

# PurCity ApS

P. Knudsens Gade 36, 2. tv.  
2450 Copenhagen SV

CVR no. 40 83 85 62

## **Annual report for the period 3 October 2019 – 31 March 2020**

The annual report was presented and approved at the  
Company's annual general meeting on

18 August 2020

Morteza Ghorbani Eftekhar  
chairman

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**PurCity ApS**  
Annual report 2019/20  
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## **Statement by the Executive Board**

The Executive Board has today discussed and approved the annual report of PurCity ApS for the financial period 3 October 2019 – 31 March 2020.

The annual report, which has not been audited, is presented in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2020 and of the results of the Company's operations for the financial period 3 October 2019 – 31 March 2020.

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

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

Copenhagen 18 August 2020  
Executive Board:

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Morteza Ghorbani Eftekhari  
CEO



## **Auditor's report on the compilation of financial statements**

### **To the Management of PurCity ApS**

We have compiled the financial statements of PurCity ApS for the financial period 3 October 2019 – 31 March 2020 based on the Company's bookkeeping records and other information provided by you. The financial statements comprise income statement, balance sheet and notes, including accounting policies.

We performed our work in accordance with ISRS 4410 *Engagements to Compile Financial Statements*.

We have applied our professional expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with the independence and other ethical requirements of the IESBA Codes of Ethics, which is based on fundamental principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion as to whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 18 August 2020

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Morten Høgh-Petersen  
State Authorised  
Public Accountant  
mne34283

**PurCity ApS**  
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## **Management's review**

### **Company details**

PurCity ApS  
P. Knudsens Gade 36, 2. tv.  
2450 Copenhagen SV

CVR no.: 40 83 85 62  
Financial period: 3 October 2019 – 31 March 2020

### **Executive Board**

Morteza Ghorbani Eftekhar, CEO

## **Management's review**

### **Operating review**

#### **Principal activities**

The company's main activity is to develop and sell products i relation to cleaning air and water in cities.

#### **Development in activities and financial position**

The Company's income statement for 2020 shows a profit of DKK 19,634. Equity in the Company's balance sheet at 31 March 2020 stood at DKK 59,634.

#### **Events after the balance sheet date**

The company has limited fixed costs, though Covid-19 has delayed potential development activities. Management believes that the company can meet all financial obligations for the coming year with support from its owner.

## Financial statements 3 October – 31 March

### Income statement

DKK	Note	3/10 2019- 31/3 2020
<b>Gross profit</b>		<u>36,454</u>
<b>Profit before tax</b>		<u>36,454</u>
Tax on profit/loss for the year		<u>-16,820</u>
<b>Profit for the year</b>		<u><u>19,634</u></u>
<b>Proposed profit appropriation</b>		
Retained earnings		<u>19,634</u>
		<u><u>19,634</u></u>

## Financial statements 3 October – 31 March

### Balance sheet

DKK	Note	<u>31/3 2020</u>
<b>ASSETS</b>		
<b>Fixed assets</b>		
<b>Intangible assets</b>		
Patents		63,406
Development projects in progress		<u>40,000</u>
		<u>103,406</u>
<b>Total fixed assets</b>		<u>103,406</u>
<b>Current assets</b>		
<b>Receivables</b>		
Other receivables		<u>16,204</u>
<b>Total current assets</b>		<u>16,204</u>
<b>TOTAL ASSETS</b>		<u><u>119,610</u></u>



## Financial statements 3 October – 31 March

### Balance sheet

DKK	Note	<u>31/3 2020</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Contributed capital		40,000
Retained earnings		<u>19,634</u>
<b>Total equity</b>		<u>59,634</u>
<b>Provisions</b>		
Provisions for deferred tax		<u>16,820</u>
<b>Total provisions</b>		<u>16,820</u>
<b>Liabilities other than provisions</b>		
<b>Current liabilities other than provisions</b>		
Trade payables		20,000
Payables to shareholders and Management		<u>23,156</u>
		<u>43,156</u>
<b>Total liabilities other than provisions</b>		<u>43,156</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>119,610</u></u>

## Financial statements 3 October – 31 March

### Notes

#### 1 Accounting policies

The annual report of PurCity ApS for 2019/20 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

#### Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

#### Revenue

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

#### Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

#### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

#### Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

## Financial statements 3 October – 31 March

### Notes

#### 1 Accounting policies (continued)

### Balance sheet

#### Intangible assets

##### Patents

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period, however, not exceeding # years.

##### Development projects

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities.

#### Receivables

Receivables are measured at amortised cost.

#### Corporation tax and deferred tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

#### Liabilities other than provisions

Liabilities are measured at net realisable value.