

# Power Stow A/S

Erhvervsparken 7, 4621 Gadstrup

Company reg. no. 27 49 47 22

**Annual report** 

2015/16

The annual report have been submitted and approved by the general meeting on the 15 September 2016.

#### Jesper Tümler

Chairman of the meeting

#### Notes:

• To ensure the greatest possible applicability of this document, British 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 %.





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### **Management's report**

The board of directors and the managing director have today presented the annual report of Power Stow A/S for the financial year 1 May 2015 to 30 April 2016.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 30 April 2016 and of the company's results of its activities and cash flows in the financial year 1 May 2015 to 30 April 2016.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Gadstrup, 5 September 2016

#### **Managing Director**

Martin Vestergaard

#### **Board of directors**

Martin Vestergaard Poul Erik Vennekilde Torben Anker Sørensen

Hanne Dorthe Malherbes Jensen



### The independent auditor's reports

#### To the shareholders of Power Stow A/S

#### Report on the annual accounts

We have audited the annual accounts of Power Stow A/S for the financial year 1 May 2015 to 30 April 2016, which comprise accounting policies used, profit and loss account, balance sheet, cash flow statement and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

#### The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control considered necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.



## The independent auditor's reports

#### **Opinion**

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 30 April 2016 and of the results of the company's operations and cash flows for the financial year 1 May 2015 to 30 April 2016 in accordance with the Danish Financial Statements Act.

#### Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the performed audit of the annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

Copenhagen, 5 September 2016

#### Redmark

State Authorised Public Accountants Company reg. no. 29 44 27 89

Jan Moldrup State Authorised Public Accountant



## **Company data**

**The company** Power Stow A/S

Erhvervsparken 7 4621 Gadstrup

Company reg. no. 27 49 47 22

Financial year: 1 May - 30 April

**Board of directors** Martin Vestergaard

Poul Erik Vennekilde Torben Anker Sørensen

Hanne Dorthe Malherbes Jensen

Managing Director Martin Vestergaard

**Auditors** Redmark, Statsautoriseret Revisionspartnerselskab

Dirch Passers Allé 76 2000 Frederiksberg

Bankers Spar Nord Bank A/S

**Subsidiary** Powerstow Americas, Inc, USA



#### Management's review

#### The significant activities of the enterprise

Company activities include development, production and sales of a system for transporting baggage in cargo compartments of airplanes.

The system reduces the hard physical work when pushing/throwing baggage up to 8 meters on the cargo compartment. The system, which primarily consists of an electrically powered roller conveyor, is installed on an existing conveyor belt. The roller conveyor can be driven in and out of the cargo compartment and thereby make it possible to transport baggage inside the airplane. This results in a productivity improvement as the work of loading und unloading can now be carried out by 2 persons, compared with 3 people without the use of the Power Stow system.

Use of the system also allows built-in systems for loading and unloading to be removed from the airplane. This reduces the weight and consequently saves fuel, being both an economic and an environmental asset, and helps make Power Stow a very competitive product.

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

The gross profit for the year is DKK 70.544.000 against DKK 28.868.000 last year. The results from ordinary activities after tax are DKK 34.211.000 against DKK 11.612.000 last year. The management consider the results satisfactory.

At the end of the financial year the equity was DKK 83.080.000. The relative strong capital structure is an expression of the will to invest long-term with a view to expanding the company's position on the global market.

#### The expected development

During the financial year investments have continued focusing on spreading the practical understanding on the international market of Power Stow's features and reliability.

Leading customers in Europe and the United States have received deliveries, and the production facility in the United States (Power Stow Americas Inc.) now employs 19 people. The customer satisfaction is expressed by the completion of several resales and deliveries for Danish customers continue.

There has been continued focus at the strength in the organization and systems in the period. In view of the investments, doing during the year the profit for the year is as expected.

#### **Events subsequent to the financial year**

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

After the end of the financial year, the company has established a sales subsidiary in Hong Kong (Power Stow Asia Ltd).



## Management's review

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The company is owned by MV Invest ApS, which also owns 25 % of Company Vestergaard A/S.



The annual report for Power Stow A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

No consolidated annual accounts have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The annual accounts of Power Stow A/S and its group enterprises are included in the consolidated annual accounts for MV Invest ApS, Gadstrup, CVR nr. 10 14 33 57.

#### 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.

#### The profit and loss account

#### **Gross profit**

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

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

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.



#### **Staff costs**

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

#### Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

#### **Net financials**

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Dividend from equity investments in group enterprises is recognised in the financial year where the dividend is declared.

#### 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 company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

#### The balance sheet

#### **Tangible fixed assets**

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of expected residual value after the end of the useful life of the asset.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Other plants, operating assets, fixtures and furniture

3-5 years



Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

#### Financial fixed assets

#### **Equity investments in group enterprises**

Equity investments in group enterprises are measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower value.

#### **Inventories**

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

#### **Debtors**

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

#### Work in progress for the account of others

Work in progress for the account of others is measured at the market value of the work performed. The market value is measured on basis of the scope of completion on the balance sheet date and the total expected income from the individual work in progress.

When the market value of a contract can not be determined reliably, the sales value is measured at the costs incurred or at the net realisable value, if this is lower.

The individual work in progress is recognised in the balance sheet under debtors or liabilities, depending on the net value of the sales price with deduction of prepayments and amounts invoiced on account.

#### Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

#### **Available funds**

Available funds comprise cash at bank and in hand.



#### **Equity - dividend**

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting.

#### Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Power Stow A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 25 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

#### Liabilities

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

#### The cash flow statement

The cash flow statement shows the cash flow of the company for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities, respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

#### Cash flow from operating activities

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

#### **Cash flow from investment activities**

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities and payments related to the acquisition and sale of fixed assets.



#### **Cash flow from financing activities**

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

#### **Available funds**

Available funds comprise cash funds with deduction of short-term bank debt and short term securities which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.



## Profit and loss account 1 May - 30 April

All amounts in DKK.

Note		2015/16	2014/15
	Gross profit	70.544.339	28.868.424
1	Staff costs	-24.660.866	-15.724.806
	Depreciation and writedown relating to tangible fixed assets	-1.961.948	-1.965.496
	Operating profit	43.921.525	11.178.122
2	Other financial income	1.359.256	4.211.178
3	Other financial costs	-1.354.851	-180.985
	Results before tax	43.925.930	15.208.315
4	Tax on ordinary results	-9.715.096	-3.596.346
	Results for the year	34.210.834	11.611.969
	Proposed distribution of the results:		
	Dividend for the financial year	20.000.000	0
	Allocated to results brought forward	14.210.834	11.611.969
	Distribution in total	34.210.834	11.611.969



## Balance sheet 30 April

All amounts in DKK.

Assets
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Note	Assets	2016	2015
	Fixed assets		
5	Other plants, operating assets, and fixtures and furniture	3.931.007	5.596.513
	Tangible fixed assets in total	3.931.007	5.596.513
6	Equity investments in group enterprises	5.663	5.663
	Deposits	1.715.200	110.000
	Financial fixed assets in total	1.720.863	115.663
	Fixed assets in total	5.651.870	5.712.176
	Current assets		
	Raw materials and consumables	13.226.385	7.738.046
	Inventories in total	13.226.385	7.738.046
	Trade debtors	13.583.302	25.998.605
	Work in progress for the account of others	5.216.478	1.182.968
	Amounts owed by group enterprises	73.303.317	12.150.869
	Deferred tax assets	593.829	304.260
	Other debtors	4.104.948	1.124.616
	Accrued income and deferred expenses	816.151	365.168
	Debtors in total	97.618.025	41.126.486
	Cash funds	5.597.494	10.305.361
	Current assets in total	116.441.904	59.169.893
	Assets in total	122.093.774	64.882.069



## Balance sheet 30 April

All amounts in DKK.

	Equity and liabilities		
Note	<u>-</u>	2016	2015
	Equity		
7	Contributed capital	3.000.000	3.000.000
8	Results brought forward	60.079.933	45.869.098
9	Proposed dividend for the financial year	20.000.000	0
	Equity in total	83.079.933	48.869.098
	Liabilities		
	Deposits	67.563	67.563
	Long-term liabilities in total	67.563	67.563
	Prepayments received from customers	8.309.495	940.975
	Trade creditors	9.673.396	2.366.322
	Debt to group enterprises	5.336.062	0
	Corporate tax	10.004.665	8.675.359
	Other debts	5.622.660	3.962.752
	Short-term liabilities in total	38.946.278	15.945.408
	Liabilities in total	39.013.841	16.012.971
	Equity and liabilities in total	122.093.774	64.882.069

## 10 Mortgage and securities

## 11 Contingencies



## Cash flow statement 1 May - 30 April

All amounts in DKK.

Note	2	2015/16	2014/15
12 13	Result before interests Adjustments Change in working capital	43.921.525 1.961.948 15.797.642	11.178.122 1.965.496 -9.697.756
	Cash flow from operating activities before net financials	61.681.115	3.445.862
	Interest received and similar amounts Interest paid and similar amounts	1.359.256 -1.354.851	4.211.178 -180.985
	Cash flow from ordinary activities	61.685.520	7.476.055
	Corporate tax paid	-8.675.359	-1.659.913
	Cash flow from operating activities	53.010.161	5.816.142
	Purchase of tangible fixed assets Sale of tangible fixed assets Purchase of financial fixed assets Cash flow from investment activities Intra group financing Cash flow from financing activities Changes in available funds Available funds 1 May 2015 Available funds 30 April 2016	-1.339.053 1.042.611 -1.605.200 -1.901.642 -55.816.386 -55.816.386 -4.707.867 10.305.361 5.597.494	-3.814.932 0 0 -3.814.932 1.088.032 1.088.032 3.089.242 7.216.119 10.305.361
	Available funds Cash funds	5.597.494	10.305.361
	Available funds 30 April 2016	5.597.494	10.305.361



All ar	nounts in DKK.		
		2015/16	2014/15
1.	Staff costs		
	Salaries and wages	19.802.209	13.750.270
	Pension costs	4.204.337	1.948.926
	Other costs for social security	130.631	104.760
	Other staff costs	523.689	-79.150
		24.660.866	15.724.806
	Average number of employees	40	32
2.	Other financial income		
	Interest, banks	2.710	2.305
	Exchange differences	1.356.546	4.208.873
		1.359.256	4.211.178
3.	Other financial costs		
	Other financial costs	1.354.851	180.985
		1.354.851	180.985
4.	Tax on ordinary results		
	Tax of the results for the year, parent company	10.004.665	3.619.416
	Adjustment for the year of deferred tax	-289.569	-23.070
		9.715.096	3.596.346



All amounts in DKK.

All a	mounts in DKK.				
				30/4 2016	30/4 2015
5.	Other plants, operating assets, a	nd fixtures and	furniture		
	Cost 1 May 2015			11.379.866	7.564.932
	Additions during the year			1.339.053	3.814.933
	Disposals during the year			-775.925	0
	Cost 30 April 2016			11.942.994	11.379.865
	Amortisation and writedown 1 M	lay 2015		-5.783.352	-3.817.856
	Depreciation for the year			-2.530.384	-1.965.496
	Reversal of depreciation, amortis	ation and writed	down, assets		
	disposed of			301.749	0
	Amortisation and writedown 30	April 2016		-8.011.987	-5.783.352
	Book value 30 April 2016			3.931.007	5.596.513
6.	Equity investments in group ento	erprises			
	Acquisition sum, opening balance	e 1 May 2015		5.663	5.663
	Book value 30 April 2016			5.663	5.663
	The financial highlights for the e	nterprises accor	rding to the late	st approved annua	al reports
		Share of ownership	Equity	Results for the year	Book value at Power Stow A/S
	Powerstow Americas, Inc, USA	100 %	1.685.300	17.564.062	5.663
7.	Contributed capital				

The share capital consists of 3,000,000 shares each with a nominal value of DKK 1 divided into 150,000 A-shares, 600,000 B-shares and 2,250,000 C-shares.

Contributed capital 1 May 2015

3.000.000

3.000.000

3.000.000

3.000.000



All amounts in DKK

7 (II G	mounts in DKK.		
		30/4 2016	30/4 2015
8.	Results brought forward		
	Results brought forward 1 May 2015	45.869.099	34.257.129
	Profit or loss for the year brought forward	14.210.834	11.611.969
		60.079.933	45.869.098
		60.079.933	45.869.098
9.	Proposed dividend for the financial year	60.079.933	45.869.098
9.	Proposed dividend for the financial year  Dividend for the financial year	20.000.000	<b>45.869.098</b>

### 10. Mortgage and securities

The company has no mortage and securitues.

#### 11. Contingencies

#### **Contingent liabilities**

The company has no contingent liabilities, etc.

#### Joint taxation

MV Invest ApS, company reg. no 10 14 33 57 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The liability relating to obligations in connection with corporation tax represents an estimated maximum of DKK 2,000 thousand. The liability relating to obligations in connection with withholding taxes represents an estimated maximum of DKK 0 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.



All ar	mounts in DKK.		
		2015/16	2014/15
12.	Adjustments		
	Depreciation and amortisation	2.530.384	1.965.496
	Profit from sale of fixed assets	-568.436	0
		1.961.948	1.965.496
13.	Change in working capital		
	Change in inventories	-5.488.339	-228.649
	Change in debtors	4.950.477	-6.883.442
	Change in trade creditors and other liabilities	16.335.504	-2.585.665
		15.797.642	-9.697.756