

# Borgen ingeniør og smedefirma A/S

Fabriksvangen 7  
3550 Slangerup

CVR no. 29 54 00 55

## **Annual report 2020**

The annual report was presented and approved at the  
Company's annual general meeting on

20 May 2021

Christian Zmólnig  
chairman

## **Contents**

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	6
Company details	6
Operating review	7
Financial statements 1 January – 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes	12

**Borgen ingeniør og smedefirma A/S**  
Annual report 2020  
CVR no. 29 54 00 55

## **Statement by the Board of Directors and the Executive Board**

The Board of Directors and the Executive Board have today discussed and approved the annual report of Borgen ingeniør og smedefirma A/S for the financial year 1 January – 31 December 2020.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

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

We recommend that the annual report be approved at the annual general meeting.

Slangerup, 20 May 2021  
Executive Board:

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Birgitta Maria Schiöld  
Director

Board of Directors:

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Christian Zmölnig  
Chairman

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Christoph Patrick Hoffmann

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Ivar Andreas Vatne

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Carl Anders Persson



## Independent auditor's report

### To the shareholders of Borgen ingeniør og smedefirma A/S

#### Opinion

We have audited the financial statements of Borgen ingeniør og smedefirma A/S for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 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' 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 rules and requirements.

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

#### Management's responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

## Independent auditor's report

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 company 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.



**Borgen ingeniør og smedefirma A/S**  
Annual report 2020  
CVR no. 29 54 00 55

## Independent auditor's report

Based on the work we have performed, we conclude that the Management's review 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's review.

Copenhagen, 20 May 2021

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Morten Høgh-Petersen  
State Authorised  
Public Accountant  
mne34283

**Borgen ingeniør og smedefirma A/S**  
Annual report 2020  
CVR no. 29 54 00 55

## **Management's review**

### **Company details**

Borgen ingeniør og smedefirma A/S  
Fabriksvangen 7  
3550 Slangerup

CVR no.:	29 54 00 55
Established:	16 May 2006
Registered office:	Slangerup
Financial year:	1 January – 31 December

### **Board of Directors**

Christian Zmólnig, Chairman  
Christoph Patrick Hoffmann  
Ivar Andreas Vatne  
Carl Anders Persson

### **Executive Board**

Birgitta Maria Schiöld, Director

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfaergevej 28  
DK-2100 Copenhagen  
CVR no. 25 57 81 98

## **Management's review**

### **Operating review**

#### **Principal activities**

The company's main activities are to conduct trading, manufacturing, investment activities and other related business.

#### **Development in activities and financial position**

The Company's income statement for 2020 shows a profit of DKK -539,925 as against DKK -1,911,650 in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK -1,591,534 as against DKK -1,051,609 at 31 December 2019.

The Company has lost more than 50% of its contributed capital and is thus subject to the provisions on loss of capital under the Danish Companies Act. It is Management's expectation that the capital can be reestablish from operations going forward.

#### **Events after the balance sheet date**

No events have incurred after the balance sheet date that has significant impact on the financial statements.



## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2020	2019
<b>Gross profit</b>		2,877	577,777
Staff costs	2	-146,703	-2,989,488
Depreciation, amortisation and impairment losses		76,697	-40,878
<b>Loss before financial income and expenses</b>		-67,129	-2,452,589
Other financial expenses		-75,972	-147,694
<b>Loss before tax</b>		-143,101	-2,600,283
Tax on loss for the year	3	-396,824	688,633
<b>Loss for the year</b>		-539,925	-1,911,650
<b>Proposed distribution of loss</b>			
Other reserves		-160,225	0
Retained earnings		-379,700	-1,911,650
		-539,925	-1,911,650

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2020	2019
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>	4		
Land and buildings		3,032,939	3,040,341
Plant and machinery		0	9,606
Fixtures and fittings, tools and equipment		0	52,146
		<u>3,032,939</u>	<u>3,102,093</u>
<b>Total fixed assets</b>		<u>3,032,939</u>	<u>3,102,093</u>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		0	200,000
<b>Receivables</b>			
Trade receivables		0	236,509
Receivables from group entities		4,245	139,005
Construction contracts		0	116,111
Corporation tax		0	572,062
		<u>4,245</u>	<u>1,063,687</u>
<b>Cash at bank and in hand</b>		60,954	0
<b>Total current assets</b>		<u>65,199</u>	<u>1,263,687</u>
<b>TOTAL ASSETS</b>		<u>3,098,138</u>	<u>4,365,780</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2020	2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		500,000	500,000
Other reserves		1,573,111	1,733,336
Retained earnings		<u>-3,664,645</u>	<u>-3,284,945</u>
<b>Total equity</b>		<u>-1,591,534</u>	<u>-1,051,609</u>
<b>Provisions</b>			
Provisions for deferred tax		<u>396,824</u>	<u>0</u>
<b>Total provisions</b>		<u>396,824</u>	<u>0</u>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Mortgage loans	5	<u>336,458</u>	<u>448,523</u>
<b>Current liabilities other than provisions</b>			
Current portion of non-current liabilities	5	112,000	111,200
Banks, current liabilities		0	1,610,856
Trade payables		0	733,838
Payables to group entities		3,789,637	1,973,706
Other payables		<u>54,753</u>	<u>539,266</u>
		<u>3,956,390</u>	<u>4,968,866</u>
<b>Total liabilities other than provisions</b>		<u>4,292,848</u>	<u>5,417,389</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>3,098,138</u></u>	<u><u>4,365,780</u></u>
<b>Contractual obligations, contingencies, etc.</b>	6		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK	<u>Contributed capital</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2020	500,000	1,733,336	-3,284,945	-1,051,609
Transferred over the distribution of loss	<u>0</u>	<u>-160,225</u>	<u>-379,700</u>	<u>-539,925</u>
<b>Equity at 31 December 2020</b>	<u><u>500,000</u></u>	<u><u>1,573,111</u></u>	<u><u>-3,664,645</u></u>	<u><u>-1,591,534</u></u>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Borgen ingeniør og smedefirma A/S for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

#### Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

#### Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

#### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

#### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Financial expenses

Financial expenses comprise interest expenses.

##### Tax on loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

### Balance sheet

#### Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	20 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

## **Financial statements 1 January – 31 December**

### **Notes**

#### **1 Accounting policies (continued)**

##### **Inventories**

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

##### **Receivables**

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

##### **Cash at bank and in hand**

Cash at bank and in hand comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

##### **Corporation tax and deferred tax**

Current tax payable and receivable is recognised in the balance sheet as intercompany balance with the Parent Company.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

##### **Liabilities other than provisions**

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

## Financial statements 1 January – 31 December

### Notes

DKK	2020	2019		
<b>2 Staff costs</b>				
Wages and salaries	374,363	2,359,385		
Pensions	37,370	282,065		
Other social security costs	22,061	100,562		
Other staff costs	<u>-287,091</u>	<u>247,476</u>		
	<u>146,703</u>	<u>2,989,488</u>		
Average number of full-time employees	<u>1</u>	<u>7</u>		
<b>3 Tax on profit/loss for the year</b>				
Current tax for the year	0	-572,062		
Deferred tax for the year	396,824	0		
Adjustment of tax concerning previous years	<u>0</u>	<u>-116,571</u>		
	<u>396,824</u>	<u>-688,633</u>		
<b>4 Property, plant and equipment</b>				
DKK	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2020	5,999,231	777,248	949,980	7,726,459
Disposals for the year	<u>0</u>	<u>-777,248</u>	<u>-949,980</u>	<u>-1,727,228</u>
Cost at 31 December 2020	<u>5,999,231</u>	<u>0</u>	<u>0</u>	<u>5,999,231</u>
Revaluations at 1 January 2020	<u>2,016,809</u>	<u>0</u>	<u>0</u>	<u>2,016,809</u>
Revaluations at 31 December 2020	<u>2,016,809</u>	<u>0</u>	<u>0</u>	<u>2,016,809</u>
Depreciation and impairment losses at 1 January 2020	-4,975,699	-767,642	-897,834	-6,641,175
Depreciation for the year	-7,402	-9,606	-52,146	-69,154
Reversed depreciation and impairment losses on assets sold	<u>0</u>	<u>777,248</u>	<u>949,980</u>	<u>1,727,228</u>
Depreciation and impairment losses at 31 December 2020	<u>-4,983,101</u>	<u>0</u>	<u>0</u>	<u>-4,983,101</u>
<b>Carrying amount at 31 December 2020</b>	<u>3,032,939</u>	<u>0</u>	<u>0</u>	<u>3,032,939</u>



## Financial statements 1 January – 31 December

### Notes

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

DKK	Total debt at 31/12 2020	Total debt at 31/12 2019	Current debt	Outstanding debt after five years
Mortgage loans	448,458	559,723	112,000	0
	<u>448,458</u>	<u>559,723</u>	<u>112,000</u>	<u>0</u>

#### 6 Contractual obligations, contingencies, etc.

##### Contingent liabilities

The company is jointly and severally liable together with the parent company and the other companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes such as dividend tax, etc.

Tax payable on the group's joint taxable income is stated in the annual report of Paper Bottle Company A/S, which serves as management company for the joint taxation.