



Sejlklubben Syvstjernen
Auditor's Long-form Report
relating to Annual Report 2017

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Auditor's Long-form Report relating to Annual Report 2017

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Introduction

1 We have completed our audit of the Draft Financial Statements ("the Financial Statements") for the financial year 1 January – 31 December 2017. The Financial Statements show a profit of DKK 165,898 and equity of DKK 987,768.

2 We refer to our description of the responsibility for the presentation of the Annual Report etc and of the performance and scope of the audit provided in our Long-form report dated 3 May 2012, pages 73 - 78, paragraphs 2 - 33. Our audit did not include The Board's report, but we have read The Board's report in accordance with the Danish Financial Statements Act. Except for this, our audit was performed in accordance with the principles described in our Long-form report referred to above.

Conclusion on the Audit Performed

3 The audit performed did not give rise to any comments of such materiality or nature that they are to be included in our auditor's report on the Financial Statements.

4 Provided that the Annual Report is approved in its present form and that no additional, significant information is brought forward during the Board of Directors' consideration and adoption of the Annual Report, we will provide the Financial Statements with an unqualified auditor's report without emphasis of matter.

Non-segregation of duties

5 We have been informed that, due to the limited size of the organisation, it is not practically possible to fully implement segregation of duties in the Yacht Club's accounting function. The non-segregation of duties increases the risk of misstatement, including misstatement due to fraud, and that any such misstatement remains undetected.

6 We have obtained a confirmation from Danske Bank and noted that Mette Nørgaard and Sandra Unger have sole approval rights to the bank accounts. We recommend that the Board of Directors implement dual approval rights and thus a four-eye principle.

7 With the current setup, the Board must be especially aware of this risk, which is of importance in respect of the handling of cash, including mail opening, the completeness of the registration of payments received and the validity of payments made.

8 We recommend that, to the widest extent possible, the Board implement compensating controls to prevent/uncover the above possibilities of misstatement by e.g. making regular reviews of accounting records, bank transcripts and reconciliation as well as regular participation in the mail opening.

Observations and Supplementary Remarks

Risk of material misstatement due to fraud

9 According to the auditing standards the auditor is obliged to make inquiries to the Yacht Club's Board into the way in which it supervises the activities and procedures implemented by the Board to identify and respond to the risk of material fraud in the Yacht Club and about internal control, if any, implemented by the Board to prevent such risks.

10 We are moreover to make inquiries to the Board as to whether it has knowledge of any actual fraud affecting the Yacht Club or of any suspected or alleged fraud. We take the liberty of interpret the Board's signature on this Auditor's Long-form Report as an expression of this not being the case.

11 Cashier has informed us that she has no knowledge of fraud or of any suspicion or allegation of fraud, which may materially affect the Yacht Club. During our audit we did not note any matters indicating the existence of either unintentional errors or fraud.

Comments on the Audit Performed

12 We draw your attention to the following material items and significant matters in relation to the audit of the Financial Statements.

13 Boats received as a grant or acquired for contribution with tied-up application are recognised at DKK 0 for accounting purposes. The insurance value of all boats exceeds the cost by DKK 1,693,937.

14 The insurance cover is not comprised by our audit. We have been informed by the Cashier that insurance has been taken out to such an extent, that the Yacht Club's assets are considered adequately covered in any insurance loss situation.

Representations Obtained

15 We have obtained a letter of representation signed by the Chairman of the Board and the Cashier. Furthermore, we have obtained accounts statements from banks.

16 The material received did not disclose any matters not duly represented in the Financial Statements.

Minute Books, Statutory records etc.

17 We have ensured that rules of procedure have been established for the Board of Directors, that a minute book of meetings of the Board of Directors is kept, and that this minute book, along with the Auditor's Long-form Report Book, is presented and signed at meetings of the Board of Directors. We have read the minutes of General Meetings held on 27 April 2017.

18 In accordance with the requirements of the Danish Executive Order on Approved Auditors' Reports, we have ensured that the statutory provisions on bookkeeping and the keeping of accounting records have been observed.

Declaration

19 According to the Danish Act on Approved Auditors and Audit Firms, we declare:

that we comply with the auditor independence requirements contained in the law;

that we have received all the information requested by us.

Copenhagen, 26 April 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Kristian Pedersen

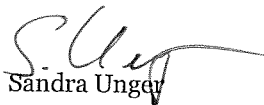
State Authorised Public Accountant

Pages 101-104 were presented at the meeting of the Board of Directors on 26 April 2018.

Board of Directors



Mikael Povlsen



Sandra Unger



Poul Lyngé Andersen



Hristo Petkov



Peter Hillock



Henrik Ekman

Ugne Fink-Jensen

