Sea Side Home ApS

Sdr. Klintvej 17-19, 6960 Hvide Sande
CVR no. 35 66 01 51

Annual report
for the financial year 01.07.16 - 30.06.17

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 30.11.17

Michael Askholm Neumann
Dirigent

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Company information etc.

The company

Sea Side Home ApS
Sdr. Klintvej 17-19
6960 Hvide Sande

Registered office: Varde
CVR no.: 35 66 01 51
Financial year: 01.07 - 30.06

Executive Board

Michael Askholm Neumann

Board Of Directors

Michael Askholm Neumann
Axel Werner Franz Willy Pfeifer
Christina Wentland

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Bank

Nykredit Bank

Statement of the Board of Directors and Executive Board on the annual report

We have on this day presented the annual report for the financial year 01.07.16 - 30.06.17 for Sea Side Home ApS.

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

In our opinion, the financial statements give a true and fair view of the the company's assets, liabilities and financial position as at 30.06.17 and of the results of the the company's activities for the financial year 01.07.16 - 30.06.17.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Hvide Sande, November 30, 2017

Executive Board

Michael Askholm Neumann

Board Of Directors

Michael Askholm Neumann	Axel Werner Franz Willy Pfeifer	Christina Wentland

The general meeting has decided not to have the financial statements for the coming financial year audited.

Chairman of the meeting

Michael Askholm Neumann

Independent auditor’s report

To the capital owner of Sea Side Home ApS

Opinion

We have audited the financial statements of Sea Side Home ApS for the financial year 01.07.16 - 30.06.17, which comprise the income statement, balance sheet, statement of changes in equity and notes, inclusive of accounting policies. The financial statements are prepared in accordance with 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 30.06.17 and of the results of the company's operations for the financial year 01.07.16 - 30.06.17 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing 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.

Supplementary information regarding matters in the financial statements

Without modifying our conclusion, we refer to note 1, wich mentions that there is uncertaty about the company's continued operation. The company's continued operation is conditional on whether or not the parent commpany continues to maintain and expand its financing to the extent necessary for the company's compliance with its ongoing obligations. There is af writen financial commitment from the parent company wich is why the management has prepred the finansial statements on an going concern basis.

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 International Standards on Auditing 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 International Standards on Auditing 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.

Statement regarding the management's review

Management is responsible for management's review.

Our opinion 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 audit 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.

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 Acts. We did not identify any material misstatement of management's review.

Holstebro, November 30, 2017

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Claus Bredvig
State Authorized Public Accountant

Primary activities

The company's activities comprise of investment in realestate and securities and related professions.

Development in activities and financial affairs

The income statement for the period 01.07.16 - 30.06.17 shows a profit/loss of DKK -137,651 against DKK -211,229 for the period 01.07.15 - 30.06.16. The balance sheet shows equity of DKK -448,023.

The company has identified and corrected a material error regarding paybles to group enterprises (the parent company) and payables to owners and management (other payables). The company has furthermore identified and correctet error in interest rates regarding paybles to group enterprises (the parent company) and payables to owners and management (other payables). See more details on the corrections under accounting policies.

Information on going concern

The company has lost all equity capital. There is consequently concern abuot its continued operation. The management expects that the equity will be restored by future profits. The company has in the past financial year 2016/17 recieved the necessary ongoing financing of operations from the parent company to the necessary extent. There is a written financial co-mitment from the parent company and it is therefore expectet that the parent company will maintain and expand its financing to the extent necessary. The financial statements are then presented on a going concern basis.

Subsequent events

No important events have occurred after the end of the financial year.

Subsequent events

No important events have occurred after the end of the financial year.

Audit opt-out

The general meeting has decided not to have the financial statements for the coming financial year audited.

Income statement

Note		2016/17 DKK	2015/16 DKK
	Gross result	**44.201**	**-30.302**
	Depreciation, amortisation, impairment losses and write-downs of property, plant and equipment	-125.161	-123.367
	Profit/loss before net financials	**-80.960**	**-153.669**
	Financial income	1.813	2.309
2	Financial expenses	-54.504	-43.869
	Profit/loss before tax	**-133.651**	**-195.229**
	Tax on profit or loss for the year	-4.000	-16.000
	Profit/loss for the year	**-137.651**	**-211.229**

Proposed appropriation account

Retained earnings	-137.651	-211.229
Total	**-137.651**	**-211.229**

Balance sheet

ASSETS

Note		30.06.17 DKK	30.06.16 DKK
	Land and buildings	2.331.334	2.456.495
	Total property, plant and equipment	**2.331.334**	**2.456.495**
	Total non-current assets	**2.331.334**	**2.456.495**
	Receivables from group enterprises	3.977	5.838
	Deferred tax asset	0	4.000
	Prepayments	7.242	7.000
	Total receivables	**11.219**	**16.838**
	Cash	**0**	**5.300**
	Total current assets	**11.219**	**22.138**
	Total assets	**2.342.553**	**2.478.633**

Balance sheet

EQUITY AND LIABILITIES

Note		30.06.17 DKK	30.06.16 DKK
	Share capital	80.000	80.000
	Retained earnings	-528.023	-390.372
	Total equity	**-448.023**	**-310.372**
3	Mortgage debt	1.784.427	1.810.703
3	Payables to group enterprises	859.756	847.358
	Total long-term payables	**2.644.183**	**2.658.061**
3	Short-term portion of long-term payables	26.500	26.300
	Payables to other credit institutions	9.067	0
	Other payables	110.826	104.644
	Total short-term payables	**146.393**	**130.944**
	Total payables	**2.790.576**	**2.789.005**
	Total equity and liabilities	**2.342.553**	**2.478.633**

4 Contingent assets
5 Charges and security

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings
Statement of changes in equity for 01.07.15 - 30.06.16		
Balance pr. 01.07.15	80.000	-160.277
Net effect of correction of material errors	0	-18.866
Balance pr. 01.07.15	80.000	-179.143
Net profit/loss for the year	0	-211.229
Balance as at 30.06.16	80.000	-390.372
Statement of changes in equity for 01.07.16 - 30.06.17		
Balance pr. 01.07.16	80.000	-390.372
Net profit/loss for the year	0	-137.651
Balance as at 30.06.17	80.000	-528.023

Notes

1. Information as regards going concern

The company has lost all equity capital. There is consequently concern abuot its continued operation. The management expects that the equity will be restored by future profits. The company has in the past financial year 2016/17 recieved the necessary ongoing financing of operations from the parent company to the necessary extent. There is a written financial co-mitment from the parent company and it is therefore expectet that the parent company will maintain and expand its financing to the extent necessary. The financial statements are then presented on a going concern basis.

	2016/17 DKK	2015/16 DKK

2. Financial expenses

	2016/17 DKK	2015/16 DKK
Interest, group enterprises	12.706	12.518
Other interest expenses	41.524	31.078
Other financial expenses	274	273
Other financial expenses total	41.798	31.351
Total	54.504	43.869

3. Longterm payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 30.06.17	Total payables at 30.06.16
Mortgage debt	26.500	1.467.630	1.810.927	1.837.003
Payables to group enterprises	0	0	859.756	847.358
Total	26.500	1.467.630	2.670.683	2.684.361

4. Contingent assets

The company has a deferred tax asset of DKK 112.995 which has not been recognised in the balance sheet. The tax asset can be attributed to tax losses carried forward which are not expected to be utilised within the next 3-5 years. The tax asset can be carried forward indefinitely.

5. Charges and security

Land and buildings with a carrying amount of DKK 2.331.334 have been provided as security for mortgage debt of DKK 1.810.927.

6. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class .

Change in accounting policies

The company has implemented amendments to the Danish Financial Statements Act, see act no. 738 amending the Danish Financial Statements Act of 1 June 2015 (*lov nr. 738 om ændring af årsregnskabsloven m.v. af 1. juni 2015*). This includes new and amended disclosure and presentation requirements and amendments to provisions on recognition, measurement and classification. Amendments to provisions on recognition and measurement as well as classification are as follows:

Reassessment of residual values of property, plant and equipment

Previously, residual values of property, plant and equipment with limited useful lives were determined at the date of acquisition of the asset. In future, an annual revaluation of the residual values of property, plant and equipment must be carried out. In accordance with section 4 of the provisional executive order, the residual values of property, plant and equipment will initially be reassessed in by way of a change in accounting policies. Comparative figures have not been restated.

Except for the areas mentioned above, the accounting policies have been applied consistently with the previous year.

Material error

The company has identified and corrected a material error in the financial statements for 2015/16, 2015/16 and 2014/15. The identified and corrected maternal error is regarding paybles to group enterprises (the parent company) and payables to owners and management (other payables). The company has furthermore identified and correctet error in interest rates regarding paybles to group enterprises (the parent company) and payables to owners and management (other payables).

6. Accounting policies - continued -

Comparative figures for 2015/16 have been restated in the balance sheet, income statement and notes. The accumulated effect at the beginning of the financial year 2015/16 has been recognised directly in equity.

As at 01.07.2015 equity is adjustet by DKK 18.866 to a nagative equity of DKK 99.143. The negativ correction of equity as at 01.07.2015 is due to changes in interest recognized in de financieal year 2014/15.

The income statement for the comparative year 2015/16 has been adjusted with a positive correction of DKK 3.637 concerning interest.

The balance sheet is as at 30.06.2016 corrected with the following values:
Assets: Recievables from group enterprises DKK 5.838.
Equity and liabilities: Equity DKK 15.229, payables to group enterprises DKK 37.743 and payables to owners and management (other payables) DKK 58.810.

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 depreciation, amortisation, impairment losses and write-downs, 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 such assets 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 such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

6. Accounting policies - continued -

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

INCOME STATEMENT

Gross result

Gross result comprises revenue and property costs and other external expenses.

Revenue

Income from the rental of properties is recognised in the income statement for the relevant period.

Property costs

Property costs comprise costs relating to property management, including repair and maintenance costs, real property taxes, insurance, overhead costs and other costs.

Other external expenses

Other external expenses comprise administrative expenses

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

6. Accounting policies - continued -

	Useful life, year	Residual value DKK
Buildings	20	200.000

Land is not depreciated.

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the ‘Impairment losses on fixed assets’ section.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Amortisation of capital losses and borrowing costs relating to financial liabilities is recognised on an ongoing basis as financial expenses.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET

Property, plant and equipment

Property, plant and equipment comprise land and buildings.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

6. Accounting policies - continued -

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

6. Accounting policies - continued -

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.