
AP Services A/S

Aulumvej 7, DK-7550 Sørvad

Annual Report for 1 July 2019 - 30 June 2020

CVR No 31 47 36 24

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
23/9 2020

Jan Bendix
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of AP Services A/S for the financial year 1 July 2019 - 30 June 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 30 June 2020 of the Company and of the results of the Company operations for 2019/20.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Sørvad, 23 September 2020

Executive Board

Sisse Lind Pedersen

Board of Directors

Jan Bendix
Chairman

Allan Pedersen

Sisse Lind Pedersen

Independent Auditor's Report

To the Shareholders of AP Services A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 June 2020 and of the results of the Company's operations for the financial year 1 July 2019 - 30 June 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of AP Services A/S for the financial year 1 July 2019 - 30 June 2020, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

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 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 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.

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

Independent Auditor's Report

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.

Herning, 23 September 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

H. C. Krogh

statsautoriseret revisor

mne9693

Company Information

The Company

AP Services A/S
Aulumvej 7
DK-7550 Sørvad

CVR No: 31 47 36 24
Financial period: 1 July - 30 June
Financial year: 13rd financial year
Municipality of reg. office: Herning

Board of Directors

Jan Bendix, Chairman
Allan Pedersen
Sisse Lind Pedersen

Executive Board

Sisse Lind Pedersen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Platanvej 4
DK-7400 Herning

Lawyers

Advokathuset Funch & Nielsen P/S
Hjaltetvej 14
7500 Holstebro

Bankers

Vestjysk Bank
Vestergade 1
7500 Holstebro

Income Statement 1 July - 30 June

	Note	2019/20 DKK	2018/19 DKK
Gross profit/loss		53.800.453	3.957.484
Staff expenses	3	-14.048.981	-3.383.030
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-48.259	-61.091
Other operating expenses		0	-164.969
Profit/loss before financial income and expenses		39.703.213	348.394
Financial income		577	25.916
Financial expenses		-401.854	-130.582
Profit/loss before tax		39.301.936	243.728
Tax on profit/loss for the year	5	-8.666.254	-205.824
Net profit/loss for the year		30.635.682	37.904

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	10.000.000	0
Retained earnings	20.635.682	37.904
	30.635.682	37.904

Balance Sheet 30 June

Assets

	Note	2020 DKK	2019 DKK
Other fixtures and fittings, tools and equipment		99.125	44.709
Leasehold improvements		184.916	24.000
Tangible assets	6	284.041	68.709
Fixed assets		284.041	68.709
Finished goods and goods for resale		2.501.560	2.145.387
Prepayments for goods		2.989.747	17.500
Stocks		5.491.307	2.162.887
Trade receivables		54.869.781	2.109.771
Receivables from group enterprises		196.829	124.367
Other receivables		56.690	171.177
Deferred tax asset		28.000	14.000
Prepayments		163.820	54.894
Receivables		55.315.120	2.474.209
Cash at bank and in hand		1.229.003	340.345
Currents assets		62.035.430	4.977.441
Assets		62.319.471	5.046.150

Balance Sheet 30 June

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		500.000	500.000
Retained earnings		22.080.968	1.445.286
Proposed dividend for the year		10.000.000	0
Equity	7	<u>32.580.968</u>	<u>1.945.286</u>
Other credit institutions		193.031	393.197
Long-term debt	8	<u>193.031</u>	<u>393.197</u>
Other credit institutions	8	7.476.387	48.920
Trade payables		1.798.909	1.742.834
Payables to group enterprises relating to corporation tax		8.680.254	400.752
Other payables		11.589.922	515.161
Short-term debt		<u>29.545.472</u>	<u>2.707.667</u>
Debt		<u>29.738.503</u>	<u>3.100.864</u>
Liabilities and equity		<u>62.319.471</u>	<u>5.046.150</u>
Unusual circumstances	1		
Key activities	2		
Contingent assets, liabilities and other financial obligations	9		
Accounting Policies	10		

Notes to the Financial Statements

1 Unusual circumstances

AP services A/S has been positive affected by the COVID-19. This in the sense of our key organizational customers has chosen to activate several of the Framework agreements (FWA) already in place to initiate purchases mitigating the virus. AP services A/S has experienced growth in both key product segments but also new products.

2 Key activities

The purpose of the company is to provide counseling- and education in military- and civil first aid, as well as trading within equipment and aids.

	2019/20 DKK	2018/19 DKK
3 Staff expenses		
Wages and salaries	3.612.296	3.009.772
Pensions	10.406.439	344.526
Other social security expenses	30.246	28.732
	14.048.981	3.383.030
Average number of employees	4	4
4 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Depreciation of property, plant and equipment	48.259	61.091
	48.259	61.091
Which is specified as follows:		
Buildings	0	26.931
Other fixtures and fittings, tools and equipment	24.298	24.560
Leasehold improvements	23.961	9.600
	48.259	61.091
5 Tax on profit/loss for the year		
Current tax for the year	8.680.254	98.824
Deferred tax for the year	-14.000	107.000
	8.666.254	205.824

Notes to the Financial Statements

6 Tangible assets

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 July	433.448	217.701
Additions for the year	78.714	184.877
Cost at 30 June	<u>512.162</u>	<u>402.578</u>
Impairment losses and depreciation at 1 July	388.739	193.701
Depreciation for the year	24.298	23.961
Impairment losses and depreciation at 30 June	<u>413.037</u>	<u>217.662</u>
Carrying amount at 30 June	<u>99.125</u>	<u>184.916</u>
Depreciated over	<u>3 - 10 years</u>	<u>10 years</u>

7 Equity

	Share capital DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity at 1 July	500.000	1.445.286	0	1.945.286
Net profit/loss for the year	0	20.635.682	10.000.000	30.635.682
Equity at 30 June	<u>500.000</u>	<u>22.080.968</u>	<u>10.000.000</u>	<u>32.580.968</u>

Notes to the Financial Statements

8 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2020</u> DKK	<u>2019</u> DKK
Other credit institutions		
After 5 years	0	276.397
Between 1 and 5 years	193.031	116.800
Long-term part	<u>193.031</u>	<u>393.197</u>
Within 1 year	72.000	29.200
Other short-term debt to credit institutions	<u>7.404.387</u>	<u>19.720</u>
Short-term part	<u>7.476.387</u>	<u>48.920</u>
	<u>7.669.418</u>	<u>442.117</u>

Notes to the Financial Statements

	2020 DKK	2019 DKK
9 Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with bankers:		
Company pledge regarding goodwill, stocks, trade receivables and operating assets worth up to DKK	18.000.000	3.000.000
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	162.047	87.240
Between 1 and 5 years	120.306	50.995
	282.353	138.235
Rental obligations, non-cancellation period 35 months	630.000	19.870
Rental obligations, non-cancellation period 25 months	37.500	55.500

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of AGLP Holding ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of AP Services A/S for 2019/20 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019/20 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

10 Accounting Policies (continued)

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Notes to the Financial Statements

10 Accounting Policies (continued)

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and tangible assets.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with the parent AGLP Holding ApS. AGLP Holding ApS acts as the management company. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Tangible assets

Tangible assets are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other buildings	25 years	
Other fixtures and fittings, tools and equipment	3-10	years
Leasehold improvements	10 years	

Notes to the Financial Statements

10 Accounting Policies (continued)

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 14,100 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and tangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Stocks

Stocks are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of stocks is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

Receivables

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimi-

Notes to the Financial Statements

10 Accounting Policies (continued)

nation in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.