Sønderup revisorer

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ANNUAL REPORT
1. January - 31. December 2018

BHGK ApS
Ryttergårdsvej 3
7673 Harboøre

CVR nr. 36054239

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

Presented and approved at the company's ordinary generel meeting 26. June 2019

Chairman
Jan Pedersen

STATSAUTORISEREDE
REVISORER I/S

Contents

Management's Statement on the Annual Report

The management have today considered and approved the annual report for BHGK ApS for the financial year 1 January to 31 December 2018.

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 2018 and of its financial performance for the financial year 1 January to 31 December 2018.

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

Lemvig, 26. juni 2019

Executive Board

Chun Kei Alex Lau

Jan Pedersen

The Independent Practitioner's Report

To the shareholders of BHGK ApS

Conclusion
We have performed an extended review of the financial statements of BHGK ApS for the financial year 1. januar - 31. december 2018, 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 2018 and of the results of the Company's operations for the financial year 1. januar - 31. december 2018 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, den 26. June 2019

SØNDERUP I/S
statsautoriserede revisorer
CVR 31824559

Ole Rygaard Andersen
registreret revisor
mne32755

Accounting principles applied

The annual report for BHGK ApS 2018 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 wil 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 loses 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, ajusted for ordinary inventory write-offs.

Accounting principles applied

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

Financial items
Financial income and expenses are regognized in the income statement with the amounts relating to the financial year. The financial items comprise interest income and expense 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, other plant, operating equipment and tools and fixtures as well as leasehold improvements 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 50 years, residual value 0%
- Other fixtures and fittings, tools and equipment: Life cycle 5 years, residual value 0%.

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.

Accounting principles applied

Leases
Rental and lease contracts is considered as operating leases. Payments in connection with operating lease and other rental agreements are recognized in the income statement over the lease term. The company's total liabilities concerning operating leases are disclosed in connection with contingent items etc.

Financial fixed assets

Investments in group companies and associates
The proportionate share of the group companies and associated companies are recognized in the income statement. Investments from these companies are recognized in the balance sheet at the proportionate share of the net asset value.

Group companies and associates with negative net asset values are recognized at DKK zero and any receivables from these enterprises are written down by the parent company's share of the negative equity to the extent it is deemed uncollectible. If the negative net book value exceeds the amount owed, the remaining amount is recognized under provisions to the extent that the parent has a legal or constructive obligation to cover the subsidiary's balance sheet.

The total net revaluation of investments in group companies and associates are transferred to reserve for net revaluation according to the equity method under equity. The reserve is reduced by dividend payments to the parent company and by other changes in equity in group companies and associated companies.

Newly acquired or established companies are recognized in the annual report from the acquisition date. Sold or divested companies are included up to the date of disposal.

Surcharge on acquisition of interests in relation to the actual net asset value is considered goodwill. This goodwill is amortized linearly over the estimated service life. The amortization period for goodwill is in the annual report incorporated with 10 years.

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.

Accounting principles applied

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.

Liquid Assets
Liquid assets are measured at nominal value.

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.

Deferred tax is measured by the liability method concerning temporary differences between the caffying 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 elimanation 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 expence. If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognized directly in the equity.

Accounting principles applied

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		2018	2017
	Gross profit	274.627	-1.122.722
1.	Depreciation and write-downs	-612.987	-553.991
	OPERATING PROFIT	**-338.360**	**-1.676.713**
	Income from investments in group companies	-1.655.785	225.994
	Other financial costs	-55.901	-222.597
	PROFIT/-LOSS BEFORE TAX	**-2.050.046**	**-1.673.316**
	Tax for the year	0	138.496
	NET PROFIT/-LOSS FOR THE YEAR	**-2.050.046**	**-1.534.820**
	Appropriation of profit		
	Retained earnings	-2.050.046	-1.534.820
	Total appropriation	**-2.050.046**	**-1.534.820**

Balance sheet 31 December

Note		2018	2017
	ASSETS		
	Land and buildings	11.929.185	12.149.872
	Other fixtures and fittings, tools and equipment	622.921	939.628
	Total tangible fixed assets	**12.552.106**	**13.089.500**
2.	**Financial fixed assets**		
	Investments in group companies	50.000	275.994
	Total financial fixed assets	**50.000**	**275.994**
	TOTAL FIXED ASSETS	**12.602.106**	**13.365.494**
	Receivables from group companies	168.031	567.358
	Other receivables	213.224	52.410
	Total receivables	**381.255**	**619.768**
	Cash funds	122.579	194.658
	Total cash funds	**122.579**	**194.658**
	TOTAL CURRENT ASSETS	**503.834**	**814.426**
	TOTAL ASSETS	**13.105.940**	**14.179.920**

Balance sheet 31 December

Note		2018	2017
	EQUITY AND LIABILITIES		
3.	**Equity**		
	Share capital	50.000	50.000
	Reserve for net revaluation under the equity method	225.994	225.994
	Retained earnings	31.736	2.081.783
	TOTAL EQUITY	**307.730**	**2.357.777**
4.	**Long-term liabilities**		
	Mortgage debt	3.294.207	3.454.916
	Total long-term liabilities	**3.294.207**	**3.454.916**
	Suppliers of goods and services	53.954	88.832
	Payables to group companies	9.450.049	8.278.395
	Total short-term liabilities	**9.504.003**	**8.367.227**
	TOTAL LIABILITIES	**12.798.210**	**11.822.143**
	TOTAL EQUITY AND LIABILITIES	**13.105.940**	**14.179.920**

5. Main activity
6. Charges and securities
7. Contingencies

Noter

	2018	2017
1. Depreciation and write-downs		
Depreciation and write-downs of fixed assets	612.987	553.991
Total depreciation and write-downs	**612.987**	**553.991**

2. Financial fixed assets

Specification of investments in group companies
BHGK Catering ApS, Blåvand, ownership 100%

3. Equity

	2018	2017
Share capital		
Beginning of year	50.000	50.000
End of year	**50.000**	**50.000**
Reserve for net revaluation under the equity method		
Beginning of year	225.994	0
Share of profit/loss for the year	0	225.994
End of year	**225.994**	**225.994**
Retained earnings		
Beginning of year	2.081.782	3.842.597
Transferred from net profit	-2.050.046	-1.534.820
Share of profit in subsidiaries	0	-225.994
End of year	**31.736**	**2.081.783**
Dividend		
Equity end of year	**307.730**	**2.357.777**

4. Long-term liabilities

DKK 2.479.834 of long-term debt are due after 5 years.

5. Main activity

The company's main activity is to own and operate a golf course along with related activity.

6. Charges and securities

The company has not made any pledges or security.

As security for the mortgage loans, large DKK 3.294.207, land and buildings with a carrying amount of DKK 4.165.783 has been mortgaged.

Noter

7. Contingencies

The company has entered into operating lease contracts. Maturity is 15 months and the total commitment amounts to DKK 177.555.

There is not provided special guarantees besides the usual guarantees for completed work.

The company is not in addition to the above assumed surety, guarantee or other contingent liabilities, other than those stated in the balance sheet.

The company has a tax loss. The deferred tax liability associated therewith is not enabled, as it is estimated that it will not be used.

The value of the tax asset amounts to DKK 160.880.