


**Portillo Denmark ApS
CVR no. 38549502
c/o TMF Denmark A/S, Købmagergade 60, 1. tv.
1150 København K**

**Annual report
for the period ended 31 December 2018**

**Adopted at the Company's Annual General Meeting
on 29th May 2019**



Janich Sivebaek

Contents	Page
Company details	3
Management's review	4
Statement by the Management on the annual report	5
Financial statements:	
Accounting policies	6-8
Income statement	9
Balance sheet	10
Notes to the financial statements	11-12

Portillo Denmark ApS
CVR no. 38549502
Annual report 2018

Company details

Company: Portillo Denmark ApS
CVR no: 38549502
Registered address: c/o TMF Denmark A/S, Købmagergade 60, 1. tv.
1150 København K
Denmark
Telephone: +45 58 59 59 18
Financial year: 2nd financial year
Director: Gonzalo Portillo Belmonte

Management's review

Principal Activities of the Company

The Company's activities are installation, reparation and maintenance of telecommunications systems, security and alarm systems, as well as fire protection and other electrical installations.

Development in the Company's activities and financial matters

Portillo Denmark, ApS, a subsidiary of Grupo Portillo in Denmark, was established on April, 5 2017 and this is the second fiscal year closing.

For this second fiscal year, the Company shows a pre-tax loss of (1,240) thousand Danish kroner.

The Company's Management estimates that the financial balance will be reached in the second year of operation.

Significant events after the balance sheet date

No significant events have occurred after the balance sheet date which would influence the evaluation of the Company's financial position as at the balance sheet date.

Portillo Denmark ApS
CVR no. 38549502
Annual report 2018

Statement by the Management on the annual report

The Directors have today discussed and approved the annual report of Portillo Denmark ApS (the Company) for the financial period 01 January 2018 – 31 December 2018.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that 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 period 01 January 2018 – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 29 May 2019

Director:



Gonzalo Portillo Belmonte

Accounting policies

The annual report has been prepared in accordance with Danish financial statements legislation as well as generally accepted accounting principles.

The annual report has been prepared in accordance with the reporting requirements of the Danish Financial Statements Act of class B entities.

Recognition and Measurement

The financial statements have been prepared based on historical cost.

The income is recognised in the income statement as earned. Further to this, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Furthermore, all costs incurred to earn the profit or loss for year have been recognised in the income statement, including amortisation, depreciation, write-down and provisions as well as reversals as a consequence of changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow into 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 will flow out of the Company, and the value of the liability can be measured reliably.

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

Certain financial assets and liabilities are measured at amortised cost, by which a constant redemption yield is recognised over the term. Amortised cost is calculated as original cost less instalments and addition/deduction of the accumulated amortisation of the difference between cost and the nominal amount. Thereby, capital and exchange losses or gains are allocated over the term.

On recognition and measurement, anticipated losses and risks that appear before presentation of the annual report and which confirm or invalidate affairs or conditions existing at the balance sheet date are considered.

The functional currency is Danish kroner, DKK. All other currencies are considered foreign currencies.

Foreign Currency Translations

During the year, transactions in foreign currencies have been translated applying the exchange rate at the transaction date. If currency positions are considered hedge of future cash flows, the value adjustments are recognised directly in equity.

Receivables and debt denominated in foreign currencies have been recognised at the exchange rate of the balance sheet date.

Realised and unrealised exchange gains and losses have been recognised in the income statement under other financial income and expenses.

Income Statement

Gross profit/loss

The Company has aggregated the items "revenue", "other operating income" as well as external expenses.

As income recognition criterion, the completed contract method is applied so that revenue comprises invoiced revenue for the year. Revenue is measured at fair value excl. VAT and less granted goods and customer discounts.

Accounting policies

Other operating income

Other operating income includes financial statement items of a secondary nature in relation to the primary activity of the enterprise, including profit on sale of fixed assets.

External expenses

External expenses comprise selling costs, facility costs and administrative expenses.

Other operating expenses

Other operating expenses include financial statement items of a secondary nature in relation to the primary activity of the enterprise, including losses from sale of fixed assets.

Other financial income and other financial expenses

Financial income and expenses comprise interest, realised and unrealised exchange gains and losses as well as interest surcharge and interest reimbursements under the Danish Tax Prepayment Scheme.

Tax on profit or loss for the year income taxes

Tax on profit or loss for the year represents 22% of the book profit or loss adjusted for non-taxable and non deductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax.

The Company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

Balance Sheet

The balance sheet has been presented in account form.

Assets

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulate amortisation and depreciation. The basis of amortisation and depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation.

Depreciation is initiated when the assets are ready to be taken into operation. Assets are depreciated on a straight-line basis over their estimated useful lives.

Profit/loss on sale or retirement has been included in the income statement under other operating income and other operating expenses.

Impairment of property, plant and equipment

The carrying amount of property plant and equipment is reviewed annually for indication of impairment for loss, apart from what is expressed by usual amortisation and depreciation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount.

As recoverable amount, the higher of expected net selling price and net present value is applied. The net present value is calculated as the present value of the anticipated cash flows from the use of the asset or the group of assets.

Impairment for loss for the year is recognised in the income statement as amortisation, depreciation and impairment for loss of property, plant and equipment and intangible assets.

Fixed asset investments

Other receivables recognised under fixed assets comprise loans and rental deposits measured at amortised cost, which usually corresponds to nominal amount. In events when the carrying amount exceeds the recoverable amount, impairment for loss is made to such lower value. Impairment for loss for the year is recognised in the income statement as impairment for loss of financial assets.

Accounting policies

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down for bad debt according to an individual assessment.

Work in progress

Work in progress is measured at cost price. Where the cost price exceeds the net realisable value, work in progress is written down to this lower value.

Prepayments

Prepayments comprise costs incurred relating to subsequent financial years.

Equity and Liabilities

Equity

Management's proposed dividends for the financial year is disclosed as a separate item in equity.

Provision for deferred tax

Deferred tax is measured according to the liability method. Provision has been made for deferred tax by 22% on all temporary differences between carrying amount and tax-based value of assets and liabilities.

The tax-based values of tax losses carried forward are included in the statement of deferred tax if it is probable that the losses can be utilised.

Deferred tax assets which are not expected utilised within a few years have been disclosed in notes under contingent assets.

Other liabilities other than provisions

Other liabilities other than provisions have been measured at amortised cost which corresponds to nominal value.

Deferred income

Deferred income comprises income received relating to subsequent years.

Portillo Denmark ApS
 CVR no. 38549502
 Annual report 2018

Income statement

	Notes	Period ended	
		31/12/2018 DKK	31/12/2017 DKK
Operating income	1	6,852,805	1,599,438
External costs	2	(2,971,963)	(693,984)
Gross profit		3,880,842	905,454
Staff costs	3	(1,887,455)	(377,967)
Other operating expenses	4	(3,226,713)	(795,997)
Operating profit/loss		(1,233,326)	(268,510)
Other financial expenses	5	(7,108)	(3,540)
Profit/loss before tax		(1,240,434)	(272,050)
Tax on profit/loss for the year		-	-
Profit/loss for the year		(1,240,434)	(272,050)
Proposed profit/loss distribution			
Retained earnings		(1,240,434)	(272,050)
Profit/loss for the year		(1,240,434)	(272,050)

Portillo Denmark ApS
 CVR no. 38549502
 Annual report 2018

Balance sheet

	Notes	As at	
		31/12/2018 DKK	31/12/2017 DKK
Assets			
Current assets			
Trade receivables		2,354,165	1,515,550
Other receivables	6	165,419	114,434
Prepayments	7	14,831	9,497
		2,534,415	1,639,481
Cash		546,525	170,618
Total current assets		3,080,940	1,810,099
Total Assets		3,080,940	1,810,099
Equity and liabilities			
Equity	8		
Share capital		50,000	50,000
Retained earnings		(1,512,484)	(272,050)
Total equity		(1,462,484)	(222,050)
Current liabilities			
Trade payables		2,306,333	658,753
Payables to group enterprises		1,669,691	1,131,204
Other payables	9	567,400	242,192
Total current liabilities		4,543,424	2,032,149
Total liabilities		4,543,424	2,032,149
Total Equity and Liabilities		3,080,940	1,810,099

Notes to the financial statements

1 Operating income

	31/12/2018 DKK	31/12/2017 DKK
Service fees	3,385,141	1,288,178
Sales of goods	3,467,664	311,260
	<u>6,852,805</u>	<u>1,599,438</u>

2 External costs

	31/12/2018 DKK	31/12/2017 DKK
Maintenance material	(1,510,881)	(7,429)
Energy expenses	(9,934)	(3,348)
Fuel for equipment	-	(2,790)
Other material	(10,952)	(470)
Equipment rent	(77,635)	(23,489)
Production material	(1,362,561)	(656,458)
	<u>(2,971,963)</u>	<u>(693,984)</u>

3 Staff costs

	31/12/2018 DKK	31/12/2017 DKK
Gross salaries	(1,459,577)	(332,598)
Holiday accrual	(213,767)	(16,525)
Company pension contributions	(153,890)	(2,240)
Statutory pension and social contributions	(39,335)	(1,957)
Bonus	-	(22,705)
Insurance for employees	(20,886)	(1,942)
	<u>(1,887,455)</u>	<u>(377,967)</u>

The average number of employees in 2018 totalled to 4

4 Other operating expenses

	31/12/2018 DKK	31/12/2017 DKK
Stationery and office materials	(4,154)	(1,343)
Accounting and compliance services, domiciliation services	(709,181)	(137,448)
Travel expenses	(2,122,878)	(325,479)
Bank charges	(5,220)	(2,028)
Other expenses	(261,281)	(636)
Telephone and mobile phone services	(6,925)	(783)
Service and utility charges	(2,391)	(4,724)
Postage and courier	-	(550)
Car leasing	(86,102)	(32,156)
Car fuel and consumables	(11,859)	(2,562)
Car parking fees	(100)	(104)
Legal and advisory services	3,000	(238,342)
Recruitment services	-	(34,000)
Translation services	-	(5,930)
Association memberships	(19,622)	(9,912)
	<u>(3,226,713)</u>	<u>(795,997)</u>

5 Other financial expenses

	31/12/2018 DKK	31/12/2017 DKK
Foreign exchange losses	(6,007)	93
Interest paid to tax office	(1,050)	2,777
Other taxes and fees	(51)	670
	<u>(7,108)</u>	<u>3,540</u>

Notes to the financial statements

6 Other receivables

	31/12/2018 DKK	31/12/2017 DKK
Receivables from employees	165,419	114,434
	<u>165,419</u>	<u>114,434</u>

7 Prepayments

	31/12/2018 DKK	31/12/2017 DKK
Subscription for professional membership	-	9,497
Advances for Services	14,831	-
	<u>14,831</u>	<u>9,497</u>

8 Equity

	31/12/2018 DKK	31/12/2017 DKK
Share capital at 31 December 2018	50,000	50,000
Retained earnings at 01 January 2018	(272,050)	-
Transfer from profit/loss for the year	(1,240,434)	(272,050)
Retained earnings at 31 December 2018	<u>(1,512,484)</u>	<u>(272,050)</u>
Equity at 31 December 2018	<u>(1,462,484)</u>	<u>(222,050)</u>

The share capital consist of 50 000 shares of DKK 1,00. The shares have not been divided into classes.

9 Other payables

	31/12/2018 DKK	31/12/2017 DKK
Payroll related taxes and contributions	(59,391)	(35,751)
Pension contributions	(54,645)	(3,360)
Expense claims - refundable to employees	(19,449)	8,687
Holiday accrual	(97,352)	(2,157)
VAT payables	(336,563)	(209,611)
	<u>(567,400)</u>	<u>(242,192)</u>

10 Contingent assets

The Company has no contingent assets

11 Contractual obligations

The Company has no contractual obligations.

12 Ownership

The following shareholders are subject to section 55 of Danish Public Companies Act:

Portillo Seguridad S.L., Calle Suecia 95, 28022 Madrid, Spain

Portillo Telecomunicaciones S.L., Calle Suecia 95, 28022 Madrid, Spain

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