

## North Capital Commodities ApS

Nyhavn 53 C

1051 København K

CVR No. 38189174

## Annual Report 2018

2. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 31 May 2019

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Werner Schmidt  
Chairman

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## Management's Statement

Today, Management has considered and adopted the Annual Report of North Capital Commodities ApS for the financial year 1 January 2018 - 31 December 2018.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January 2018 - 31 December 2018.

The conditions for not conducting an audit of the Financial Statement have been met.

The conditions for deselecting an audit of the Financial Statement are met. Hence the Board of directors have decided to deselect to audit the Financial Statement for the coming financial year.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 31 May 2019

### Executive Management

Werner Maria Anton Schmidt  
CEO

Kim Hersland  
CFO

### Supervisory Board

Christian Frederik Harboe Wissum  
Chairman

Werner Maria Anton Schmidt

Kim Hersland

## Company details

<b>Company</b>	North Capital Commodities ApS Nyhavn 53 C 1051 København K
CVR No.	38189174
Date of formation	17 November 2016
Financial year	1 January 2018 - 31 December 2018
<b>Board of directors</b>	Christian Frederik Harboe Wissum Werner Maria Anton Schmidt, CEO Kim Hersland , CFO
<b>Executive Management</b>	Werner Maria Anton Schmidt, CEO Kim Hersland , CFO

## **Management's Review**

### **The Company's Principal Activities**

Welcome to our 2018 Annual Report. The company's purpose is to conduct development, production, financing, investment business and trade.

In 2018, there has been no activity.

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

The Company's Income Statement of the financial year 1 January 2018 - 31 December 2018 shows a result of DKK and the Balance Sheet at 31 December 2018 a balance sheet total of DKK 6.750 and an equity of DKK 6.750.

### **Post Balance Sheet Events**

No events have occurred after the balance sheet date which have significantly affected the company's financial position.

## Accounting Policies

### Reporting Class

The Annual Report of North Capital Commodities ApS for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

As the financial year 2018 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

### Reporting currency

The Annual Report is presented in EUR.

### Consolidated Financial Statements

The Consolidated Financial Statements comprise the parent company North Capital Commodities ApS and subsidiaries in which North Capital Commodities ApS directly or indirectly holds more than 50% of the voting rights or in other ways has control. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant but not controlling influence are considered associates, cf. Group chart.

For the consolidation, intercompany income and costs, shareholdings, intercompany balances and dividends as well as realised and unrealised profit and loss are eliminated in connection with transactions between the consolidated enterprises.

Equity investments in subsidiaries are eliminated by the proportionate share of the subsidiaries' market value of net assets and liabilities at the time of acquisition.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Enterprises sold or liquidated are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not corrected for enterprises newly acquired, sold or liquidated.

## General Information

### Basis of recognition and measurement

The financial statement have been prepared under the historical cost princip.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount.

## Accounting Policies

This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

## Income Statement

### Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive of VAT and net of sales discounts.

### Other external expenses

Other external costs include costs for distribution, sales, advertising, administration, premises, loss of debtors, operating leasing costs etc.

	<b>Useful life</b>	<b>Residual value</b>
Properties	20-50 years	0%
Leasehold improvements	5 years	0%

Land is not amortised.

### Income from investments in group enterprises and associates

Income from equity investments comprises dividends received from group enterprises and associates in so far as they do not exceed the accumulated earnings in the group enterprise or the associate during the ownership period.

### Financial income and expenses

## Accounting Policies

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Dividends equity investments are recognised as income in the financial year in which the dividends are declared.

### Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

## Balance Sheet

Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets and their residual values:

Properties:	20-40 years
Plant and machinery:	5-7 years
Tools and equipment:	3-5 years
Leasehold improvements	3-5 years

Gains or losses arising from the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amounts at the time of sale. Gains or losses are recognised in the income statement as other operating income or other operating expense.

Property, plant and equipment held under leases and qualifying as finance leases are treated according to the same guidelines as assets owned.

### Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

### Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

### Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

### Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value



## **Accounting Policies**

using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

### **Contingent assets and liabilities**

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

## Income Statement

	Note	2018 EUR	2017 EUR
Gross profit		0	0
Employee benefits expense	1	<u>0</u>	<u>0</u>
<b>Profit from ordinary operating activities</b>		<b>0</b>	<b>0</b>
<b>Profit from ordinary activities before tax</b>		<b>0</b>	<b>0</b>
Tax expense on ordinary activities	2	<u>0</u>	<u>0</u>
<b>Profit</b>		<b>0</b>	<b>0</b>

**Balance Sheet as of 31 December**

	<b>Note</b>	<b>2018 EUR</b>	<b>2017 EUR</b>
<b>Assets</b>			
Short-term receivables from group enterprises		6.750	6.750
<b>Receivables</b>		<u>6.750</u>	<u>6.750</u>
<b>Current assets</b>		<u>6.750</u>	<u>6.750</u>
<b>Assets</b>		<u>6.750</u>	<u>6.750</u>

**Balance Sheet as of 31 December**

	Note	2018 EUR	2017 EUR
<b>Liabilities and equity</b>			
Contributed capital	3	<u>6.750</u>	<u>6.750</u>
<b>Equity</b>		<u><b>6.750</b></u>	<u><b>6.750</b></u>
<b>Liabilities and equity</b>		<u><b>6.750</b></u>	<u><b>6.750</b></u>
Contingent liabilities	4		
Collaterals and assets pledges as security	5		

**Notes**

	<b>2018</b>	<b>2017</b>
<b>1. Employee benefits expense</b>		
The company has had 0 employees in the fiscal year.		
<b>2. Tax expense</b>		
Incometax	0	
Tax on deferred income	0	
	<u>0</u>	<u>          </u>
<b>3. Contributed capital</b>		
Additions during the year	6.750	6.750
<b>Balance at the end of the year</b>	<u><b>6.750</b></u>	<u><b>6.750</b></u>

The share capital has remained unchanged for the last 5 years.

**4. Contingent liabilities**

The Group's Danish companies are jointly and severally liable for tax on the Group's jointly taxed income, etc. The total amount of corporation tax payable is stated in the annual report of NORTHCAPITAL GEMSTONES APS, which is a management company in relation to joint taxation. The Group's Danish companies are jointly and severally liable for Danish taxes in the form of income tax, royalties and interest tax. Any subsequent corrections to corporation tax and other taxes may result in the company's liability amounting to a larger amount.

No other contingent liabilities exist at the balance sheet date.

**5. Collaterals and securities**

No securities or mortgages exist at the balance sheet date.