

ANNUAL REPORT
1. januar - 31. december 2017

European Fur Elite ApS
Ryttergårdsvej 3
7673 Harboøre

CVR nr. 35528768

Submitter:
Sønderup I/S
Statsautoriserede revisorer
CVR no. 31824559

**Presented and approved at the company's ordinary
general meeting 31. May 2018**

Chairman
Jan Pedersen

STATSAUTORISERED
REVISORER I/S



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Management's Statement on the Annual Report

The management have today considered and approved the annual report for European Fur Elite ApS for the financial year 1 January to 31 December 2017.

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

In the managements opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2017 and of its financial performance for the financial year 1 January to 31 December 2017.

We recommend the annual report for approval at the annual general meeting.

Lemvig, 31. May 2018

Executive Board

Jan Pedersen

Chun Kei Alex Lau

Independent Auditor's Report

To the shareholders of European Fur Elite ApS

Auditor's Report on the Financial Statements

Opinion

We have audited the Financial Statements of European Fur Elite ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies, for the Company. The Financial Statements are 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 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.

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 rules and 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.

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 of accounting information taken on the basis of these Financial Statements.

Independent Auditor's Report

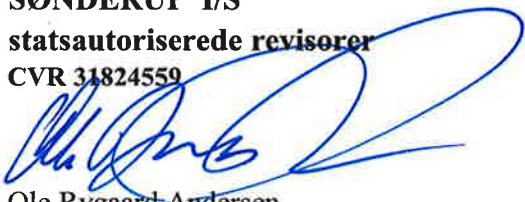
As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- * 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.

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.

Ringsted, 31. May 2018

SØNDERUP I/S
statsautoriserede revisorer
CVR 31824559



Ole Rygaard Andersen
registreret revisor
mne32755

Accounting principles applied

The annual report for European Fur Elite ApS 2017 has been prepared in accordance with the Danish Financial Statements Act for class B companies with application of individual rules from class C.

The income statement is presented by type of expenditure and the balance sheet is presented in account from. The measurement currency used is Danish kroner. All other currencies are considered foreign currency.

The accounting principles were applied consistently with the principles of last year's financial reporting.

General information on recognition and measurement

Income is recognized in the income statement as earned, including any value adjustments of financial assets and liabilities. Furthermore, all costs, including amortisation/depreciation and write-downs, are recognized in the income statement.

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

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the company, and the value of the liabilities can be measured reliably.

The first recognition measures assets and liabilities at cost. Subsequently, assets and liabilities will be measured individually in respect of each accounting item as described below.

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 statement

Gross profit

In pursuance of section 32 (1) of the Danish Financial Statements Act, the first item in the income statement is the gross profit. The item gross profit is the result of revenue, cost of sales, other external cost and other operating income.

Revenue

Net sales in connection with sales of commercial products and finished products are recognized in the profit and loss account, if delivery has taken place and the risk has passed to the customer before the end of the year. Net sales are recognized ex. VAT and net of discounts related to the individual sale.

Cost of goods sold

Cost of goods sold comprises the financial year's cost of sales measured to sales price, adjusted for ordinary inventory write-offs.

Accounting principles applied

Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature in relation to the company's core business.

Other external costs

Other external cost comprise costs for distribution, sales, advertising, administration, premises, bad debts, operating leasing costs etc.

Staff expenses

Staff expenses contains salaries and wages, including holiday payment, pensions and other social security costs etc. to the company's employees. In staff expenses are received subsidies from public authorities, deducted.

Financial items

Financial income and expenses are recognized in the income statement with the amounts relating to the financial year. The financial items comprise interest income and expense, realized and unrealized exchange rate, gains and losses resulting from transactions in foreign currencies and surcharges and refunds regarding corporation tax.

Tax for the year

The company is jointly taxed with other group companies. The current corporation tax is divided between the jointly taxed companies pro rata to their taxable incomes. The parent company functions as the management company for the joint taxation and handles the tax payments to the danish tax authorities.

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

Balance sheet

Tangible fixed assets

Land and buildings, operating equipment and tools and fixtures are measured at cost price less accumulated depreciation and write-down.

Depreciation is based on cost price less expected residual value after end of service life. Land is not subject to depreciation. The cost price includes acquisition price and costs directly linked to the acquisition until the time when the asset is ready for commencement of use.

Straight-line depreciation is based on the following assesment of the assets expected useful lives:

- Buildings: life cycle 33 years, residual value 0-5%
- Other fixtures and fittings, tools and equipment: Life cycle 3-10 years, residual value 0%.

Accounting principles applied

Assets with a cost per unit under the tax threshold for small assets are recognized as expenses in the year of acquisition.

Profits or losses in connection with disposal of tangible fixed assets are calculated as the difference between the sales price less sales costs and the book value at the time of sale. Profits and losses are entered in the income statement under other operating income and -costs.

Impairment of fixed assets

The carrying value of intangible and tangible fixed assets and investments in subsidiaries are assessed annually for indications of impairment beyond what is expressed by depreciation.

If there are indications of impairment, an impairment test of each asset or group of assets will be made. Impairment will be made to its recoverable amount if this is lower than the carrying value.

Inventories

Inventories are valued at cost using the FIFO method. In cases where net realizable value is lower than cost, it will be written down to this lower value.

Cost of goods for resale, raw materials and consumables comprise of purchase price plus transportation costs.

The cost of finished goods and work in progress comprises raw materials, direct labor and direct production costs.

The net realizable value of inventories is calculated as the selling price less costs of completion and costs to be incurred to make the sale and is determined taking into account marketability, obsolescence and development in expected sales.

Receivables

Receivables are measured at amortized cost, which usually corresponds to the nominal value. Value is reduced by provisions for bad debts.

Prepayments

Prepaid expenses are recorded as assets.

Dividend

Proposed dividend for the financial year is recognized as a separate component of the equity. Proposed dividends are recognized as a liability at the time of adoption.

Tax payable and deferred tax

Current tax liabilities and current tax assets are recognized in the balance sheet as tax calculated on the taxable income allocated with the current tax rate, and adjusted for tax on prior years taxable income and prepaid taxes.

Accounting principles applied

Deferred tax is measured by the liability method concerning temporary differences between the carrying value and tax value of assets and liabilities, calculated based on the planned use of the assets and settlement of the obligation, respectively.

Deferred tax assets, including the tax value of tax losses allowed for carry-forward, are measured at the value at which the asset is expected to be realisable, either through elimination in tax on future earnings or through offsetting in deferred tax liabilities in the same legal tax unit. Any deferred net tax assets are measured at their net realisation values.

Deferred tax is measured based on the tax rules and tax rates applicable in pursuance of the legislation in force on the balance sheet date when the deferred tax is expected to become payable as current tax. Changes in deferred tax due to change in tax rates is recognized in the income statement.

Liabilities

Other liabilities are measured at amortised cost corresponding to the nominal value.

Conversion of foreign currency

Transactions in foreign currencies are converted at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognized in the income statement as a financial income or expense. If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognized directly in the equity.

Accounts receivable, payable and other monetary items in foreign currencies that are not settled on the balance sheet date are converted at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the receivable or payable is recognized in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are converted at the rate of exchange on the transaction date.

Income statement 1 January - 31 December

Note	2017	2016
Gross profit	-133.969	1.589.406
1. Staff costs	-955.596	-1.804.642
2. Depreciation and write-downs	-537.700	-490.027
OPERATING PROFIT	-1.627.265	-705.263
Other financial income	2.496	13.135
Other financial costs	-125.538	-158.331
PROFIT/-LOSS BEFORE TAX	-1.750.307	-850.459
Tax for the year	0	184.976
NET PROFIT/-LOSS FOR THE YEAR	-1.750.307	-665.483
Appropriation of profit		
Retained earnings	-1.750.307	-665.483
Total appropriation	-1.750.307	-665.483

Balance sheet 31 December

Note	2017	2016
ASSETS		
Land and buildings	1.499.409	1.529.163
Other fixtures and fittings, tools and equipment	1.070.954	1.505.416
Total tangible fixed assets	2.570.363	3.034.579
TOTAL FIXED ASSETS	2.570.363	3.034.579
Raw materials and consumables	4.750.000	5.200.000
Total inventories	4.750.000	5.200.000
Receivables from group companies	220.148	217.867
Deferred tax assets	188.903	188.903
Other receivables	0	205.123
Prepayments	40	239
Total receivables	409.091	612.132
Cash funds	358.984	786.543
Total cash funds	358.984	786.543
TOTAL CURRENT ASSETS	5.518.075	6.598.675
TOTAL ASSETS	8.088.438	9.633.254

Balance sheet 31 December

Note	2017	2016
EQUITY AND LIABILITIES		
3. Equity		
Share capital	90.000	90.000
Retained earnings	-2.439.631	-689.325
TOTAL EQUITY	-2.349.631	-599.325
4. Long-term liabilities		
Debt to shareholders and management	9.442.514	9.357.035
Total long-term liabilities	9.442.514	9.357.035
Prepayments from customers	401.014	0
Suppliers of goods and services	398.335	544.017
Payables to group companies	150.921	321.946
Other payables	45.285	9.581
Total short-term liabilities	995.555	875.544
TOTAL LIABILITIES	10.438.069	10.232.579
TOTAL EQUITY AND LIABILITIES	8.088.438	9.633.254
5. Main activity		
6. Charges and securities		
7. Contingencies		

Noter

	2017	2016
1. Staff costs		
Salaries	920.056	1.743.003
Other social security costs	35.540	61.639
Total staff costs	<u>955.596</u>	<u>1.804.642</u>
Persons employed on average	4	7
2. Depreciation and write-downs		
Depreciation and write-downs of fixed assets	537.700	490.027
Total depreciation and write-downs	<u>537.700</u>	<u>490.027</u>
3. Equity		
Share capital		
Beginning of year	90.000	90.000
End of year	<u>90.000</u>	<u>90.000</u>
Retained earnings		
Beginning of year	-689.324	-23.842
Transferred from net profit	-1.750.307	-665.483
End of year	<u>-2.439.631</u>	<u>-689.325</u>
Dividend		
Equity end of year	<u>-2.349.631</u>	<u>-599.325</u>
4. Long-term liabilities		
DKK 9.357.035 of long-term debt are due after 5 years.		
5. Main activity		
The company's main activity is to operate a minkfarm.		
6. Charges and securities		
The company has not made any pledges or security.		
7. Contingencies		
The company is liable for the total tax of jointly taxed Danish companies.		