



Allerup Teknik A/S

Stat-Ene-Vej 50, 5220 Odense SØ
CVR No. 12223900

Annual report 2019

The Annual General Meeting adopted the
annual report on 28.05.2020

Peter Møller Petersen
Conductor

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Entity details

Entity

Allerup Teknik A/S

Stat-Ene-Vej 50

5220 Odense SØ

CVR No.: 12223900

Registered office: Odense

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Stefan Weber, Chairman of the board

Jens-Uwe Paasch, Vice-Chairman of the board

Bernd Gründemann

Executive Board

Peter Møller Petersen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Tværkajen 5

P. O. Box 10

5100 Odense

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Allerup Teknik A/S for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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.

Odense, 02.03.2020

Executive Board

Peter Møller Petersen

Board of Directors

Stefan Weber
Chairman of the board

Jens-Uwe Paasch
Vice-Chairman of the board

Bernd Gründemann

Independent auditor's report

To the shareholders of Allerup Teknik A/S

Opinion

We have audited the financial statements of Allerup Teknik A/S for the financial year 01.01.2019 - 31.12.2019, 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.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements 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 audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement 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.
- Obtain 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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 deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion 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 audit 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 audit 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 the 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.

Odense, 02.03.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Heino Hyllested Tholsgaard

State Authorised Public Accountant
Identification No (MNE) mne34511

Management commentary

Primary activities

The purpose of the Entity is to trade with standard products as well as customer adjusted products within the business of continuous casted iron, forged and casted goods, industrial components and bronze. The Entity buys goods all around the world, and primarily sells it in Europe.

Development in activities and finances

The net loss of the year is DKK 3,844 k. Last year the net profit was DKK 263 k. The Management think that the net profit of the year is unsatisfactory.

Particular risks

The company's products include continuous casted iron, forged and casted goods, industrial components and bronze. The price for these materials is affected by the general supply and demand in the world market. The company's contribution margin is affected by the development of the price movement for these products.

Most of the company's products is purchased internationally and so the company's profit, cash flow and equity are affected by exchange rate movements for a number of currencies, primarily USD and EUR.

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 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		2,142,119	5,896,198
Staff costs	1	(6,140,509)	(5,350,695)
Depreciation, amortisation and impairment losses		(142,564)	(113,182)
Operating profit/loss		(4,140,954)	432,321
Other financial income		291,155	221,431
Other financial expenses	2	(367,017)	(305,868)
Profit/loss before tax		(4,216,816)	347,884
Tax on profit/loss for the year	3	373,067	(84,563)
Profit/loss for the year		(3,843,749)	263,321
Proposed distribution of profit and loss			
Retained earnings		(3,843,749)	263,321
Proposed distribution of profit and loss		(3,843,749)	263,321

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Acquired licences		789,625	765,950
Goodwill		0	0
Intangible assets	4	789,625	765,950
Other fixtures and fittings, tools and equipment		449,521	286,211
Leasehold improvements		0	0
Property, plant and equipment	5	449,521	286,211
Deposits		240,000	240,000
Other receivables		2,673,478	3,556,661
Other financial assets	6	2,913,478	3,796,661
Fixed assets		4,152,624	4,848,822
Raw materials and consumables		12,376,027	17,190,531
Inventories		12,376,027	17,190,531
Trade receivables		16,703,525	18,803,909
Receivables from group enterprises		171,215	0
Deferred tax	7	1,802,541	1,429,474
Other receivables		14,498	0
Prepayments		119,717	93,858
Receivables		18,811,496	20,327,241
Cash		4,456	10,167
Current assets		31,191,979	37,527,939
Assets		35,344,603	42,376,761

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		1,000,000	1,000,000
Reserve for development expenditure		160,707	160,707
Retained earnings		1,109,611	4,953,360
Equity		2,270,318	6,114,067
Payables to group enterprises		7,096,215	1,493,460
Other payables		135,311	0
Non-current liabilities other than provisions	8	7,231,526	1,493,460
Bank loans		10,344,478	14,643,369
Trade payables		2,317,307	3,241,165
Payables to group enterprises		11,948,897	13,362,105
Other payables		1,232,077	3,522,595
Current liabilities other than provisions		25,842,759	34,769,234
Liabilities other than provisions		33,074,285	36,262,694
Equity and liabilities		35,344,603	42,376,761
Financial instruments	9		
Contingent liabilities	10		

Statement of changes in equity for 2019

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,000,000	160,707	4,953,360	6,114,067
Profit/loss for the year	0	0	(3,843,749)	(3,843,749)
Equity end of year	1,000,000	160,707	1,109,611	2,270,318

Notes

1 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	5,418,205	4,546,298
Pension costs	587,246	628,922
Other social security costs	78,251	71,961
Other staff costs	56,807	103,514
	6,140,509	5,350,695
Average number of full-time employees	8	8

2 Other financial expenses

	2019	2018
	DKK	DKK
Financial expenses from group enterprises	37,176	29,828
Other interest expenses	244,126	271,560
Exchange rate adjustments	85,715	4,480
	367,017	305,868

3 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Change in deferred tax	(925,068)	84,563
Adjustment concerning previous years	552,001	0
	(373,067)	84,563

4 Intangible assets

	Acquired licences DKK	Goodwill DKK
Cost beginning of year	765,950	1,000,000
Additions	23,675	0
Disposals	0	(1,000,000)
Cost end of year	789,625	0
Amortisation and impairment losses beginning of year	0	(1,000,000)
Reversal regarding disposals	0	1,000,000
Amortisation and impairment losses end of year	0	0
Carrying amount end of year	789,625	0

Acquired licenses relate to new financial program and consist of costs for external consultants and internal hours for adaptation etc. It is expected that the program will be taking in use in 2020.

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	2,407,465	1,464,219
Additions	340,874	0
Disposals	(65,000)	0
Cost end of year	2,683,339	1,464,219
Depreciation and impairment losses beginning of year	(2,121,254)	(1,464,219)
Depreciation for the year	(142,564)	0
Reversal regarding disposals	30,000	0
Depreciation and impairment losses end of year	(2,233,818)	(1,464,219)
Carrying amount end of year	449,521	0

6 Financial assets

	Deposits DKK	Other receivables DKK
Cost beginning of year	240,000	3,556,661
Disposals	0	(883,183)
Cost end of year	240,000	2,673,478
Carrying amount end of year	240,000	2,673,478

7 Deferred tax

The valuation of the deferred tax on tax losses carried forward of DKK 6,6m is based on the budget for 2020 and estimates for 2021-2022. The management expect to carry out these plans which support the valuation.

8 Non-current liabilities other than provisions

The long-term debt due within 5 years is DKK 7,231,526.

9 Financial instruments

As part of the companys hedge of cash flow, the company has entered forward contracts on sales of DKK against USD. As on 31.12.2019 the value of the receivables are DKK 14k., which are included in other receivables.

10 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where ACO Nordic Group A/S 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.

Rent for property the next year is DKK 1,198k. The renting contract can be terminated with a warning of twelve months and may in no circumstances expire before December 31, 2023. The rent for the rest of the period amounts to DKK 4,794k.

Lease liabilities for equipment etc. amounts to DKK 437k.

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 certain provisions for reporting class C.

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

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

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 other 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.

Other operating income

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

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

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 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, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, 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 securities, payables and transactions in foreign currencies, amortisation of financial liabilities, 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.

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation period is usually five years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment 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. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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:

Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5-10 years

Plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Inventories

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

Cost consists of purchase price plus delivery costs. Goods on the road i recognized when the risk of the goods turns to the entity.

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

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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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