

# Annual report 2016

Company reg. no. 36 46 64 05

**Techcorr Europe ApS**

**Unionsvej 6**

**4600 Køge**

The annual report have been submitted and approved by the general meeting on 26 April 2017

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Martin Gryl  
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 executive board has today presented the annual report of Techcorr Europe 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.

We consider the accounting policies used appropriate, and in our 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.

We are 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.

Køge, 26 April 2017

### Executive board

Martin Gryl

Robbie Grant West

Joseph Vincent Summa

# Independent auditor's report

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## To the shareholder of Techcorr Europe ApS

### Opinion

We have audited the annual accounts of Techcorr Europe ApS for the financial year 1 January to 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016 and of the results of the company's operations for the financial year 1 January to 31 December 2016 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 below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainties concerning the enterprise's ability to continue as a going concern

Without modifying our opinion we refer to note 1 which describes how the company's management will obtain the required amount of cash to finance the company's further running operation. The management has in the financial report provided that the required financing can be obtained and thus presented the financial accounts with going concern in mind.

### The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

## Independent auditor's report

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### **Auditor's responsibilities for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an 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 may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

## Independent auditor's report

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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 the internal control that we identify during our audit.

### **Statement on the management's review**

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

### **Infringement of VAT legislation**

The company has contrary to the VAT Act reported false VAT returns to SKAT, whereby the management may be held liable.

Glostrup, 26 April 2017

PKF Munkebo Vindelev  
State Authorised Public Accountants  
Company reg. no. 14 11 92 99

Peter Krogsrud Eriksen  
State Authorised Public Accountant

## Company data

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### The company

Techcorr Europe ApS  
Unionsvej 6  
4600 Køge

Company reg. no. 36 46 64 05  
Established: 4 December 2014  
Domicile: Køge Municipality  
Financial year: 1 January - 31 December  
2nd financial year

### Executive board

Martin Gryl  
Robbie Grant West  
Joseph Vincent Summa

### Auditors

PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab  
Hovedvejen 56  
2600 Glostrup

### Bankers

Nordea, Hovedvejen 112, 2600 Glostrup

## Financial highlights

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DKK in thousands.	<u>2016</u>	<u>2015</u>
<b>Profit and loss account:</b>		
Gross profit	7.774	3.341
Results from operating activities	-11.479	-6.354
Net financials	-1.436	-52
Results for the year	-14.309	-5.011
<b>Balance sheet:</b>		
Investments in tangible fixed assets represent	94	922
Equity	-19.271	-4.961
<b>Employees:</b>		
Average number of full time employees	29	12

The financial highlights for 2015 comprise the period 4. December 2014 - 31. December 2015.



## Management's review

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

The principal activities of the company is technical testing and control.

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

The results from ordinary activities after tax are DKK -14.309.000 against DKK -5.011.000 last year. The management consider the results unsatisfactory.

The company has lost more than half of the share capital. It is the management's expectation, that the share capital will be re-established through future earnings.

The management has presented the annual report on the basis of a going concern assumption. This assumption is based on the management's assessment of the probability of obtaining the required amount of cash to finance the company's further running operations.

### **Events subsequent to the financial year**

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

## Accounting policies used

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The annual report for Techcorr Europe 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.

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.

### Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

## Accounting policies used

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### THE PROFIT AND LOSS ACCOUNT

#### Gross profit

The gross profit comprises the net turnover 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.

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

Other external costs comprise costs for distribution, sales, administration, premises 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.

#### Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

#### 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 BALANCE SHEET

#### Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

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.

## Accounting policies used

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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.

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

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

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.

### Leasing contracts

All 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.

### Work in progress for the account of others

Contract work in progress is measured at the selling price of the work performed, however with deduction of invoicing on account and expected losses.

The selling price is measured on the basis of the stage of completion on the balance sheet date and the total expected income from the individual contracts. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual contract.

When the sales value of a contract can not be determined reliably, the selling price is measured solely at the costs incurred, or at the net realisable value, if this is lower.

Contracts are recognised as trade debtors if the selling price of the work performed exceeds invoicing on account and expected losses. Contracts are recognised as liabilities if invoicing on account and expected losses exceed the selling price.

Costs in connection with sales work and the achievement of contracts are recognised in the profit and loss account when incurred.

## Accounting policies used

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### **Accrued income and deferred expenses**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

### **Available funds**

Available funds comprise cash at bank and in hand.

### **Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

### **Liabilities**

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

## Profit and loss account

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All amounts in DKK.

<u>Note</u>	<u>1/1 2016</u> <u>- 31/12 2016</u>	<u>4/12 2014</u> <u>- 31/12 2015</u>
<b>Gross profit</b>	<b>7.774.381</b>	<b>3.340.587</b>
2 Staff costs	-19.061.395	-9.663.798
Depreciation and writedown relating to tangible fixed assets	<u>-192.457</u>	<u>-30.560</u>
<b>Operating profit</b>	<b>-11.479.471</b>	<b>-6.353.771</b>
Other financial income	19.737	0
3 Other financial costs	<u>-1.455.503</u>	<u>-51.784</u>
<b>Results before tax</b>	<b>-12.915.237</b>	<b>-6.405.555</b>
4 Tax on ordinary results	<u>-1.394.183</u>	<u>1.394.183</u>
<b>Results for the year</b>	<b>-14.309.420</b>	<b>-5.011.372</b>
<b>Proposed distribution of the results:</b>		
Allocated from results brought forward	<u>-14.309.420</u>	<u>-5.011.372</u>
<b>Distribution in total</b>	<b>-14.309.420</b>	<b>-5.011.372</b>

## Balance sheet 31 December

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All amounts in DKK.

<b>Assets</b>			
<b>Note</b>		<b>2016</b>	<b>2015</b>
	<b>Fixed assets</b>		
5	Other plants, operating assets, fixtures and furniture	793.392	891.724
	Tangible fixed assets in total	793.392	891.724
6	Deposits	213.000	213.000
	Financial fixed assets in total	213.000	213.000
	<b>Fixed assets in total</b>	<b>1.006.392</b>	<b>1.104.724</b>
	<b>Current assets</b>		
	Trade debtors	5.138.309	2.719.329
7	Work in progress for the account of others	27.080	0
8	Deferred tax assets	0	1.394.183
	Other debtors	45.560	54.671
	Accrued income and deferred expenses	1.029.385	1.064.524
	Debtors in total	6.240.334	5.232.707
	Available funds	322.265	84.269
	<b>Current assets in total</b>	<b>6.562.599</b>	<b>5.316.976</b>
	<b>Assets in total</b>	<b>7.568.991</b>	<b>6.421.700</b>

## Balance sheet 31 December

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All amounts in DKK.

<b>Equity and liabilities</b>			
<b>Note</b>		<b>2016</b>	<b>2015</b>
	<b>Equity</b>		
9	Contributed capital	50.000	50.000
10	Results brought forward	-19.320.792	-5.011.372
	<b>Equity in total</b>	<b>-19.270.792</b>	<b>-4.961.372</b>
	 <b>Liabilities</b>		
	Trade creditors	1.934.042	1.418.319
	Debt to group enterprises	20.046.273	7.660.409
	Other debts	4.859.468	2.304.344
	Short-term liabilities in total	26.839.783	11.383.072
	<b>Liabilities in total</b>	<b>26.839.783</b>	<b>11.383.072</b>
	 <b>Equity and liabilities in total</b>	<b>7.568.991</b>	<b>6.421.700</b>

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

**11** Contingencies



## Notes

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All amounts in DKK.

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

The management has presented the annual report on the basis of a going concern assumption. The assumption is based on the management's assessment of the probability of obtaining the required amount of cash to finance the company's further running operations.

	<b>1/1 2016 - 31/12 2016</b>	<b>4/12 2014 - 31/12 2015</b>
<b>2. Staff costs</b>		
Salaries and wages	16.218.455	7.942.184
Pension costs	1.857.886	912.299
Other costs for social security	89.366	39.600
Other staff costs	895.688	769.715
	<b>19.061.395</b>	<b>9.663.798</b>
Average number of employees	29	12
<b>3. Other financial costs</b>		
Financial costs, group enterprises	695.039	0
Other financial costs	760.464	51.784
	<b>1.455.503</b>	<b>51.784</b>
<b>4. Tax on ordinary results</b>		
Adjustment for the year of deferred tax	1.394.183	-1.394.183
	<b>1.394.183</b>	<b>-1.394.183</b>

## Notes

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All amounts in DKK.

	<u>31/12 2016</u>	<u>31/12 2015</u>
<b>5. Other plants, operating assets, fixtures and furniture</b>		
Cost 1 January 2016	922.284	0
Additions during the year	<u>94.125</u>	<u>922.284</u>
<b>Cost 31 December 2016</b>	<b><u>1.016.409</u></b>	<b><u>922.284</u></b>
Depreciation and writedown 1 January 2016	-30.560	0
Depreciation for the year	<u>-192.457</u>	<u>-30.560</u>
<b>Depreciation and writedown 31 December 2016</b>	<b><u>-223.017</u></b>	<b><u>-30.560</u></b>
<b>Book value 31 December 2016</b>	<b><u>793.392</u></b>	<b><u>891.724</u></b>
<b>6. Deposits</b>		
Cost 1 January 2016	<u>213.000</u>	<u>213.000</u>
<b>Cost 31 December 2016</b>	<b><u>213.000</u></b>	<b><u>213.000</u></b>
<b>Book value 31 December 2016</b>	<b><u>213.000</u></b>	<b><u>213.000</u></b>
<b>7. Work in progress for the account of others</b>		
Sales value of the production of the period	<u>27.080</u>	<u>0</u>
<b>Work in progress for the account of others, net</b>	<b><u>27.080</u></b>	<b><u>0</u></b>
<b>8. Deferred tax assets</b>		
Deferred tax assets 1 January 2016	1.394.183	0
Deferred tax of the results of the year	<u>-1.394.183</u>	<u>1.394.183</u>
	<b><u>0</u></b>	<b><u>1.394.183</u></b>
The following items are subject to deferred tax:		
Tangible fixed assets	0	-44.002
Financial fixed assets	0	-212.484
Losses brought forward from previous years	<u>0</u>	<u>1.650.669</u>
	<b><u>0</u></b>	<b><u>1.394.183</u></b>

## Notes

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All amounts in DKK.

	<u>31/12 2016</u>	<u>31/12 2015</u>
<b>9. Contributed capital</b>		
Contributed capital 1 January 2016	50.000	50.000
	<u>50.000</u>	<u>50.000</u>
<b>10. Results brought forward</b>		
Results brought forward 1 January 2016	-5.011.372	0
Profit or loss for the year brought forward	-14.309.420	-5.011.372
	<u>-19.320.792</u>	<u>-5.011.372</u>

## 11. Contingencies

### Contingent assets

The company has not activated a tax loss of 4.207 TDKK, because it is uncertain whether it can be used in earnings within a time period on 3-5 years.

### Contingent liabilities

The company has signed a lease agreement. The lease is comprised of 6 months termination and can not be terminated until 1 December 2020. The company is liable to pay rent of 3.498 T.DKK

### Operational leasing

The company has entered into operational leasing contracts with an average annual leasing payment of 1.379 T.DKK. The leasing contracts have between 11-60 months left to run, and the total outstanding leasing payment is 4.245 T.DKK.