



## Val Controls A/S

Sallingsundvej 5  
6715 Esbjerg N  
CVR No. 11774393

## Annual report 2022

The Annual General Meeting adopted the  
annual report on 16.06.2023

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**Jørgen Einer-Jensen Brammer**  
Chairman of the General Meeting

# Contents

Entity details	2
Statement by Management	3
Independent auditor's extended review report	4
Management commentary	6
Income statement for 2022	7
Balance sheet at 31.12.2022	8
Statement of changes in equity for 2022	10
Notes	11
Accounting policies	14

# Entity details

## Entity

Val Controls A/S  
Sallingsundvej 5  
6715 Esbjerg N

Business Registration No.: 11774393  
Registered office: Esbjerg  
Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Jørgen Einer-Jensen Brammer  
Peter Jensen Toft  
Carsten Pugflod Toft

## Executive Board

Tommy Amstrup Laursen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Dokken 8  
6700 Esbjerg

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Val Controls A/S for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Esbjerg, 16.06.2023

## Executive Board

**Tommy Amstrup Laursen**

## Board of Directors

**Jørgen Einer-Jensen Brammer**

**Peter Jensen Toft**

**Carsten Pugflod Toft**

# Independent auditor's extended review report

To the shareholders of Val Controls A/S

## Conclusion

We have performed an extended review of the financial statements of Val Controls A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

## Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the extended review of the financial statements**

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our conclusion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Esbjerg, 16.06.2023

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

### **Henrik Harbo Andersen**

State Authorised Public Accountant  
Identification No (MNE) mne19699

### **Jes Rotbøl Primdahl**

State Authorised Public Accountant  
Identification No (MNE) mne42811

# Management commentary

## Primary activities

As in prior years, the Company's primary activities consist in developing, designing, manufacturing, selling and repairing electronic control, monitoring and test equipment for valve, actuator and pump systems. The Company's major customers operate within the global oil and gas industries worldwide.

## Development in activities and finances

2022 has been the first year without any Covid-19 restrictions. Our main markets started up. Accordingly, this effected our orderbook at the entry of the year, henceforth our revenue at the end of the year. The end of 2022 emerged more positive compared to the start of the year. Reflecting based on the circumstances of year 2022 we find the performance acceptable.

The year's result is negatively affected by extraordinary write-downs on inventory and ongoing development costs, which a total T.DKK 1,179. The rising raw material prices at our suppliers added a negative impact on the result for the year.

## Outlook

The forecast for 2023 appears promising, with a clear indication of numerous projects to be realized in our primary markets. We anticipate substantial growth in both product demand and market expansion, accompanied by improved commercial conditions. As a result, we anticipate an expanding order book and enhanced earnings with a growth of 30%. Therefore, our expectations for 2023 entail significant revenue growth and improved financial outcomes.

## Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

# Income statement for 2022

	Notes	2022 DKK	2021 DKK
<b>Gross profit/loss</b>		<b>5,194,714</b>	<b>6,045,609</b>
Staff costs	1	(5,751,791)	(5,269,029)
Depreciation, amortisation and impairment losses	2	(1,453,115)	(793,067)
<b>Operating profit/loss</b>		<b>(2,010,192)</b>	<b>(16,487)</b>
Other financial income		4,474	6
Other financial expenses	3	(199,218)	(55,411)
<b>Profit/loss before tax</b>		<b>(2,204,936)</b>	<b>(71,892)</b>
Tax on profit/loss for the year	4	485,000	15,263
<b>Profit/loss for the year</b>		<b>(1,719,936)</b>	<b>(56,629)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(1,719,936)	(56,629)
<b>Proposed distribution of profit and loss</b>		<b>(1,719,936)</b>	<b>(56,629)</b>



# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK	2021 DKK
Completed development projects	6	0	0
Development projects in progress	6	2,274,151	2,587,635
<b>Intangible assets</b>	5	<b>2,274,151</b>	<b>2,587,635</b>
Other fixtures and fittings, tools and equipment		950,687	333,929
Leasehold improvements		36,695	55,841
<b>Property, plant and equipment</b>	7	<b>987,382</b>	<b>389,770</b>
<b>Fixed assets</b>		<b>3,261,533</b>	<b>2,977,405</b>
Raw materials and consumables		4,645,617	4,362,917
Prepayments for goods		618,466	300,507
<b>Inventories</b>		<b>5,264,083</b>	<b>4,663,424</b>
Trade receivables		1,939,738	953,304
Deferred tax		113,000	0
Other receivables		75,152	115,398
Joint taxation contribution receivable		0	304,000
Prepayments		145,406	268,768
<b>Receivables</b>		<b>2,273,296</b>	<b>1,641,470</b>
<b>Cash</b>		<b>384,936</b>	<b>144,092</b>
<b>Current assets</b>		<b>7,922,315</b>	<b>6,448,986</b>
<b>Assets</b>		<b>11,183,848</b>	<b>9,426,391</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK</b>	<b>2021 DKK</b>
Contributed capital		500,000	500,000
Reserve for development expenditure		1,773,838	2,018,355
Retained earnings		1,395,826	2,871,245
<b>Equity</b>		<b>3,669,664</b>	<b>5,389,600</b>
Deferred tax		0	372,000
<b>Provisions</b>		<b>0</b>	<b>372,000</b>
Other payables		494,463	484,292
<b>Non-current liabilities other than provisions</b>	<b>8</b>	<b>494,463</b>	<b>484,292</b>
Bank loans		32,141	35,824
Prepayments received from customers		240,060	107,129
Trade payables		800,927	1,010,593
Payables to group enterprises		5,646,778	1,463,558
Other payables		299,815	563,395
<b>Current liabilities other than provisions</b>		<b>7,019,721</b>	<b>3,180,499</b>
<b>Liabilities other than provisions</b>		<b>7,514,184</b>	<b>3,664,791</b>
<b>Equity and liabilities</b>		<b>11,183,848</b>	<b>9,426,391</b>
Contingent liabilities	9		
Assets charged and collateral	10		

# Statement of changes in equity for 2022

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	2,018,355	2,871,245	5,389,600
Transfer to reserves	0	(244,517)	244,517	0
Profit/loss for the year	0	0	(1,719,936)	(1,719,936)
<b>Equity end of year</b>	<b>500,000</b>	<b>1,773,838</b>	<b>1,395,826</b>	<b>3,669,664</b>

# Notes

## 1 Staff costs

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	5,097,967	4,614,766
Pension costs	584,056	593,810
Other social security costs	69,768	60,453
	<b>5,751,791</b>	<b>5,269,029</b>
Average number of full-time employees	8	8

## 2 Depreciation, amortisation and impairment losses

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Amortisation of intangible assets	0	363,207
Impairment losses on intangible assets	1,300,727	287,055
Depreciation of property, plant and equipment	152,388	142,805
	<b>1,453,115</b>	<b>793,067</b>

## 3 Other financial expenses

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Financial expenses from group enterprises	16,582	16,627
Other interest expenses	25,121	3,436
Exchange rate adjustments	157,515	35,348
	<b>199,218</b>	<b>55,411</b>

## 4 Tax on profit/loss for the year

	<b>2022</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>
Change in deferred tax	(485,000)	289,000
Adjustment concerning previous years	0	(263)
Refund in joint taxation arrangement	0	(304,000)
	<b>(485,000)</b>	<b>(15,263)</b>

## 5 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	2,112,747	2,587,635
Additions	138,069	849,174
Disposals	(138,069)	(204,546)
<b>Cost end of year</b>	<b>2,112,747</b>	<b>3,232,263</b>
Amortisation and impairment losses beginning of year	(2,112,747)	0
Impairment losses for the year	(138,069)	(1,162,658)
Reversal regarding disposals	138,069	204,546
<b>Amortisation and impairment losses end of year</b>	<b>(2,112,747)</b>	<b>(958,112)</b>
<b>Carrying amount end of year</b>	<b>0</b>	<b>2,274,151</b>

## 6 Development projects

Development projects in progress include development and testing of new prototypes and software to ensure that the company continues to produce products that can meet the strict requirements of the market and legislation.

### Completed development projects

Completed development projects comprise development of software, hardware and upgrading existing products, development of new equipment and products which support the company's main activities. The cost of development projects comprises costs such as salaries and directly development expenses and are valued in relation to business cases for the individual development projects and the potential of these development projects on existing and new customers.

## 7 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>
Cost beginning of year	1,837,949	95,728
Additions	750,000	0
Disposals	(700,497)	0
<b>Cost end of year</b>	<b>1,887,452</b>	<b>95,728</b>
Depreciation and impairment losses beginning of year	(1,504,020)	(39,887)
Depreciation for the year	(133,242)	(19,146)
Reversal regarding disposals	700,497	0
<b>Depreciation and impairment losses end of year</b>	<b>(936,765)</b>	<b>(59,033)</b>
<b>Carrying amount end of year</b>	<b>950,687</b>	<b>36,695</b>

## 8 Non-current liabilities other than provisions

	<b>Due after more than 12 months 2022 DKK</b>	<b>Outstanding after 5 years 2022 DKK</b>
Other payables	494,463	494,463
	<b>494,463</b>	<b>494,463</b>

## 9 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Toft Holding Esbjerg ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## 10 Assets charged and collateral

The company has guaranteed the group's debt to banks. The guarantee is maximized at DKK 5 million. The Group's total bank debt amounts to DKK 0.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## Non-comparability

In connection with the preparation of the annual report for 2022, it has been noted, that some amounts have been classified incorrectly. It concerns staff costs in the income statement and note, where refunds, employee benefits, other staff costs and staff costs classified as assets. Therefore, the comparative figures have been corrected, which has resulted in an increase of staff cost by 902.527 DKK, while gross profit/loss has been increased by a similar amount.

The above mentioned conditions have no effect on the result, balance sheet or equity for 2021.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, other operating income, cost of raw materials and consumables and external expenses.

### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

**Own work capitalised**

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

**Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

**Costs of raw materials and consumables**

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

**Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

**Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

**Other financial income**

Other financial income comprises dividends etc received on other investments, interest income, net capital or exchange gains on securities, payables and transactions in foreign currencies and tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on transactions in foreign currencies, and tax surcharge under the Danish Tax Prepayment Scheme etc.

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

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with Toft Holding Esbjerg ApS and all its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).



## Balance sheet

### Intellectual property rights etc.

Intellectual property rights etc comprise completed development projects and development projects in progress.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. The amortisation periods used are 5 years.

### Property, plant and equipment

Other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost of goods for resale, raw materials, consumables, consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Joint taxation contributions receivable or payable**

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in bank deposits.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.