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# **DELPRO WIND A/S**

Bavnevej 50, 6580 Vamdrup CVR No. 36066423

# **Annual report 2019**

The Annual General Meeting adopted the annual report on 19.03.2020

# **Jacob Christian Rath**

Conductor

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# **Entity details**

# **Entity**

DELPRO WIND A/S Bavnevej 50 6580 Vamdrup

CVR No.: 36066423

Registered office: Kolding

Financial year: 01.01.2019 - 31.12.2019

URL: www.delpro-wind.com

# **Board of Directors**

Flemming Nyenstad Enevoldsen, formand Michael Høj Olsen Lone Søgaard Sall Jacob Christian Rath Lars Bo Petersen

# **Executive Board**

Jacob Christian Rath

# **Auditors**

Deloitte Statsautoriseret Revisionspartnerselskab Egtved Allé 4 6000 Kolding

# **Statement by Management**

The Board of Directors and the Executive Board have today considered and approved the annual report of DELPRO WIND 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.

Vamdrup, 19.03.2020

**Executive Board** 

**Jacob Christian Rath** 

**Board of Directors** 

Flemming Nyenstad Enevoldsen formand

Michael Høj Olsen

Lone Søgaard Sall

**Jacob Christian Rath** 

Lars Bo Petersen

# Independent auditor's report

#### To the shareholders of DELPRO WIND A/S

#### **Opinion**

We have audited the financial statements of DELPRO WIND 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.

Kolding, 19.03.2020

# **Deloitte**

Statsautoriseret Revisionspartnerselskab CVR No. 33963556

# **Suzette Demediuk Steen Nielsen**

State Authorised Public Accountant Identification No (MNE) mne32207

# **Management commentary**

# **Primary activities**

The primary activities of the Company are installation and service in connection with high voltage work on wind turbines and thereby related business.

# **Description of material changes in activities and finances**

The profit for the year amounts to DKK 1,064k, which is considered satisfactory by Management.

# **Events after the balance sheet date**

Since the closing of the financial balance of 2019 the world has experienced a severe outbreak of the COVID 19 virus. This brings uncertainty in many industries, but as the primary activities of DELPRO Wind are related to critical power supply and infrastructure, the financial impact on DELPRO Wind in the future is expected to be relatively small.

# **Income statement for 2019**

		2019	2018
	Notes	DKK	DKK
Gross profit/loss		1,478,460	2,289,969
Depreciation, amortisation and impairment losses		(38,900)	(38,900)
Operating profit/loss		1,439,560	2,251,069
Income from investments in group enterprises		(38,484)	(430,529)
Other financial income		202,523	8
Other financial expenses		(225,452)	(256,055)
Profit/loss before tax		1,378,147	1,564,493
Tax on profit/loss for the year	1	(313,931)	(466,923)
Profit/loss for the year		1,064,216	1,097,570
Proposed distribution of profit and loss			
Retained earnings		1,064,216	1,097,570
Proposed distribution of profit and loss		1,064,216	1,097,570

# **Balance sheet at 31.12.2019**

# **Assets**

		2019	2018
	Notes	DKK	DKK
Other fixtures and fittings, tools and equipment		58,350	97,250
Property, plant and equipment	2	58,350	97,250
Investments in group enterprises		0	0
Other financial assets	3	0	0
Fixed assets		58,350	97,250
Trade receivables		8,089,722	5,918,605
Contract work in progress		4,325,439	2,498,053
Receivables from group enterprises		1,884,069	0
Other receivables		709,724	0
Receivables from owners and management		1,165,419	2,248,673
Prepayments		10,474	10,520
Receivables		16,184,847	10,675,851
Cash		48,709	30,634
Current assets		16,233,556	10,706,485
Assets		16,291,906	10,803,735

# **Equity and liabilities**

	Notes	2019 DKK	2018 DKK
Contributed conital	Notes		
Contributed capital		500,000	500,000
Retained earnings		1,490,590	468,249
Equity		1,990,590	968,249
Deferred tax	4	6,321	7,042
Provisions for investments in group enterprises		0	8,732
Provisions		6,321	15,774
Finance lease liabilities		0	29,617
Non-current liabilities other than provisions	5	0	29,617
Current portion of non-current liabilities other than provisions	5	29,617	35,625
Bank loans		4,841,548	4,979,885
Trade payables		371,407	2,320,324
Payables to shareholders and management		7,033,471	0
Income tax payable		310,666	347,202
Other payables		1,708,286	2,107,059
Current liabilities other than provisions		14,294,995	9,790,095
Liabilities other than provisions		14,294,995	9,819,712
Equity and liabilities		16,291,906	10,803,735

Assets charged and collateral

# Statement of changes in equity for 2019

	Contributed	Retained	
	capital	earnings	Total
	DKK	DKK	DKK
Equity beginning of year	500,000	468,249	968,249
Exchange rate adjustments	0	(41,875)	(41,875)
Profit/loss for the year	0	1,064,216	1,064,216
Equity end of year	500,000	1,490,590	1,990,590

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# **Notes**

# 1 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	314,666	380,505
Change in deferred tax	(721)	86,418
Adjustment concerning previous years	(14)	0
	313,931	466,923

# 2 Property, plant and equipment

Other fixtures and fittings, tools and equipment DKK
194,500
194,500
(97,250)
(38,900)
(136,150)
58,350
58,350

# **3 Financial assets**

	Investments in
	group
	enterprises
	DKK
Cost beginning of year	885
Cost end of year	885
Impairment losses beginning of year	(885)
Exchange rate adjustments	(41,875)
Share of profit/loss for the year	(38,484)
Investments with negative equity value depreciated over receivables	80,359
Impairment losses end of year	(885)
Carrying amount end of year	0

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			Equity interest
		Corporate form	%
Investments in subsidiaries	Registered in		
DELPRO Wind Ltd.	Haddenham,	Ltd	100
	Ely, Great		
	Britain		
4 Deferred tax			
		2019	2018
		DKK	DKK
Property, plant and equipment		6,321	7,042
Deferred tax		6,321	7,042

	Due within 12	Due within 12
	months	months
	2019	2018
	DKK	DKK
Finance lease liabilities	29,617	35,625
	29,617	35,625

# **6 Assets charged and collateral**

All security for all bank debt, a floating charge of a nominal value of DKK 5,000k has been granted over unsecured claims, inventories and operating equipment of a carrying amount of DKK 15,465k.

Other plant and machinery etc. have been finance leases. The carrying amount of assets held under a finance lease is DKK 58k.

# **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.

#### **Consolidated financial statements**

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

# **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.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

### **Income statement**

# **Gross profit or loss**

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

#### Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

# **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.

# Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of plant and equipment.

# Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

# Other financial income

Other financial income comprises interest income, gains on transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

# Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or 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

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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:

Other fixtures and fittings, tools and equipment

5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

# Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

## **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

# **Contract work in progress**

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the

individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

# **Prepayments**

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

#### Cash

Cash comprises cash in hand and bank deposits.

#### **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.

## Other provisions

Other provisions comprise provisions for negative equity value of investments in group enterprises.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date.

## Finance lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

#### Other financial liabilities

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

# Income tax receivable or payable

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