VE Staal B.V.

located, Amsterdam

Report on the annual accounts
1 April 2018 until 31 December 2018

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1. AUDITOR'S REPORT

Londen & Van Holland

To the Directors of
VE Staal B.V.
Dotterbloemstraat 25
3053 JV Rotterdam

Amsterdam, 26 March 2020

Dear Directors,

1.1 SCOPE OF ENGAGEMENT

In accordance with your instructions we have audited the annual accounts 1 April 2018 until 31 December 2018 of VE Staal B.V. (was named Viraj Europe B.V.), including the balance sheet with counts of EUR 39,986,009 and the profit and loss account with a post-tax profit of EUR 1,137,956.

Amsterdam, 26 March 2020

Londen & Van Holland
Registeraccountants en Belastingadviseurs

drs. K.J. Schouten RA

2. ANNUAL REPORT

2.1 DIRECTOR'S REPORT

The director's report is available at the office of VE Staal B.V.

DIRECTORS REPORT

Management Brief

VE Staal B.V. (Erstwhile Viraj Europe B.V.) ("the company") is a stainless-steel trader of finished and semi-finished goods produced ferrous metals and non-ferrous material. The Company is engaged in trading of a wide range of products using Austenitic, Ferritic, Martensitic, Austenitic-Ferritic (Duplex) stainless steel grades while supplying special grade stainless steel of Precipitation hardening, Cold heading and Electrode quality. DIN EN ISO 9001:2008 certified, they are of the best international standards. From a wide range of billets & ingots, wire & wire rods, bright bars, profiles, flanges to fasteners for various industries, the product range is one of the widest in the business.

The products have a variety of applications in petrochemical plants, oil pipelines, ships, structural design, high tensile springs & cables, boilers, pressure vessels, liquid storage terminals, liquid cargo ships and surgical instruments to name a few.

Financial information

Consolidated financial results for FY 2018* vis a vis 2017-18 is provided below.

Particulars	2018*	2017 - 2018	Increase / (Decrease) %	Adjusted Increase / (Decrease) %**
Sales	236,781,313	257,752,972	-8%	22%
Cost of Sales	(232,822,595)	(252,797,413)	-8%	23%
Gross Margin	3,958,718	4,955,559	-20%	7%
Gross Margin %	0	0	-14%	15%
Other Operating Income	1,778,267	-		
Profit Before interest, Depreciation & Tax	2,927,713	2,837,255	3%	38%
Less: Finance & Similar Cost	(904,517)	(1,732,561)	-48%	-30%
Less: Depreciation & Amortization Expenses	(475,509)	(24,046)	1877%	2537%
Profit before Tax	1,547,687	1,080,648	43%	91%
Corporate Tax	(409,731)	(254,247)	61%	115%
Profit after Tax (Carried to Balance Sheet)	**1,137,956**	**826,401**	**38%**	**84%**

*April 18-December 18

** Compared with Proportionate 9-month figure of 2017-2018

Consolidated Sales have increased substantially by 22% during the financial year compared with the 9-month proportionate figure of the previous year on account of increasing business in other OEDC countries. Product mix remains almost the same however the company has increased its presence in OECD countries. ING bank has extended higher working capital requirements, supplementing cash flow and liquidity of the company. Profit before tax has increased marginally on account of receipt of

other operating income and lower financing costs. Viraj Stainless Japan has incurred losses during the year however other subsidiaries have earned profits.

In the year 2020, the company will continue to emphasize on growing sales. However, due to the coronavirus outbreak is it difficult to continue the streak of turnover growth. It is difficult to estimate at this early stage of the lockdown of various countries and its markets that how much we will lose but we can expect a decrease between 10-20% on annual turnover. It may have an adverse impact on buying and selling prices and bring a lot of pressure on margin.

Net Assets and Financial Position

The net assets and financial position of the company (consolidated) shows the following picture: -

Particulars	2018*		2017-2018		Change
	€	%	€	%	€
Assets					
Non-current assets	305,446	1%	285,315	1%	20,131
Current assets					
Inventories	15,212,389	38%	14,717,904	46%	494,485
Receivables incl. aff. companies	23,238,629	58%	14,122,799	44%	9,115,830
Cash and cash equivalents	794,121	2%	323,920	1%	470,201
Other assets	435,424	1%	2,552,925	8%	-2,117,501
	39,680,563	99%	31,717,548	99%	7,963,015
	39,986,009	**100%**	**32,002,863**	**100%**	**7,983,146**
Equity and liabilities					
Equity					
Group capital & reserves -surplus	2,485,708	6%	2,013,944	6%	471,764
	2,485,708	6%	2,013,944	6%	471,764
Liabilities					
Liabilities to Banks	272,207	1%	114,332	0%	157,875
Supplier liabilities	17,681,898	44%	10,950,538	34%	6,731,360
Other liabilities	19,546,196	49%	18,924,049	59%	622,147
	37,500,301	94%	29,988,919	94%	7,511,382
	39,986,009	**100%**	**32,002,863**	**100%**	**7,983,146**

All functions of the company are centralised, so activities are performed, managed and controlled from its registered office at Rotterdam.

Going Concern

The Group has considerable financial resources together with established business relationships with many customers and suppliers. Outbreak of the coronavirus may have impact on future turnover. But, at present management doesn't see any indication of the risk associated with the business and investments of the company. The company's total assets are adequate to pay-off its liabilities, hence management considers it appropriate to adopt the going concern basis of accounting in preparing this Annual Report and Accounts.

Post-Balance-Sheet Date Events

No other important events have happened and noticed by the management that affect the net assets, financial position and results of operations between balance sheet date and the completion of this report significantly of the company and its subsidiary companies.

Information about applying of code of conduct

The Company is subject to standard code of conduct, various legal provisions and enactments applicable to a limited liability company and to employees as per The Netherlands laws.

Information about overseas investment and progress

The Company have invested in following companies

1. Beacon Holding Asset Limited – Dubai
2. Viraj Stainless Japan Ltd. – Japan
3. Vaishno MegaMovers Europe BV – Netherlands
4. Duo Fasteners GMBH – Germany

Beacon's wholly-owned subsidiary MO Nickel International DMCC turnover has dropped as compared to last year but the company was able to get pricing advantage from competitors which have resulted in higher Gross and Net Margin for the company. Viraj Stainless Japan Ltd. is working for establishing a Viraj group brand in the Japanese stainless-steel market. In the existing business environment in Japan, we will have to wait and need to invest more resources and efforts in the coming years. Vaishno MegaMovers Europe BV has made considerable progress in handling and establishing the logistics business in Europe and earned post-tax profit of EUR 240,062 in the current year.

Conclusion & Outlook of the group

While safeguarding measures have been used to prevent an increase in imports, into the European Union, local demand is weak and export opportunities are limited. Now the Coronavirus outbreak has slowed down the demand and deferred the expansion projects of the industries. Consequently, the region's stainless-steel demand forecast will shrink between 10-20 percent. Hence, management is

expecting is impact on the annual turnover by 10-20% in the year 2020 but confident about earning an adequate profit margin to support its operating expenses and payoff its liabilities.

On Behalf of the Board,

Mukesh Kumar Verma
(Managing Director-D&K Group B.V)
Rotterdam, 26th March 2020

3. CONSOLIDATED FINANCIAL STATEMENTS

3.1 CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2018

(Before distribution of result)

ASSETS

			31-12-2018		31-03-2018
		EUR	EUR	EUR	EUR
Fixed assets					
Property, plant and equipment	*1*				
Land and buildings		300,023		278,415	
Other fixed assets		5,423		4,011	
Property, plant and equipment in progress and prepayments of property, plant and equipment		-		2,889	
			305,446		285,315
Financial assets					
Other receivable	*2*		50,000		100,000
Current assets					
Inventories and work in progress					
Inventories	*3*		15,212,389		14,717,904
Receivables					
Trade receivables	*4*	23,238,629		14,122,799	
Taxes and social security charges	*5*	140,315		106,934	
Other current accounts	*6*	-		132,142	
Other receivables, prepayments and accrued income	*7*	245,109		2,213,849	
			23,624,053		16,575,724
Cash and cash equivalents	*8*		794,121		323,920
			39,986,009		32,002,863

LIABILITIES

			31-12-2018		31-03-2018
		EUR	EUR	EUR	EUR
Group equity	*9*		2,485,708		2,013,944
Current liabilities, accruals and deferred income					
Payables to banks		272,207		114,332	
Trade payables		17,681,898		10,950,538	
Payables relating to taxes and social security contributions	*10*	358,575		140,845	
Other liabilities and accrued expenses	*11*	19,187,621		18,783,204	
			37,500,301		29,988,919
			39,986,009		32,002,863

3.2 CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD 01-04-2018 UNTIL 31-12-2018

		01-04-18 / 31-12-18		01-04-17 / 31-03-18	
		EUR	EUR	EUR	EUR
Net Turnover		236,781,313		257,752,972	
Cost of sales		(232,822,595)		(252,797,413)	
Gross margin		3,958,718		4,955,559	
Other operating income		1,778,267		-	
Gross margin			5,736,985		4,955,559
Wages and salaries		762,336		733,449	
Social security charges		56,659		54,299	
Pension contributions		5,703		-	
Depreciation of intangible fixed assets	*12*	476,595		-	
Depreciation of property, plant and equipment	*13*	(1,086)		24,046	
Other operating expenses	*14*	1,984,574		1,330,556	
Total of sum of expenses			3,284,781		2,142,350
Total of operating result			2,452,204		2,813,209
Other interest and similar income	*15*	1,545		305,236	
Interest and similar expenses	*16*	(906,062)		(2,037,797)	
Financial income and expense			(904,517)		(1,732,561)
Total of result of activities before tax			1,547,687		1,080,648
Income tax expense	*17*		(409,731)		(254,247)
Total of result after tax			1,137,956		826,401
Addition to undistributed profit			(1,137,956)		(826,401)

3.3 CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 01-04-2018 UNTIL 31-12-2018

		01-04-18 / 31-12-18		01-04-17 / 31-03-18	
		EUR	EUR	EUR	EUR
Total of cash flows from (used in) operating activities					
Operating result			2,452,204		2,813,209
Adjustments for					
Depreciation		476,901		24,046	
Exchange rate differences		11,243		(32,428)	
			488,144		(8,382)
Changes in working capital					
Decrease (increase) in inventories		(494,485)		7,949,877	
Decrease (increase) in trade receivables	*4*	(9,115,830)		3,728,323	
Decrease (increase) in other receivable	*7*	(71,781)		(131,419)	
Accruals and prepaid expenses		2,139,282		5,819,879	
Increase (decrease) in other payables		7,353,508		(18,573,489)	
			(189,306)		(1,206,829)
Total of cash flows from (used in) operations			2,751,042		1,597,998
Interest received	*15*	1,545		305,236	
Interest paid	*16*	(906,062)		(2,037,797)	
Income tax paid	*17*	(409,731)		(254,247)	
			(1,314,248)		(1,986,808)
Total of cash flows from (used in) operating activities			1,436,794		(388,810)
Total of cash flows from (used in) investment activities					
Purchase of intangible assets		(471,459)		-	
Purchase of property, plant and equipment	*1*	(4,558)		(3,004)	
Purchase of financial assets		50,000		(100,000)	
Proceeds from sales of property, plant and equipment	*1*	1,549		-	
Total of cash flows from (used in) investment activities			(424,468)		(103,004)
transport			1,012,326		(491,814)

3.3 CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD 01-04-2018 UNTIL 31-12-2018

	01-04-18 / 31-12-18		01-04-17 / 31-03-18	
	EUR	EUR	EUR	EUR
Carry forward	-	1,012,326	-	(491,814)
Total of cash flows from (used in) financing activities				
Dividend paid	(700,000)		-	
Increase (decrease) in payables to credit institutions	157,875		114,332	
Total of cash flows from (used in) financing activities		(542,125)		114,332
Total of increase (decrease) in cash and cash equivalents		470,201		(377,482)
Movement in cash and cash equivalents				
Cash and cash equivalents at the beginning		323,920		701,402
Increase (decrease) cash and cash equivalents		470,201		(377,482)
Cash and cash equivalents at the end		794,121		323,920

3.4 NOTES TO THE FINANCIAL STATEMENTS OF THE CONSOLIDATED ANNUAL REPORT

ENTITY INFORMATION

Registered address and registration number trade register

The actual address of VE Staal B.V. is Dotterbloemstraat 25, 3053 JV in Rotterdam, the registered place of business is Amsterdam. VE Staal B.V. is registered at the Chamber of Commerce under number 54609208.

GENERAL NOTES

The most important activities of the entity

The activities of VE Staal B.V. (erstwhile: Viraj Europe B.V.) and its group companies consist mainly of sell and/or trade in stainless steel products imported by it, within the Netherlands and/or all over the world, and to trade in ferrous and non-ferrous metals and metal products within the Netherlands and/or all over the world.

As a result of the acquisition of VE Staal B.V. by D&K Group B.V. in the financial year 2018, a shortened financial year 2018 (9 months) for VE Staal B.V. has arisen in the year 2018.
The acquisition of VE Staal B.V. has been included in D&K's financial statements in accordance with the pooling of interest method.

Disclosure of going concern

The principles used for the valuation and determination of results are based on the continuity assumption of VE Staal B.V. However, due to the worldwide outbreak of the coronavirus, drastic measures have been taken by the Dutch government to control the spread of this virus. These measures and possible measures to follow are expected to have important financial consequences for companies in the Netherlands. These consequences are currently incalculable. The measures taken by the Dutch government may have an impact on the development of the revenues and thus the development of the result of VE Staal B.V. Also the financial position (liquidity and solvency) of VE Staal B.V. may come under pressure, leading to possible uncertainty about the going concern assumption. The Dutch government has announced a wide range of measures to support companies.
Based on the financial position of VE Staal B.V. as of the balance sheet date and the positive effect of the government support measures that will limit the negative financial consequences of the coronavirus outbreak, the Board of VE Staal B.V. sustainable continuation of business is not impossible. The annual accounts are therefore prepared on the assumption of continuity of the company.

Disclosure of group structure

VE Staal B.V. is part of a group. The head of this group is D&K Group B.V. in Amsterdam (former: Viraj Profiles Ltd.). As per December 14, 2018 Viraj Profiles Ltd. transferred her shares in VE Staal B.V. to D&K Group B.V.

Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the directors of VE Staal B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Disclosure of consolidation

The consolidation includes the financial information of VE Staal B.V., its group companies and other entities in which it exercises control or whose central management it conducts. Group companies are entities in which VE Staal B.V. exercises direct or indirect control based on a shareholding of more than one half of the voting rights, or of which it has the authority to govern otherwise their financial and operating policies.
Potential voting rights that can be exercised directly from the balance sheet date are also taken into account.

Group companies and other entities in which VE Staal B.V. exercises control or whose central management it conducts are consolidated in full. Participating interests in group equity and group result are disclosed separately. Participating interests over which no control can be exercised (associates) are not included in the consolidation.

Intercompany transactions, profits and balances among group companies and other consolidated entities are eliminated, unless these results are realised through transactions with third parties. Unrealised losses on intercompany transactions are also eliminated, unless such a loss qualifies as an impairment. The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies.

Specification of related party transactions of importance and not taken under market conditions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the company are considered to be a related party. In addition, statutory directors, other key management of VE Staal B.V. or the ultimate parent corporation and close relatives are regarded as related parties.

Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

GENERAL ACCOUNTING PRINCIPLES

The accounting standards used to prepare the financial statements

The consolidated financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Foreign currency translation for the balance sheet

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the consolidated profit and loss account.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

Operating leases

The corporation has lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the corporation. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the consolidated profit and loss account for the duration of the contract.

Financial instruments

Securities included in financial and current assets are stated at fair value, if these are related to securities held for trading or if they relate to equity instruments not held for trading, as well as derivatives of which the underlying object is listed on a stock exchange. All other on-balance financial instruments are carried at (amortised) cost.

ACCOUNTING PRINCIPLES

Property, plant and equipment

Tangible fixed assets are valued at acquisition costs or production costs plus additional costs less straight-line depreciation based on the expected life, unless stated otherwise. Impairments expected on the balance sheet date are taken into account.

Financial assets

Participations, over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of a participation based on the net asset value is negative, it will be stated at nil. If and insofar as VE Staal B.V. can be held fully or partially liable for the debts of the participation, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

Newly acquired participations are initially recognised on the basis of the fair value of their identifiable assets and liabilities at the acquisition date. For subsequent valuations, the principles that apply for these financial statements are used, with the values upon their initial recognition as the basis.

The amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the net result achieved by the participation is recognised in the consolidated profit and loss account.

Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

In the event of an impairment loss, valuation takes place at the recoverable amount; an impairment is recognised and charged to the consolidated profit and loss account.

Receivables recognised under financial fixed assets are initially valued at the fair value less transaction costs. These receivables are subsequently valued at amortised cost price, which is, in general, equal to the nominal value. For determining the value, any depreciation is taken into account.

Deferred tax assets are recognised for all deductible temporary differences between the value of the assets and liabilities under tax regulations on the one hand and the accounting policies used in these financial statements on the other, on the understanding that deferred tax assets are only recognised insofar as it is probable that future taxable profits will be available to offset the temporary differences and available tax losses.

The calculation of the deferred tax assets is based on the tax rates prevailing at the end of the reporting year or the rates applicable in future years, to the extent that they have already been enacted by law.

Deferred tax assets are valued at their nominal value.

Impairment of non-current assets

On each balance sheet date, VE Staal B.V. assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the recoverable amount of the asset is determined. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. An impairment occurs when the carrying amount of an asset is higher than the recoverable amount; the recoverable amount is the higher of the realisable value and the value in use.
An impairment loss is directly recognised in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset / cash-generating unit; these cash flows are discounted.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported. An impairment of goodwill is not reversed.

Inventories

Inventories (stocks) are valued at cost price based on the FIFO method or lower realisable value.

The cost price consists of the historical cost and costs incurred in order to bring the stocks to their current location and current condition.

The realisable value is the estimated sales price less directly attributable sales costs. In determining the realisable value the obsolescence of the inventories is taken into account.

Receivables

Receivables are initially valued at the fair value of the consideration to be received. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenue recognition

Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover.

Revenues ensuing from the sale of goods are accounted for when all major entitlements to economic benefits as well as all major risks have transferred to the buyer. The cost price of these goods is allocated to the same period.

Revenues from services are recognized in proportion to the services rendered. The cost price of these services is allocated to the same period.

Depreciation of property, plant and equipment

Tangible fixed assets are depreciated from the date of initial use over the expected future economic life of the asset, while taking into account any applicable restrictions with respect to buildings, investment property, other tangible fixed assets. Land is not depreciated.

Future depreciation is adjusted if there is a change in estimated future useful life.

Gains and losses from the occasional sale of property, plant or equipment are included in depreciation.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Income tax expense

Tax on the result is calculated based on the result before tax in the consolidated profit and loss account, taking account of profit components and after the addition of non-deductible costs.

Cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. The purchase consideration paid for the acquired group corporation has been recognised as cash used in investing activities where it was settled in cash. Any cash at banks and in hand in the acquired group corporation have been deducted from the purchase consideration. Transactions not resulting in inflow or outflow of cash, are not recognised in the cash flow statement.

3.5 NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2018

ASSETS

FIXED ASSETS

1 Property, plant and equipment

	Land and buildings	Other fixed assets	Property, plant and equipment in progress and prepayments of property, plant and equipment	Total
	EUR	EUR	EUR	EUR
Balance as at 1 April 2018				
Cost or manufacturing price	321,181	127,153	2,889	451,223
Accumulated depreciation	-	(124,785)	-	(124,785)
Accumulated exchange differrences	(42,766)	1,643	-	(41,123)
Book value as at 1 April 2018	278,415	4,011	2,889	285,315
Movements				
Additions	-	4,558	-	4,558
Depreciation	-	(4,653)	-	(4,653)
Disposals	-	(528)	(2,889)	(3,417)
Depreciation on disposals	-	1,868	-	1,868
Exchange differrences	21,608	167	-	21,775
Balance movements	21,608	1,412	(2,889)	20,131
Balance as at 31 December 2018				
Cost or manufacturing price	321,181	131,183	-	452,364
Accumulated depreciation	-	(127,570)	-	(127,570)
Accumulated exchange differrences	(21,158)	1,810	-	(19,348)
Book value as at 31 December 2018	300,023	5,423	-	305,446
Depreciation percentages	20%	20%		

Financial assets

	31-12-2018 EUR	31-03-2018 EUR
2 Other receivable		
Inox Service Center GmbH	50,000	100,000

	2018 EUR	2018 EUR
Inox Service Center GmbH		
Balance as at 1 April		
Principal value	100,000	-
Book value as at 1 April	100,000	-
Movements		
Additions in financial year	-	100,000
Amortization in financial year	(50,000)	-
Balance movements	(50,000)	100,000
Balance as at 31 December		
Principal value	50,000	100,000
Book value as at 31 December	50,000	100,000

The loan has a duration of two years and is interest free. The loan is not secured.

CURRENT ASSETS

Inventories and work in progress

	31-12-2018 EUR	31-03-2018 EUR
3 Inventories		
Finished goods for resale	22,885	30,909
Goods in transit	15,189,504	14,686,995
	15,212,389	14,717,904

Receivables

	31-12-2018	31-03-2018
	EUR	EUR
4 Trade receivables		
Trade receivables	23,238,629	14,169,029
Provision for doubtful debts	-	(46,230)
	23,238,629	14,122,799

The fair value of the trade receivables approximates the carrying amount, given the current character of the receivables and the fact that provisions for bad debt are recognised, where necessary. In the receivables there are no amounts included with a payment term longer than one year.

Trade receivables is net of ING liability amounting EUR 37,916,953 (2017/2018: EUR 30,178,500) against factored debtors.

	31-12-2018	31-03-2018
	EUR	EUR
5 Taxes and social security charges		
Value added tax	86,890	106,934
Other taxes	53,425	-
	140,315	106,934
6 Other current accounts		
Gold Matrix Resources PTE Ltd.	-	132,142
7 Other receivables, prepayments and accrued income		
Guarantee deposit	13,738	10,026
Other interest receivable	107,568	-
Other amounts receivable	79,097	19,835
Insurance premium	29,552	-
Prepaid expenses	8,130	61,390
Customs claim receivable	4,865	2,121,738
Prepayments Employees	2,159	860
	245,109	2,213,849

8 Cash and cash equivalents

Guarantees

The Cash and cash equivalents are not freely available for an amount of EUR 215,000 (2017/2018: EUR 215,000). This concerns a guarantee in favour of the Dutch collector of taxes.

LIABILITIES

9 GROUP EQUITY
The shareholders' equity is explained in the notes to the non-consolidated balance sheet.

PROVISIONS

CURRENT LIABILITIES, ACCRUALS AND DEFERRED INCOME

	31-12-2018	31-03-2018
	EUR	EUR
10 Payables relating to taxes and social security contributions		
Company income tax	348,313	136,694
Social security charges	10,262	4,151
	358,575	140,845
11 Other liabilities and accrued expenses		
Invoiced in advance	16,133,740	16,136,195
Other current accounts	426	-
Net wages	11,788	-
Tantiemes	42,167	-
Audit and consultancy costs	12,600	-
Customs disbursement charges	2,175,046	1,964,896
Current account shareholders	-	508,200
Audit fee	46,115	17,545
Other liabilities	724,124	5,793
Other	41,615	150,575
	19,187,621	18,783,204

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to their short-term character.

	31-12-2018	31-03-2018
	EUR	EUR
Current account shareholders		
Current account D&K Group B.V.	-	508,200

CONTINGENT ASSETS AND LIABILITIES

Off-balance sheet commitments relating to guarantees

VE Staal B.V. has a debtor financing with ING Bank. VE Staal B.V. has entered into a financing agreement with ING Bank. The securities that apply are as follows:
1) pledge/transfer of all Receivables;
2) deed of pledge of entitlements pursuant to a credit insurance;
3) deed of pledge of entitlements pursuant to a transport insurance;
4) surplus value and reciprocal security arrangement;
5) deed of possessory on stock;
6) (master) deed of pledge to orders on hand;
7) no Corporate Guarantee currently. ING Bank needs D&K Group B.V. Guarantee but documents are under preparation at ING Bank, so currently no guarantee is in place.

Disclosure of operating leases

VE Staal B.V. has an annual rent obligation of approximately EUR 10,000.

VE Staal B.V. has liabilities arising from operational lease commitments which amounts to approximately EUR 8,150 on a yearly basis.

SUBSEQUENT EVENTS

In the year 2020, the company will continue to emphasize on growing sales. However, due to the recent coronavirus outbreak it is difficult to continue the streak of turnover growth. It is difficult to estimate at this early stage of the lockdown of various countries and its markets how much VE Staal B.V. will lose but we can expect a decrease between 10-20% on annual turnover. It may have an adverse impact on buying and selling prices and bring a lot of pressure on margin.
The Group has considerable financial resources together with established business relationships with many customers and suppliers. Outbreak of the coronavirus may have impact on future turnover.

Proposal appropriation of result

The management of the company proposes to appropriate the result as follows:

The appropriation of profit for the period 1 April 2018 until 31 December 2018 in the amount of EUR 1,137,956 will be added to in full to the other reserves. This proposal needs to be determined by the General Meeting.

3.6
NOTES TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD 01-04-2018 UNTIL 31-12-2018

	01-04-18 / 31-12-18 EUR	01-04-17 / 31-03-18 EUR
GEOGRAPHIC SEGMENTATION TURNOVER		
Europe	145,315,785	203,121,973
Non-Europe	91,465,528	54,630,999
	236,781,313	257,752,972

Remuneration of directors

There is no remuneration regarding the directors.

Average number of employees

01-04-18 / 31-12-18

	Active within the Netherlands	Active outside the Netherlands	Total
Average number of employees	4.00	7.00	11.00

01-04-17 / 31-03-18

	Active within the Netherlands	Active outside the Netherlands	Total
Average number of employees	4.00	7.00	11.00

	01-04-18 / 31-12-18 EUR	01-04-17 / 31-03-18 EUR
12 DEPRECIATION OF INTANGIBLE FIXED ASSETS		
Amortisation costs of goodwill acquired from third party	471,459	-
Depreciation costs other intangible fixed assets	789	-
	472,248	-
Book profit other intangible fixed assets	4,347	-
	476,595	-
13 DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT		
Other fixed assets	4,653	24,046
Book profit other fixed assets	(5,739)	-
	(1,086)	24,046

	01-04-18 / 31-12-18	01-04-17 / 31-03-18
	EUR	EUR
14 OTHER OPERATING EXPENSES		
Other expenses of employee benefits	15,820	19,695
Housing expenses	35,485	21,201
Operating and machine expenses	104,986	-
Selling expenses	629,434	186,805
Car expenses	30,325	12,014
Office expenses	59,242	62,761
General expenses	1,109,282	1,028,080
	1,984,574	1,330,556

Specification audit fees

Description audit fee type	Amount external auditor and audit firm	Amount network organization	Total amount
	EUR	EUR	EUR
Audit costs	41,885	-	41,885
Total audit fees	41,885	-	41,885

FINANCIAL INCOME AND EXPENSE

	01-04-18 / 31-12-18	01-04-17 / 31-03-18
	EUR	EUR
15 OTHER INTEREST AND SIMILAR INCOME		
Other interest received	1,545	305,236
16 INTEREST AND SIMILAR EXPENSES		
Interest tax authorities	115	-
Foreign currency results	142,774	1,263,949
Paid bank interest	763,173	773,848
	906,062	2,037,797

	01-04-18 / 31-12-18	01-04-17 / 31-03-18
	EUR	EUR
17 INCOME TAX EXPENSE		
Income tax expense from current financial year	(345,983)	(254,247)
Other taxes	(63,748)	-
	(409,731)	(254,247)
	%	%
Effective tax rate	(19.87)	(23.53)
Applicable tax rate	(25.00)	(25.00)

4. COMPANY FINANCIAL STATEMENTS

4.1 COMPANY-ONLY BALANCE SHEET AS AT 31 DECEMBER 2018

(Before distribution of result)

ASSETS

			31-12-2018		31-03-2018
		EUR	EUR	EUR	EUR
Fixed assets					
Property, plant and equipment	*18*		5,029		4,214
Financial assets					
Shares, certificates of shares and other types of participating interests in group companies	*19*	1,145,278		455,119	
Receivables from group companies	*20*	971,379		693,271	
Other receivable		50,000		100,000	
			2,166,657		1,248,390
Current assets					
Inventories and work in progress			15,189,504		14,686,995
Receivables					
Trade receivables		19,858,012		13,064,466	
Taxes and social security charges	*21*	84,363		94,462	
Other receivables, prepayments and accrued income		35,825		2,143,446	
			19,978,200		15,302,374
			37,339,390		31,241,973

LIABILITIES

			31-12-2018		31-03-2018
		EUR	EUR	EUR	EUR
Equity	*22*				
Share capital paid called up		90,000		90,000	
Other legal reserves	*23*	(70,797)		(104,606)	
Other reserves		1,328,549		1,202,191	
Result for the year		1,137,956		826,358	
			2,485,708		2,013,943
Provisions					
Provision participations			123,695		-
Current liabilities, accruals and deferred income					
Payables to banks		281,093		115,745	
Trade payables		15,765,276		10,333,022	
Liabilities to group companies	*24*	166,630		126,010	
Payables relating to taxes and social security contributions		202,073		92,285	
Other payables		-		508,200	
Accruals and deferred income	*25*	18,314,915		18,052,768	
			34,729,987		29,228,030
			37,339,390		31,241,973

4.2 COMPANY-ONLY PROFIT AND LOSS ACCOUNT FOR THE PERIOD 01-04-2018 UNTIL 31-12-2018

		01-04-18 / 31-12-18		01-04-17 / 31-03-18	
		EUR	EUR	EUR	EUR
Net Turnover		210,586,731		246,848,653	
Cost of sales		(207,867,456)		(243,099,093)	
Gross margin			2,719,275		3,749,560
Wages and salaries		119,966		166,023	
Social security charges		13,185		16,431	
Depreciation of intangible fixed assets		471,459		-	
Depreciation of property, plant and equipment		854		525	
Other operating expenses		911,693		1,115,738	
Total of sum of expenses			1,517,157		1,298,717
Total of operating result			1,202,118		2,450,843
Other interest and similar income		-		305,236	
Interest and similar expenses		(746,540)		(1,985,050)	
Financial income and expense			(746,540)		(1,679,814)
Total of result before tax			455,578		771,029
Income tax expense			(221,631)		(182,757)
			233,947		588,272
Share in result of participations	*26*		904,009		238,086
Total of result after tax			1,137,956		826,358

4.3 NOTES TO THE FINANCIAL STATEMENTS OF THE COMPANY-ONLY ANNUAL REPORT

GENERAL NOTES

GENERAL ACCOUNTING PRINCIPLES

The accounting standards used to prepare the financial statements

The company-only financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

The accounting policies for the company financial statements and the consolidated financial statements are the same. For the accounting policies for the company balance sheet and income statement, reference is made to the notes to the consolidated balance sheet and income statement.

ACCOUNTING PRINCIPLES

Intangible assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset is higher than its realisable value.

Costs of goodwill acquired from third party

Goodwill resulting from acquisitions is capitalised and amortised on a straight-line basis over the estimated economic life.

Negative goodwill is released in the company-only profit and loss account to the extent that charges and losses occur, if it is taken into account in the allocation of the acquisition and these charges and losses can be measured reliably. If expected charges and losses have not been taken into account, the negative goodwill is released based on the weighted average of the remaining life of the acquired amortisable assets. Insofar as the negative goodwill exceeds the fair value of the non-monetary assets identified, the surplus is recognised directly in the company-only profit and loss account.

Financial assets

Participations, over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of a participation based on the net asset value is negative, it will be stated at nil. If and insofar as VE Staal B.V. can be held fully or partially liable for the debts of the participation, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

Receivables recognised under financial fixed assets are initially valued at the fair value less transaction costs. These receivables are subsequently valued at amortised cost price, which is, in general, equal to the nominal value. For determining the value, any depreciation is taken into account.

4.4 NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2018

ASSETS

FIXED ASSETS

Intangible assets

	Costs of goodwill acquired from third party
	EUR
Book value as at 1 April 2018	-
Movements	
Additions	471,459
Amortisations	(471,459)
Balance movements	-
Balance as at 31 December 2018	
Cost or manufacturing price	471,459
Accumulated amortization	(471,459)
Book value as at 31 December 2018	-

18 Property, plant and equipment

	Other fixed assets	Property, plant and equipment in progress and prepayments of property, plant and equipment	Total
	EUR	EUR	EUR
Balance as at 1 April 2018			
Cost or manufacturing price	6,586	2,889	9,475
Accumulated depreciation	(5,261)	-	(5,261)
Book value as at 1 April 2018	1,325	2,889	4,214
Movements			
Additions	4,558	-	4,558
Depreciation	(854)	-	(854)
Disposals	-	(2,889)	(2,889)
Balance movements	3,704	(2,889)	815
Balance as at 31 December 2018			
Cost or manufacturing price	11,144	-	11,144
Accumulated depreciation	(6,115)	-	(6,115)
Book value as at 31 December 2018	5,029	-	5,029
Depreciation percentages	20%		

Financial assets

Register of participations

	Share in issued capital in %
Vaishno Megamovers Europe B.V., Amsterdam	100.00
Beacon Holdings Asset Ltd., Dubai, United Arab Emirates	100.00
Viraj Stainless Japan Ltd., Japan	100.00
DuO Fasteners GmbH, Wuppertal, Germany	100.00

The consolidated company in Beacon Holding Asset Ltd is MO Nickel International DMCC, Dubai, United Arab Emirates (100%).

	31-12-2018	31-03-2018
	EUR	EUR
19 Shares, certificates of shares and other types of participating interests in group companies		
Vaishno Megamovers Europe B.V.	671,859	430,797
Beacon Holdings Asset Ltd.	473,419	24,322
	1,145,278	455,119

	2018	2018
	EUR	EUR
Vaishno Megamovers Europe B.V.		
Book value as at 1 April	430,797	170,276
Profit/(Loss)	241,062	260,521
Book value as at 31 December	671,859	430,797

	2018	2018
	EUR	EUR
Beacon Holdings Asset Ltd.		
Book value as at 1 April	24,322	51,254
Profit/(Loss)	415,288	32,322
Translation difference	33,809	(59,254)
Book value as at 31 December	473,419	24,322

	2018	2018
	EUR	EUR
Viraj Stainless Japan Ltd.		
Book value as at 1 April	-	-
Profit/(Loss)	(28,951)	(54,758)
Settlement with current account	32,169	72,670
Translation difference	(3,218)	(17,912)
Book value as at 31 December	-	-

	2018	2018
	EUR	EUR
DuO Fasteners GmbH		
Book value as at 1 April	-	-
Investments	29,152	-
Profit/(Loss)	318,612	-
Addition to provision	(347,764)	-
Book value as at 31 December	-	-

	31-12-2018	31-03-2018
	EUR	EUR
20 Receivables from group companies		
Receivable from Beacon Holdings Asset Ltd.	942,138	593,077
Receivable from Viraj Stainless Japan Ltd.	29,241	100,194
	971,379	693,271

Receivable from Viraj Stainless Japan Ltd.

The annual accounts of Viraj Japan Stainless Ltd. have been prepared in accordance with the accounting principles on the ongoing assumption. The ongoing assumption is based on the intention of the shareholder of VE Staal B.V. to continue the operations of Viraj Japan Stainless Ltd.
VE Staal B.V. issued a letter of comfort to Viraj Japan Stainless Ltd. in which VE Staal B.V. confirmed that they will provide financial support when this is required.

Receivables

	31-12-2018	31-03-2018
	EUR	EUR
21 Taxes and social security charges		
Value added tax	84,363	94,462

LIABILITIES

22 Equity

Movements in equity were as follows:

	Share capital paid called up	Other legal reserves	Other reserves	Result for the year	Total
	EUR	EUR	EUR	EUR	EUR
Balance as at 1 April 2018	90,000	(104,606)	1,202,191	826,358	2,013,943
Result for the year	-	-	-	1,137,956	1,137,956
Appropriation of result	-	-	826,358	(826,358)	-
Addition in financial year	-	33,809	-	-	33,809
Dividend payment	-	-	(700,000)	-	(700,000)
Balance as at 31 December 2018	90,000	(70,797)	1,328,549	1,137,956	2,485,708

	2018	2018
	EUR	EUR
23 Currency translation reserve		
Balance as at 1 April	(104,606)	(27,440)
Addition in financial year	33,809	(77,166)
Balance as at 31 December	(70,797)	(104,606)

CURRENT LIABILITIES, ACCRUALS AND DEFERRED INCOME

	31-12-2018	31-03-2018
	EUR	EUR
24 Liabilities to group companies		
Liabilities to group company	166,630	126,010

An interest rate of 0% (2017/2018: 0%) is applicable to the average intercompany balances. In respect of repayment and securities, no agreements have been made

	31-12-2018	31-03-2018
	EUR	EUR
25 Accruals and deferred income		
Audit fee	30,009	30,001
Customs disbursement charges	2,151,166	1,886,572
Invoiced in advance	16,133,740	16,136,195
	18,314,915	18,052,768

Proposal appropriation of result

The management of the company proposes to appropriate the result as follows:

The appropriation of profit for the period 1 April 2018 until 31 December 2018 in the amount of EUR 1,137,956 will be added to in full to the other reserves. This proposal needs to be determined by the General Meeting.

4.5
NOTES TO THE COMPANY-ONLY PROFIT AND LOSS ACCOUNT FOR THE PERIOD 01-04-2018 UNTIL 31-12-2018

Average number of employees

01-04-18 / 31-12-18

	Active within the Netherlands	Active outside the Netherlands	Total
Average number of employees	2.00	-	2.00

01-04-17 / 31-03-18

	Active within the Netherlands	Active outside the Netherlands	Total
Average number of employees	2.00	-	2.00

SPECIFICATION AUDIT FEES

Description audit fee type	Amount external auditor and audit firm	Amount network organization	Total amount
	EUR	EUR	EUR
Audit costs	31,790	-	31,790
Total audit fees	31,790	-	31,790

	01-04-18 / 31-12-18	01-04-17 / 31-03-18
	EUR	EUR
26 SHARE IN RESULT OF PARTICIPATIONS		
Result of Beacon Holdings Asset Ltd.	415,288	32,322
Result of Vaishno Megamovers Europe B.V.	241,062	260,521
Result of Viraj Stainless Japan Ltd.	(70,953)	(54,757)
Result of DuO Fasteners GmbH	318,612	-
	904,009	238,086

Rotterdam, 26 March 2020

M.K. Verma
Represented by:
D&K Group B.V.

5. OTHER INFORMATION

5.1 Provisions of the Articles of Association relating to profit appropriation

In the company statutory regulations the following has been presented concerning the appropriation of result:
23.1 The profits shall be at the disposal of the general meeting.
23.2 The company can only make distributions to the extent its equity exceeds the paid and called up part of the capital increased with the reserves which must be maintained pursuant to the law.
23.3 Dividends shall be paid after the adoption of the annual accounts evidencing that the payment of dividends is lawful.
23.4 The general meeting may, with due observance of the provisions of paragraph 2, resolve to pay interim dividends.
23.5 The general meeting may, with due observance of the provisions of paragraph 2, resolve to make distributions out of a reserve which need not be kept by law.
23.6 The general meeting may, with due observance of the provisions of paragraph 2, resolve to pay, wholly or partly, dividends other than in cash.
23.7 For the calculation of the amount to be distributed on the shares, the shares held by the company in its own capital shall not be taken into account.
23.8 A claim of a shareholder to receive a distribution expires after five years.

5.2 INDEPENDENT AUDITOR'S REPORT

To: The shareholders of VE Staal B.V.

A. Report on the audit of the financial statements 1 April 2018 until 31 December 2018

Our opinion
We have audited the financial statements 1 April 2018 until 31 December 2018 of VE Staal B.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of VE Staal B.V. as at 1 April 2018 until 31 December 2018, and of its result for 1 April 2018 until 31 December 2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at 1 April 2018 until 31 December 2018;
2. the consolidated and company profit and loss account for 1 April 2018 until 31 December 2018; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of VE Staal B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Materiality
We draw attention to the going concern paragraph in the notes on page 19 of the financial statements which indicates that management has explained the impact of the Coronavirus on VE Staal B.V. The explanatory notes also show that major uncertainties remain due to the Coronavirus. We have assessed the explanation of the situation and the associated uncertainties and we believe that this is an adequate explanation given the situation.
Based on the procedures performed by us and the audit evidence obtained, we believe that, taking into account the uncertainties that exist at the time of issuing this auditor's report, the company properly explains the situation in its financial statements and correctly reports its financial statements. based on continuity in line with the reporting system. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The management board's report;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

C. Description of responsibilities regarding the financial statements

Responsibilities of the board for the financial statements
The board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board is responsible for such internal control as the board determines is necessary to enable the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

As part of the preparation of the financial statements, the board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial statements using the going concern basis of accounting unless the board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatements of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtaining an understanding of 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;

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board;

- Concluding on the appropriateness of the board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 financial statements 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 a company to cease to continue as a going concern;

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and

- Evaluating whether the financial statements represents the underlying transactions and events free from material misstatements.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items

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 findings in internal control that we identify during our audit.

Amsterdam, 26 March 2020

Londen & Van Holland
Registeraccountants en Belastingadviseurs

drs. K.J. Schouten RA