



## Strong Scandinavia A/S

Jellingvej 26  
9230 Svenstrup J  
CVR No. 20470143

## Annual report 2019

The Annual General Meeting adopted the  
annual report on 27.08.2020

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**Kenn Michael Jensen**

Chairman of the General Meeting

# Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2019	8
Balance sheet at 31.12.2019	9
Statement of changes in equity for 2019	11
Notes	12
Accounting policies	14

# Entity details

## Entity

Strong Scandinavia A/S

Jellingvej 26

9230 Svenstrup J

CVR No.: 20470143

Registered office: Aalborg

Financial year: 01.01.2019 - 31.12.2019

## Board of Directors

Xuan He

Kenn Michael Jensen

Khaled Debs

## Executive Board

Kenn Michael Jensen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Østre Havnepromenade 26, 4th floor

9000 Aalborg

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Strong Scandinavia 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.

Svenstrup, 27.08.2020

## Executive Board

**Kenn Michael Jensen**

## Board of Directors

**Xuan He**

**Kenn Michael Jensen**

**Khaled Debs**

# Independent auditor's report

## To the shareholders of Strong Scandinavia A/S

### Opinion

We have audited the financial statements of Strong Scandinavia 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.

Aalborg, 27.08.2020

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Jakob Olesen**

State Authorised Public Accountant  
Identification No (MNE) mne34492

**Sami Nikolai El-Galaly**

State Authorised Public Accountant  
Identification No (MNE) mne42793

# Management commentary

## Primary activities

The Company's activities comprise import, sale and marketing of digital TV, audio and video products and related accessories as well as internet and network products and computer equipment.

## Description of material changes in activities and finances

The Company's income statement for 2019 shows a profit of DKK 1,480 K and equity amounts to DKK 18,389 K at 31.12.2019.

## Particular risks

The Company purchases products in foreign currencies, mainly in EUR and USD. Similarly, the Company trades in foreign currencies with some of its larger costumers.

## Events after the balance sheet date

After the end of the financial year, there has been an outbreak of the disease COVID19 as a result of the spread of Coronavirus. It is assessed on the company's market may be affected by the outbreak. Although it is at an early stage in assessing the effects of this. It is the management's assessment that the outbreak could result in financial consequences for the coming financial year.

To this date no events have occurred after the balance sheet date besides Covid-19, which would influence the evaluation of this annual report.



# Income statement for 2019

	Notes	2019 DKK	2018 DKK
<b>Gross profit/loss</b>		<b>7,506,459</b>	<b>4,259,212</b>
Staff costs	1	(5,394,387)	(4,910,590)
Depreciation, amortisation and impairment losses		(119,599)	(124,142)
<b>Operating profit/loss</b>		<b>1,992,473</b>	<b>(775,520)</b>
Other financial income		8,833	18,968
Other financial expenses		(103,664)	(49,595)
<b>Profit/loss before tax</b>		<b>1,897,642</b>	<b>(806,147)</b>
Tax on profit/loss for the year	2	(418,103)	177,000
<b>Profit/loss for the year</b>		<b>1,479,539</b>	<b>(629,147)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		1,479,539	(629,147)
<b>Proposed distribution of profit and loss</b>		<b>1,479,539</b>	<b>(629,147)</b>

# Balance sheet at 31.12.2019

## Assets

	Notes	2019 DKK	2018 DKK
Land and buildings		5,185,686	5,261,047
Other fixtures and fittings, tools and equipment		25,684	69,922
<b>Property, plant and equipment</b>	3	<b>5,211,370</b>	<b>5,330,969</b>
<b>Fixed assets</b>		<b>5,211,370</b>	<b>5,330,969</b>
Manufactured goods and goods for resale		1,666,017	2,437,231
<b>Inventories</b>		<b>1,666,017</b>	<b>2,437,231</b>
Trade receivables		2,988,405	6,245,102
Deferred tax		0	347,268
Other receivables		44,220	27,663
Income tax receivable		423,111	271,726
<b>Receivables</b>		<b>3,455,736</b>	<b>6,891,759</b>
<b>Cash</b>		<b>17,980,187</b>	<b>13,192,658</b>
<b>Current assets</b>		<b>23,101,940</b>	<b>22,521,648</b>
<b>Assets</b>		<b>28,313,310</b>	<b>27,852,617</b>

**Equity and liabilities**

	Notes	2019 DKK	2018 DKK
Contributed capital		500,000	500,000
Retained earnings		17,888,701	16,409,162
<b>Equity</b>		<b>18,388,701</b>	<b>16,909,162</b>
Deferred tax		18,732	0
Other provisions		800,730	1,235,000
<b>Provisions</b>		<b>819,462</b>	<b>1,235,000</b>
Mortgage debt		1,343,268	1,577,674
<b>Non-current liabilities other than provisions</b>	4	<b>1,343,268</b>	<b>1,577,674</b>
Current portion of non-current liabilities other than provisions	4	234,407	234,946
Payables to other credit institutions		2,293,812	3,353,892
Prepayments received from customers		673,331	209,617
Trade payables		342,970	510,678
Payables to group enterprises		2,284,433	111,400
Other payables		1,932,926	3,710,248
<b>Current liabilities other than provisions</b>		<b>7,761,879</b>	<b>8,130,781</b>
<b>Liabilities other than provisions</b>		<b>9,105,147</b>	<b>9,708,455</b>
<b>Equity and liabilities</b>		<b>28,313,310</b>	<b>27,852,617</b>
Unrecognised rental and lease commitments	5		
Assets charged and collateral	6		

# Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	16,409,162	16,909,162
Profit/loss for the year	0	1,479,539	1,479,539
<b>Equity end of year</b>	<b>500,000</b>	<b>17,888,701</b>	<b>18,388,701</b>

# Notes

## 1 Staff costs

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Wages and salaries	4,530,294	4,220,423
Pension costs	435,547	528,602
Other social security costs	59,517	75,378
Other staff costs	369,029	86,187
	<b>5,394,387</b>	<b>4,910,590</b>
Average number of full-time employees	<b>6</b>	<b>8</b>

## 2 Tax on profit/loss for the year

	<b>2019</b>	<b>2018</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	52,103	0
Change in deferred tax	366,000	(177,000)
	<b>418,103</b>	<b>(177,000)</b>

## 3 Property, plant and equipment

	<b>Land and buildings</b>	<b>Other fixtures and fittings, tools and equipment</b>
	<b>DKK</b>	<b>DKK</b>
Cost beginning of year	8,116,097	731,790
Disposals	0	(133,206)
<b>Cost end of year</b>	<b>8,116,097</b>	<b>598,584</b>
Depreciation and impairment losses beginning of year	(2,855,050)	(661,868)
Depreciation for the year	(75,361)	(44,238)
Reversal regarding disposals	0	133,206
<b>Depreciation and impairment losses end of year</b>	<b>(2,930,411)</b>	<b>(572,900)</b>
<b>Carrying amount end of year</b>	<b>5,185,686</b>	<b>25,684</b>

#### 4 Non-current liabilities other than provisions

	Due within 12 months 2019 DKK	Due within 12 months 2018 DKK	Due after more than 12 months 2019 DKK	Outstanding after 5 years 2019 DKK
Mortgage debt	234,407	234,946	1,343,268	408,754
	<b>234,407</b>	<b>234,946</b>	<b>1,343,268</b>	<b>408,754</b>

#### 5 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	<b>291,523</b>	<b>371,785</b>

#### 6 Assets charged and collateral

Mortgage debt of DKK 1,577,675 to Nordea Kredit is secured by mortgage on land and buildings with a book value of DKK 5,185,687.

Trade receivable of DKK 2,296,824 has been provided as security for Coface Finans A/S.

# 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.

The annual report is presented in DKK.

## 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, 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.

**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**

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

**Other financial income**

Other financial income comprises interest income, including 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 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****Property, plant and equipment**

Land and buildings and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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:

Buildings	5-50 years
Other fixtures and fittings, tools and equipment	3-4 years

Estimated useful lives and residual values are reassessed annually. Residual values applied on buildings are 4.060.000 DKK.



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 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.

**Income tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Cash**

Cash comprises cash in hand and bank deposits.

**Other provisions**

Other provisions comprise anticipated costs of non-recourse guarantee commitments.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

**Mortgage debt**

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

**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.