

ANNUAL REPORT
1. januar - 31. december 2019

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 25 August 2020**

Chairman
Jan Pedersen



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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 2019.

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 2019 and of its financial performance for the financial year 1 January to 31 December 2019.

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

Lemvig, 25 August 2020

Executive Board



Jan Pedersen



Chun Kei Alex Lau

The Independent Practitioner's Report

To the shareholders of European Fur Elite ApS

Conclusion

We have performed an extended review of the financial statements of European Fur Elite ApS for the financial year 1. januar - 31. december 2019, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31. december 2019 and of the results of the Company's operations for the financial year 1. januar - 31. december 2019 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the Practitioner's responsibilities for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 as Management determines is necessary to enable the preparation of the 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.

Practitioner's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we 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 to obtain further assurance for our conclusion.

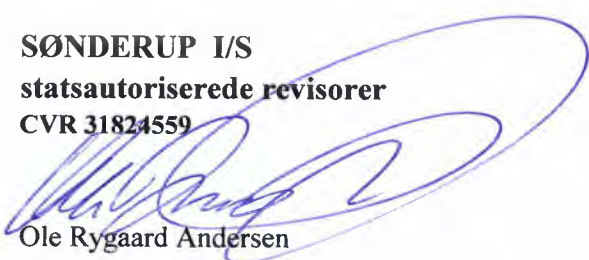
The Independent Practitioner's Report

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of 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 the financial statements.

Ringsted, 25 August 2020

SØNDERUP I/S
statsautoriserede revisorer
CVR 31824559



Ole Rygaard Andersen
Registered auditor
mne32755

Accounting principles applied

The annual report for European Fur Elite ApS 2019 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 assessment 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	2019	2018
Gross profit	2.057.882	1.886.701
1. Staff costs	-1.152.508	-1.399.404
2. Depreciation and write-downs	-407.261	-542.802
OPERATING PROFIT	498.113	-55.505
Other financial income	18.143	47.034
Other financial costs	-8.722	-154.391
PROFIT/-LOSS BEFORE TAX	507.534	-162.862
Tax for the year	-188.903	0
NET PROFIT/-LOSS FOR THE YEAR	318.631	-162.862
Appropriation of profit		
Retained earnings	318.631	-162.862
Total appropriation	318.631	-162.862

3. Special items

Balance sheet 31 December

Note	2019	2018
ASSETS		
Land and buildings	1.516.644	1.471.524
Other fixtures and fittings, tools and equipment	985.796	580.836
Total tangible fixed assets	2.502.440	2.052.360
Financial fixed assets		
Other receivables	0	51.000
Total financial fixed assets	0	51.000
TOTAL FIXED ASSETS	2.502.440	2.103.360
Raw materials and consumables	10.207.280	4.224.490
Total inventories	10.207.280	4.224.490
Receivables from sales and services	116.945	850.000
Contract work in progress	0	33.280
Receivables from group companies	44.938	28.187
Deferred tax assets	0	188.903
Other receivables	1.789.767	621.279
Prepayments	16.500	119.860
Total receivables	1.968.150	1.841.509
Cash funds	806.360	2.735.784
Total cash funds	806.360	2.735.784
TOTAL CURRENT ASSETS	12.981.790	8.801.783
TOTAL ASSETS	15.484.230	10.905.143

Balance sheet 31 December

Note	2019	2018
EQUITY AND LIABILITIES		
4. Equity		
Share capital	90.000	90.000
Retained earnings	-2.283.863	-2.602.492
TOTAL EQUITY	-2.193.863	-2.512.492
 5. Long-term liabilities		
Debt to shareholders and management	11.299.208	11.318.561
Total long-term liabilities	11.299.208	11.318.561
 Prepayments from customers	4.810.690	258.131
Suppliers of goods and services	430.320	654.366
Payables to group companies	1.051.822	1.070.090
Other payables	86.053	116.487
Total short-term liabilities	6.378.885	2.099.074
 TOTAL LIABILITIES	17.678.093	13.417.635
 TOTAL EQUITY AND LIABILITIES	15.484.230	10.905.143
 6. Main activity		
7. Charges and securities		
8. Contingencies		

Notes

	2019	2018
1. Staff costs		
Salaries	1.103.072	1.361.654
Other social security costs	49.436	37.750
Total staff costs	1.152.508	1.399.404
 Persons employed on average	 4	 5
2. Depreciation and write-downs		
Depreciation and write-downs of fixed assets	407.261	542.802
Total depreciation and write-downs	407.261	542.802
3. Special items		
Special items included in gross profit		
Gain on disposal of fixed assets	37.500	0
Total special items	37.500	0
4. Equity		
Share capital		
Beginning of year	90.000	90.000
End of year	90.000	90.000
Retained earnings		
Beginning of year	-2.602.494	-2.439.630
Transferred from net profit	318.631	-162.862
End of year	-2.283.863	-2.602.492
 Dividend		
Equity end of year	-2.193.863	-2.512.492
5. Long-term liabilities		
DKK 11.299.208 of long-term debt are due after 5 years.		
6. Main activity		
The company's main activity is to operate a minkfarm.		
7. Charges and securities		
The company has not made any pledges or security.		

Notes

8. Contingencies

The company has entered into operating leases for 1 pcs. van. Maturity is 6 months and the total commitment amounts to DKK 105.500.

The company has a tax loss. The deferred tax liability associated therewith is enabled.

The value of the tax asset amounts to DKK 419.561.

The company is liable for the total tax of jointly taxed Danish companies.