# **Deloitte.**



## Flowtrend Europe ApS

Industrivej Vest 36 6600 Vejen CVR No. 34719624

# Annual report 2022

The Annual General Meeting adopted the annual report on 05.03.2023

## Jan Højsgaard Hansen

Chairman of the General Meeting

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# **Entity details**

### **Entity**

Flowtrend Europe ApS Industrivej Vest 36 6600 Vejen

Business Registration No.: 34719624

Registered office: Vejen

Financial year: 01.01.2022 - 31.12.2022

### **Board of Directors**

Jan Højsgaard Hansen Jesper Myrhøj Verner Stephen Brian Stovall Jens Martin Andersen

### **Executive Board**

Jesper Myrhøj Verner

### **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab Dokken 8 6700 Esbjerg

# **Statement by Management**

The Board of Directors and the Executive Board have today considered and approved the annual report of Flowtrend Europe ApS for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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.

Vejen, 05.03.2023

**Executive Board** 

Jesper Myrhøj Verner

**Board of Directors** 

Jan Højsgaard Hansen Jesper Myrhøj Verner

Stephen Brian Stovall Jens Martin Andersen

# Independent auditor's extended review report

### To the shareholders of Flowtrend Europe ApS

#### **Conclusion**

We have performed an extended review of the financial statements of Flowtrend Europe ApS for the financial year 01.01.2022 - 31.12.2022, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at. 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

### **Basis for conclusion**

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### 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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

### Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion 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 extended review 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 extended review 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 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.

Esbjerg, 05.03.2023

### **Deloitte**

Statsautoriseret Revisionspartnerselskab CVR No. 33963556

### **Anders Rasmussen**

State Authorised Public Accountant Identification No (MNE) mne34316

# **Management commentary**

### **Primary activities**

The Company's objective is trading and investing, especially trading in pumps, valves and other flow equipment.

### Outlook

The positive result in 2022 is expected to continue in 2023. Based on the global situation and will the expected result for 2023 be equal to 2022 with the same growth sales rate.

# **Income statement for 2022**

		2022	2021
	Notes	DKK	DKK
Gross profit/loss		2,621,223	2,800,402
Distribution costs		(1,899,738)	(1,895,804)
Administrative expenses		(527,480)	(495,597)
Operating profit/loss		194,005	409,001
Other financial expenses	2	(47,123)	(60,057)
Profit/loss before tax		146,882	348,944
Tax on profit/loss for the year	3	(36,919)	(78,221)
Profit/loss for the year		109,963	270,723
Proposed distribution of profit and loss			
Retained earnings		109,963	270,723
Proposed distribution of profit and loss		109,963	270,723

# **Balance sheet at 31.12.2022**

### **Assets**

	2022	2021
	DKK	DKK
Manufactured goods and goods for resale	982,552	1,126,189
Inventories	982,552	1,126,189
Trade receivables	621,321	586,735
Other receivables	125,928	85,276
Income tax receivable	0	31,779
Prepayments	20,000	40,000
Receivables	767,249	743,790
Cash	429,401	644,197
Current assets	2,179,202	2,514,176
Assets	2,179,202	2,514,176

### **Equity and liabilities**

	2022	2021
Notes	DKK	DKK
	85,000	85,000
	943,929	833,966
	1,028,929	918,966
	78.608	0
	900,507	1,316,679
	30,919	0
	140,239	278,531
	1,150,273	1,595,210
	1,150,273	1,595,210
	2,179,202	2,514,176
1		
4		
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	1 4 5	Notes DKK  85,000 943,929 1,028,929  78,608 900,507 30,919 140,239 1,150,273  1,150,273  2,179,202

# **Statement of changes in equity for 2022**

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	85,000	833,966	918,966
Profit/loss for the year	0	109,963	109,963
Equity end of year	85,000	943,929	1,028,929

# **Notes**

### 1 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	1,508,813	1,419,737
Pension costs	227,520	219,675
Other social security costs	37,677	35,802
Other staff costs	31,204	25,266
	1,805,214	1,700,480
Average number of full-time employees	3	3
2 Other financial expenses		
	2022	2021
	DKK	DKK
Other interest expenses	47,123	60,057
	47,123	60,057
3 Tax on profit/loss for the year		
	2022	2021
	DKK	DKK
Current tax	36,919	78,221
	36,919	78,221
4 Unrecognised rental and lease commitments		
	2022	2021
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	901,300	177,600

A rental contract has been entered with an annual rent of DKK 156,000.

### **5** Assets charged and collateral

Bank debt is secured by a floating charge of DKK 250k on inventories as well as trade receivables. The carrying amount of mortgaged assets is DKK 1.604k.

### **6 Related parties with controlling interest**

Flowtrend Europe ApS is owned by Holger Danske Inc., 11512 Space Center Boulevard, Houston Texas 77058. Holger Danske Inc.

# **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 a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

#### **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, production costs and other operating income.

#### 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.

#### **Production costs**

Production costs comprise cost of sales for the financial year, including ordinary writedown of inventories and other costs incurred to earn revenue for the financial year, including wages and salaries and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment.

#### **Distribution costs**

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

### **Administrative expenses**

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

#### Other financial expenses

Other financial expenses comprise interest expenses, including net capital or exchange losses on securities, payables and transactions in foreign currencies as well as 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**

#### **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.

### 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.

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash

Cash comprises bank deposits.

### 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.