



ETK EMS FREDERIKSSUND A/S

Vølundsvej 24-26
3600 Frederikssund

CVR no 46 08 97 15

ANNUAL REPORT FOR 2015/16
(40th Financial year)

Adopted at the annual general
meeting on
5. december 2016

Chairman

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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Executive and Supervisory Boards have today discussed and approved the annual report of ETK EMS Frederikssund A/S for the financial year 1 July 2015 - 30 June 2016.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 June 2016 and of the results of the the Company's operations for the financial year 1 July 2015 - 30 June 2016.

In our opinion, Management's review includes a fair review of the matters dealt with in the Management's review

We recommend the adoption of the annual report at the annual general meeting.

Frederikssund, 5 December 2016

Executive Board

Thomas Vinter
director

Supervisory Board

Thomas Vinter

Torben Drejer

Steen Tygesen

INDEPENDENT AUDITOR'S REPORT

To the shareholders of ETK EMS Frederikssund A/S

Report on the Financial Statements

We have audited the financial statements of ETK EMS Frederikssund A/S for the financial year 1 July 2015 - 30 June 2016, which comprise summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act and the Danish Accounting Standard for small enterprises.

Management's Responsibility for the Financial Statements

The 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 the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements gives a true and fair view of the Company's financial position at 30 juni 2016 and of the results of the Company's operations for the financial year 1 July 2015 - 30 June 2016 in accordance with the Danish Financial Statements Act.

INDEPENDENT AUDITOR'S REPORT

Statement on the Management's Review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the Financial Statements.

Skanderborg, 5 December 2016

ADVOSION

statsautoriseret revisionspartnerselskab
CVR-no. 37 55 70 64

Ole Christensen
State Authorised Public Accountant

Henrik Hansen
State Authorised Public Accountant

COMPANY DETAILS

The Company

ETK EMS Frederikssund A/S
Vølundsvej 24-26
3600 Frederikssund

CVR no.: 46 08 97 15
Financial year: 1 July - 30 June
Domicile: Frederikssund

Supervisory Board

Thomas Vinter
Torben Drejer
Steen Tygesen

Executive Board

Thomas Vinter, director

Auditors

ADVOSION
statsautoriseret revisionspartnerselskab
Kristiansvej 13
8660 Skanderborg

MANAGEMENT'S REVIEW

Business activities

The year's activity, similarly to previous years, has consisted of fabrication of and trading in electronic equipment and expertise concerning such.

Business review

The Company's income statement for the year ended 30 June shows a profit of EUR 84,987, and the balance sheet at 30 June 2016 shows equity of EUR 912,164.

Financial review

The company's management is anticipating rising turnover and earnings during the next fiscal year in relation to the present fiscal year.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the group's and the parent company's financial position.

ACCOUNTING POLICIES

The annual report of ETK EMS Frederikssund A/S for 2015/16 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the Accounting Standard on small enterprises as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2015/16 is presented in EUR

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company's 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 from the company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report are presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less raw materials and consumables and other external expenses.

Revenue

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

ACCOUNTING POLICIES

Revenue from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Raw materials and consumables

Expenses for raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Balance sheet

Tangible assets

Items of Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost added revaluations and less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

ACCOUNTING POLICIES

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment 3-8 years

Assets costing less than EUR 6,700 are expensed in the year of acquisition.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Stocks

Stocks are measured using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production.

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Receivables

Receivables are measured at amortised cost.

Income tax and deffered tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

ACCOUNTING POLICIES

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Other liabilities, which include trade receivables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

INCOME STATEMENT 1 JULY - 30 JUNE

	<u>Note</u>	<u>2015/16</u> EUR	<u>2014/15</u> EUR
Gross profit		816,629	1,030,546
Staff costs	1	<u>-675,098</u>	<u>-878,760</u>
Earnings before interest, taxes, depreciation and amortization		141,531	151,786
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-26,189</u>	<u>-44,766</u>
Profit/loss before financial income and expenses		115,342	107,020
Financial income	2	4,222	545
Financial costs	3	<u>-10,531</u>	<u>-7,161</u>
Profit/loss before tax		109,033	100,404
Tax on profit/loss for the year	4	<u>-24,046</u>	<u>-10,346</u>
Net profit/loss for the year		<u>84,987</u>	<u>90,058</u>
Retained earnings		<u>84,987</u>	<u>90,058</u>
		<u>84,987</u>	<u>90,058</u>

BALANCE SHEET 30 JUNE

	<u>Note</u>	<u>2016</u> EUR	<u>2015</u> EUR
Assets			
Other fixtures and fittings, tools and equipment		39,283	65,471
Tangible assets	5	39,283	65,471
Deposits		25,508	25,254
Fixed asset investments		25,508	25,254
Fixed assets total		64,791	90,725
Raw materials and consumables		317,294	600,690
Finished goods and goods for resale		105,957	123,728
Stocks		423,251	724,418
Trade receivables		600,958	1,960,559
Receivables from subsidiaries		1,528,445	580,322
Receivables		2,129,403	2,540,881
Cash at bank and in hand		404	3,218
Current assets total		2,553,058	3,268,517
Assets total		2,617,849	3,359,242

BALANCE SHEET 30 JUNE

	<u>Note</u>	<u>2016</u> EUR	<u>2015</u> EUR
Liabilities and equity			
Share capital		107,536	107,536
Revaluation reserve		6,292	6,292
Retained earnings		<u>798,336</u>	<u>713,348</u>
Equity total	6	<u>912,164</u>	<u>827,176</u>
Provision for deferred tax		<u>8,642</u>	<u>14,085</u>
Provisions total		<u>8,642</u>	<u>14,085</u>
Banks		354,870	347,587
Trade payables		298,402	927,127
Payables to subsidiaries		867,381	861,295
Other payables		<u>176,390</u>	<u>381,972</u>
Short-term debt		<u>1,697,043</u>	<u>2,517,981</u>
Debt total		<u>1,697,043</u>	<u>2,517,981</u>
Liabilities and equity total		<u><u>2,617,849</u></u>	<u><u>3,359,242</u></u>
Charges and securities	7		

NOTES

	<u>2015/16</u>	<u>2014/15</u>
	EUR	EUR
1 Staff costs		
Wages and salaries	659,984	861,909
Other social security costs	<u>15,114</u>	<u>16,851</u>
	<u>675,098</u>	<u>878,760</u>
Average number of employees	<u>14</u>	<u>17</u>
2 Financial income		
Other financial income	<u>4,222</u>	<u>545</u>
	<u>4,222</u>	<u>545</u>
3 Financial costs		
Other financial costs	<u>10,531</u>	<u>7,161</u>
	<u>10,531</u>	<u>7,161</u>
4 Tax on profit/loss for the year		
Current tax for the year	29,488	54,775
Deferred tax for the year	<u>-5,442</u>	<u>-44,429</u>
	<u>24,046</u>	<u>10,346</u>

NOTES

5 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 July 2015	323,780
Cost at 30 June 2016	323,780
Revaluations at 1 July 2015	75,095
Revaluations at 30 June 2016	75,095
Impairment losses and depreciation at 1 July 2015	333,403
Depreciation for the year	26,189
Impairment losses and depreciation at 30 June 2016	359,592
Carrying amount at 30 June 2016	39,283

6 Equity

	Share capital	Revaluation reserve	Retained earnings	Total
Equity at 1 July 2015	107,536	6,292	713,349	827,177
Net profit/loss for the year	0	0	84,987	84,987
Equity at 30 June 2016	107,536	6,292	798,336	912,164

7 Charges and securities

The company is jointly and severally liable for tax on consolidated taxable income and dividend tax. The total amount of income tax payable etc. is shown in the annual report for Javitek ApS, which is the management company in relation to the joint taxation.