

# SEC Scandinavia A/S

Bækkegårdsvej 26, Sparkær, 8800 Viborg

Company reg. no. 15 15 07 85

## Annual report

1 January - 31 December 2021



The annual report was submitted and approved by the general meeting on the 2 February 2022.

Jeppe Ruseng Hansen  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's statement**

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Today, the Board of Directors and the Managing Director have approved the annual report of SEC Scandinavia A/S for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Viborg, 27 January 2022

**Managing Director**

Jeppe Ruseng Hansen

**Board of directors**



Arni Martti-Pekka Ekholm



Veli Pekka Raatikainen



Jeppe Ruseng Hansen

## **Independent auditor's report**

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### **To the shareholders of SEC Scandinavia A/S**

#### **Opinion**

We have audited the financial statements of SEC Scandinavia A/S for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Company 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 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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.

## **Independent auditor's report**

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As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 Company'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 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 the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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 Management's Review**

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

## **Independent auditor's report**

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In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

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

Viborg, 27 January 2022

### **Ullits & Winther**

State Authorized Public Accounting Firm  
Company reg. no. 32 09 32 72



Claus Søndergaard Nielsen  
State Authorised Public Accountant  
mne30145

## **Company information**

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<b>The company</b>	SEC Scandinavia A/S Bækkegårdsvej 26 Sparkær 8800 Viborg
	Company reg. no. 15 15 07 85 Established: 1 May 1991 Domicile: Viborg Financial year: 1 January - 31 December
<b>Board of directors</b>	Arni Martti-Pekka Ekholm Veli Pekka Raatikainen Jeppe Ruseng Hansen
<b>Managing Director</b>	Jeppe Ruseng Hansen
<b>Auditors</b>	Ullits & Winther Statsautoriseret Revisionspartnerselskab Agerlandsvej 1 8800 Viborg
<b>Bankers</b>	Nordea, Sct. Mathias Gade 68, 8800 Viborg

## **Management's review**

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### **The principal activities of the company**

Like previous years, the main activity has been the sale of a number of quality brands within primarily multimedia, hands-free, reversing camera and car stereo, as well as its own brand within LED lighting.

### **Development in activities and financial matters**

The profit and loss account covers 1 January to 31 December and shows a result of DKK 1.017.390 against DKK 695.447 last year. The balance sheet shows equity of DKK 3.375.751.



## **Accounting policies**

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The annual report for SEC Scandinavia A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### **Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

### **Foreign currency translation**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

## **Income statement**

### **Gross profit**

Gross profit comprises the revenue, costs of sales, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

## Accounting policies

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Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of tangible assets.

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

### Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

### Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating and tangible fixed assets respectively.

### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, well as surcharges and reimbursements under the advance tax scheme, etc.

### Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

## The balance sheet

### Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

## **Accounting policies**

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Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from sub-suppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

### **Leases**

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

### **Inventories**

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

### **Prepayments**

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand.

## **Accounting policies**

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### **Income tax and deferred tax**

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### **Liabilities other than provisions**

Liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

## Income statement 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Gross profit</b>	<b>4.729.815</b>	<b>4.719.501</b>
1 Staff costs	-3.345.831	-3.704.842
Depreciation and writedown relating to tangible fixed assets	<u>-33.004</u>	<u>-32.650</u>
<b>Profit before net financials</b>	<b>1.350.980</b>	<b>982.009</b>
Other financial income	1.219	1.314
2 Other financial expenses	<u>-44.679</u>	<u>-95.876</u>
<b>Pre-tax net profit</b>	<b>1.307.520</b>	<b>887.447</b>
Tax on ordinary results	<u>-290.130</u>	<u>-192.000</u>
<b>Net profit for the year</b>	<b>1.017.390</b>	<b>695.447</b>
<b>Proposed appropriation of net profit:</b>		
Transferred to retained earnings	<u>1.017.390</u>	<u>695.447</u>
<b>Total allocations and transfers</b>	<b>1.017.390</b>	<b>695.447</b>

## Balance sheet at 31 December

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All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Non-current assets</b>		
3 Other fixtures and fittings, tools and equipment	2.967	35.971
Total property, plant, and equipment	2.967	35.971
<b>Total non-current assets</b>	<b>2.967</b>	<b>35.971</b>
<b>Current assets</b>		
Raw materials and consumables	3.248.950	2.556.831
Prepayments for goods	765.351	1.028.412
Total inventories	4.014.301	3.585.243
Trade debtors	1.768.042	1.890.462
Deferred tax assets	0	1.000
Other debtors	86.695	3.605
Prepayments	72.439	118.882
Total receivables	1.927.176	2.013.949
Cash and cash equivalents	89.315	229.833
<b>Total current assets</b>	<b>6.030.792</b>	<b>5.829.025</b>
<b>Total assets</b>	<b>6.033.759</b>	<b>5.864.996</b>

## Balance sheet at 31 December

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All amounts in DKK.

<b>Equity and liabilities</b>		
<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Equity</b>		
Contributed capital	500.000	500.000
Results brought forward	2.875.751	1.858.361
<b>Total equity</b>	<b>3.375.751</b>	<b>2.358.361</b>
<b>Provisions</b>		
Provisions for deferred tax	5.000	0
<b>Total provisions</b>	<b>5.000</b>	<b>0</b>
<b>Long term liabilities other than provisions</b>		
Trade creditors	650.352	595.180
Payables to subsidiaries	835.082	822.685
Income tax payable	284.130	0
Other debts	883.444	2.088.770
Total short term liabilities other than provisions	2.653.008	3.506.635
<b>Total liabilities other than provisions</b>	<b>2.653.008</b>	<b>3.506.635</b>
<b>Total equity and liabilities</b>	<b>6.033.759</b>	<b>5.864.996</b>
<b>4 Charges and security</b>		
<b>5 Contingencies</b>		

## Statement of changes in equity

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All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2020	500.000	1.162.914	1.662.914
Profit or loss for the year brought forward	0	695.447	695.447
Equity 1 January 2021	500.000	1.858.361	2.358.361
Profit or loss for the year brought forward	0	1.017.390	1.017.390
	<b>500.000</b>	<b>2.875.751</b>	<b>3.375.751</b>



## Notes

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
<b>1. Staff costs</b>		
Salaries and wages	2.940.053	3.314.166
Pension costs	343.612	337.901
Other costs for social security	62.166	52.775
	<u>3.345.831</u>	<u>3.704.842</u>
Average number of employees	<u>7</u>	<u>7</u>
<b>2. Other financial expenses</b>		
Financial costs, group enterprises	12.397	22.685
Other financial costs	32.282	73.191
	<u>44.679</u>	<u>95.876</u>
	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>3. Other fixtures and fittings, tools and equipment</b>		
Cost opening balance	258.621	244.382
Additions during the year	0	14.239
Disposals during the year	-73.707	0
<b>Cost end of period</b>	<u>184.914</u>	<u>258.621</u>
Amortisation and writedown opening balance	-222.650	-190.000
Depreciation for the year	-33.004	-32.650
Reversal of depreciation, amortisation and writedown, assets disposed of	73.707	0
<b>Amortisation and writedown end of period</b>	<u>-181.947</u>	<u>-222.650</u>
<b>Carrying amount, end of period</b>	<u>2.967</u>	<u>35.971</u>
<b>4. Charges and security</b>		
None.		

## Notes

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All amounts in DKK.

### 5. Contingencies

#### Contingent liabilities

##### Leasing liabilities

In addition to financial leasing contracts, the company has entered into operational leasing contracts with an average annual leasing payment of DKK 140 t.kr.. The leasing contracts have 2-44 months left to run, and the total outstanding leasing payment is DKK 92 t.kr.