
Technical plants and machinery	5-10 years
Other plants, operating assets, fixtures and furniture	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

As regards assets of own production, the cost comprises direct and indirect costs for materials, components, deliveries from sub-suppliers, payroll costs, and borrowing costs form specific and general borrowing concerning the construction of each individual asset.

### **Leasing contracts**

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

### **Debtors**

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

## **Accounting policies used**

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### **Available funds**

Available funds comprise cash at bank and in hand.

### **Liabilities**

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

## Profit and loss account 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2016</u>	<u>2015</u>
<b>Gross loss</b>	<b>-63.913</b>	<b>-2.094.792</b>
2 Staff costs	0	-31.165
Writedown of current assets exceeding usual writedown	0	-2.108.363
<b>Operating profit</b>	<b>-63.913</b>	<b>-4.234.320</b>
Other financial income	0	184
3 Other financial costs	-11.870	-5.178
<b>Results before tax</b>	<b>-75.783</b>	<b>-4.239.314</b>
Tax on ordinary results	0	0
<b>Results for the year</b>	<b>-75.783</b>	<b>-4.239.314</b>
<b>Proposed distribution of the results:</b>		
Allocated from results brought forward	-75.783	-4.239.314
<b>Distribution in total</b>	<b>-75.783</b>	<b>-4.239.314</b>

## Balance sheet 31 December

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All amounts in DKK.

<u>Note</u>	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
<b>Fixed assets</b>		
4 Other plants, operating assets, and fixtures and furniture	0	0
Tangible fixed assets in total	0	0
<b>Fixed assets in total</b>	<b>0</b>	<b>0</b>
<b>Current assets</b>		
Trade debtors	0	172.881
Amounts owed by group enterprises	0	3.978.086
Other debtors	0	13.738
Debtors in total	0	4.164.705
Available funds	0	937
<b>Current assets in total</b>	<b>0</b>	<b>4.165.642</b>
<b>Assets in total</b>	<b>0</b>	<b>4.165.642</b>

## Balance sheet 31 December

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All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2016</u>	<u>2015</u>
<b>Equity</b>			
5	Contributed capital	125.000	125.000
6	Results brought forward	-989.057	-913.274
	<b>Equity in total</b>	<b>-864.057</b>	<b>-788.274</b>
<b>Liabilities</b>			
	Trade creditors	453.644	445.797
	Debt to group enterprises	380.413	3.978.086
	Other debts	30.000	530.033
	Short-term liabilities in total	864.057	4.953.916
	<b>Liabilities in total</b>	<b>864.057</b>	<b>4.953.916</b>
	<b>Equity and liabilities in total</b>	<b>0</b>	<b>4.165.642</b>

**1** Uncertainties concerning the enterprise's ability to continue as a going concern

**7** Contingencies

## Notes

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All amounts in DKK.

	<u>2016</u>	<u>2015</u>
<b>1. Uncertainties concerning the enterprise's ability to continue as a going concern</b>		
The company has lost more than half of its share capital, and its management is aware of being subject to the capital loss rules of the Danish Companies Act.		
The company's activity is in liquidation and the company's management is working to negotiate with the remaining creditors. The company's management expects that these negotiations fall out in the company's favor. The accounts have therefore been prepared as a going concern.		
<b>2. Staff costs</b>		
Salaries and wages	0	24.438
Pension costs	0	2.040
Other costs for social security	0	3.346
Other staff costs	0	1.341
	<u>0</u>	<u>31.165</u>
Average number of employees	<u>0</u>	<u>1</u>
<b>3. Other financial costs</b>		
Other financial costs	<u>11.870</u>	<u>5.178</u>
	<u><b>11.870</b></u>	<u><b>5.178</b></u>
<b>4. Other plants, operating assets, and fixtures and furniture</b>		
Cost 1 January 2016	165.788	165.788
Additions during the year	0	0
Disposals during the year	0	0
<b>Cost 31 December 2016</b>	<u><b>165.788</b></u>	<u><b>165.788</b></u>
Depreciation and writedown 1 January 2016	-165.788	-165.788
Depreciation for the year	0	0
<b>Depreciation and writedown 31 December 2016</b>	<u><b>-165.788</b></u>	<u><b>-165.788</b></u>

## Notes

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All amounts in DKK.

	<u>31/12 2016</u>	<u>31/12 2015</u>
<b>5. Contributed capital</b>		
Contributed capital 1 January 2016	<u>125.000</u>	<u>125.000</u>
	<b><u>125.000</u></b>	<b><u>125.000</u></b>
<b>6. Results brought forward</b>		
Results brought forward 1 January 2016	-913.274	3.326.040
Profit or loss for the year brought forward	<u>-75.783</u>	<u>-4.239.314</u>
	<b><u>-989.057</u></b>	<b><u>-913.274</u></b>

## 7. Contingencies

### Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The total tax payable under the joint taxation amounts to DKK 0 thousand.

The liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of DKK 0 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.