

# Advanced Couplings ApS

Mariendalsvej 2B, 8800 Viborg

Company reg. no. 37 32 97 70

## Annual report

1 January - 31 December 2020



The annual report was submitted and approved by the general meeting on the 31 May 2021.

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Morten Bjerre Kirkegaard  
Chairman of the meeting

## Contents

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	<u>Page</u>
<b>Reports</b>	
Management's report	1
Independent auditor's report on extended review	2
<b>Management commentary</b>	
Company information	4
Management commentary	5
<b>Financial statements 1 January - 31 December 2020</b>	
Accounting policies	6
Income statement	10
Statement of financial position	11
Statement of changes in equity	13
Notes	14

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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 %.

## **Management's report**

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Today, the board of directors and the executive board have presented the annual report of Advanced Couplings ApS for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Viborg, 31 May 2021

### **Executive board**

Lars Andersen

Morten Bjerre Kirkegaard

### **Board of directors**

Peter Wasylyk

Shaun Henry

## **Independent auditor's report on extended review**

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### **To the shareholders of Advanced Couplings ApS**

#### **Opinion**

We have performed an extended review of the financial statements of Advanced Couplings ApS for the financial year 1 January to 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, we believe that the financial statements give a fair presentation of the assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We performed the extended review in accordance with the standard from the Danish Business Authority applicable to auditor's reports on small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable to extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the extended review of the financial statements". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of financial statements that give a fair presentation in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management considers necessary to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 unless the 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 extended review of the financial statements**

Our responsibility is to express an opinion on the financial statements. This requires that we plan and perform our procedures with the purpose of achieving moderate assurance as to our opinion on the financial statements. Furthermore, it requires that we perform particularly required additional procedures with a view to achieving further assurance as to our opinion.

## **Independent auditor's report on extended review**

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An extended review comprises procedures primarily comprising inquiries to the management and to other persons within the enterprise when appropriate, analytical procedures, and the particularly required additional procedures along with an assessment of the achieved evidence.

The scope of the procedures performed during an extended review is less than in case of an audit, and consequently, we do not express any audit opinion on the financial statements.

### **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 express no assurance opinion on the management commentary.

In connection with our extended review the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the extended review, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management commentary is consistent with the financial statements and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not discover any material misstatement in the management commentary.

Viborg, 31 May 2021

### **Ullits & Winther**

State Authorized Public Accounting Firm  
Company reg. no. 32 09 32 72

### **Bo Skårup Sørensen**

State Authorised Public Accountant  
mne29531

## Company information

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### **The company**

Advanced Couplings ApS  
Mariendalsvej 2B  
8800 Viborg

Company reg. no. 37 32 97 70  
Established: 29 December 2015  
Domicile: Viborg Municipality  
Financial year: 1 January 2020 - 31 December 2020

### **Board of directors**

Peter Wasylyk  
Shaun Henry

### **Executive board**

Lars Andersen  
Morten Bjerre Kirkegaard

### **Auditors**

Ullits & Winther  
Statsautoriseret Revisionspartnerselskab  
Agerlandsvej 1  
8800 Viborg

## **Management commentary**

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### **The principal activities of the company**

Like previous years, the principal activity consists of being a wholesale business; supplying steel tube connections and fitting to the food and pharmaceutical industries.

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

The profit and loss account covers 1 January 2020 to 31 December 2020 and shows a result of DKK 467.245 against DKK 638.211 last year. The balance sheet shows equity of DKK 2.328.936.

Management considers the result for the year to be satisfying.

## **Accounting policies**

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The annual report for Advanced Couplings ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

### **Recognition and measurement in general**

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

### **Income statement**

#### **Gross profit**

Gross profit comprises the revenue, changes in inventories, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.



## Accounting policies

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### Staff costs

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

### Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year.

## Statement of financial position

### Tangible fixed assets

Tangible fixed assets are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

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

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

## **Accounting policies**

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Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

### **Leases**

All leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

### **Inventories**

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale comprise acquisition costs plus delivery costs.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

### **Prepayments and accrued income**

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

### **Cash on hand and demand deposits**

Cash on hand and demand deposits comprise cash at bank and on hand.

### **Income tax and deferred tax**

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

## **Accounting policies**

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Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

### **Liabilities other than provisions**

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

## Income statement 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Gross profit</b>	<b>2.436.237</b>	<b>2.438.721</b>
1 Staff costs	-1.612.813	-1.512.398
Depreciation and impairment of property, land, and equipment	-135.400	-99.018
<b>Profit before net financials</b>	<b>688.024</b>	<b>827.305</b>
Financial income	0	28
Financial costs	-85.181	-6.764
<b>Pre-tax net profit or loss</b>	<b>602.843</b>	<b>820.569</b>
2 Tax on net profit or loss for the year	-135.598	-182.358
<b>Net profit or loss for the year</b>	<b>467.245</b>	<b>638.211</b>
<b>Proposed appropriation of net profit:</b>		
Transferred to retained earnings	467.245	638.211
<b>Total allocations and transfers</b>	<b>467.245</b>	<b>638.211</b>

## Statement of financial position at 31 December

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All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
<b>Non-current assets</b>		
3 Other fixtures and fittings, tools and equipment	44.749	65.603
Total property, plant, and equipment	44.749	65.603
<b>Total non-current assets</b>	<b>44.749</b>	<b>65.603</b>
<b>Current assets</b>		
Manufactured goods and goods for resale	6.169.061	4.867.809
Total inventories	6.169.061	4.867.809
Trade receivables	1.787.915	1.068.313
Prepayments and accrued income	77.400	50.800
Total receivables	1.865.315	1.119.113
Cash on hand and demand deposits	1.225.093	1.015.912
<b>Total current assets</b>	<b>9.259.469</b>	<b>7.002.834</b>
<b>Total assets</b>	<b>9.304.218</b>	<b>7.068.437</b>

## Statement of financial position at 31 December

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All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Contributed capital	50.000	50.000
Retained earnings	2.278.936	1.811.691
<b>Total equity</b>	<b><u>2.328.936</u></b>	<b><u>1.861.691</u></b>
<b>Provisions</b>		
Provisions for deferred tax	1.000	2.000
<b>Total provisions</b>	<b><u>1.000</u></b>	<b><u>2.000</u></b>
<b>Liabilities other than provisions</b>		
Trade payables	110.485	237.502
Payables to group enterprises	6.083.184	4.463.635
4 Income tax payable	36.598	5.358
Other payables	744.015	498.251
Total short term liabilities other than provisions	<u>6.974.282</u>	<u>5.204.746</u>
<b>Total liabilities other than provisions</b>	<b><u>6.974.282</u></b>	<b><u>5.204.746</u></b>
<b>Total equity and liabilities</b>	<b><u>9.304.218</u></b>	<b><u>7.068.437</u></b>
<b>5 Charges and security</b>		
<b>6 Contingencies</b>		

## Statement of changes in equity

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All amounts in DKK.

	<b>Contributed capital</b>	<b>Reserve for entrepreneurial companies</b>	<b>Retained earnings</b>	<b>Proposed dividend for the financial year</b>	<b>Total</b>
Equity 1 January 2019	2	49.998	1.173.480	420.000	1.643.480
Distributed dividend	0	0	0	-420.000	-420.000
Provisions of the results for the year	0	0	638.211	0	638.211
Transferred from reserves for entrepreneurial companies	49.998	0	0	0	49.998
Transferred to contributed capital	0	-49.998	0	0	-49.998
Equity 1 January 2020	50.000	0	1.811.691	0	1.861.691
Provisions of the results for the year	0	0	467.245	0	467.245
	<b>50.000</b>	<b>0</b>	<b>2.278.936</b>	<b>0</b>	<b>2.328.936</b>

## Notes

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All amounts in DKK.

	<u>2020</u>	<u>2019</u>
<b>1. Staff costs</b>		
Salaries and wages	1.592.105	1.497.794
Other costs for social security	10.413	7.573
Other staff costs	<u>10.295</u>	<u>7.031</u>
	<b><u>1.612.813</u></b>	<b><u>1.512.398</u></b>
Average number of employees	<u>3</u>	<u>2</u>
<b>2. Tax on net profit or loss for the year</b>		
Tax of the results for the year	136.598	182.358
Adjustment for the year of deferred tax	<u>-1.000</u>	<u>0</u>
	<b><u>135.598</u></b>	<b><u>182.358</u></b>
	<u>31/12 2020</u>	<u>31/12 2019</u>
<b>3. Other fixtures and fittings, tools and equipment</b>		
Cost opening balance	104.267	76.267
Additions during the year	<u>0</u>	<u>28.000</u>
<b>Cost end of period</b>	<b><u>104.267</u></b>	<b><u>104.267</u></b>
Depreciation and writedown opening balance	-38.664	-19.210
Depreciation for the year	<u>-20.854</u>	<u>-19.454</u>
<b>Depreciation and writedown end of period</b>	<b><u>-59.518</u></b>	<b><u>-38.664</u></b>
<b>Carrying amount, end of period</b>	<b><u>44.749</u></b>	<b><u>65.603</u></b>



## Notes

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All amounts in DKK.

	<u>31/12 2020</u>	<u>31/12 2019</u>
<b>4. Income tax payable</b>		
Income tax receivables opening balance	-17.412	-29.290
Paid income tax during the financial year	<u>-5.358</u>	<u>29.290</u>
Income tax receivables concerning previous years	-22.770	0
Calculated corporate tax for the present year	159.368	182.358
Paid tax on account for the present year	<u>-100.000</u>	<u>-177.000</u>
	<b><u>36.598</u></b>	<b><u>5.358</u></b>

### 5. Charges and security

None.

### 6. Contingencies

#### Contingent liabilities

The company has entered into operational leases with an average annual lease payment of DKK 88k. The leases have 16-44 months to maturity and total outstanding lease payments total DKK 211k.

The company has entered into a tenancy agreement with annual rent of DKK 197k. The tenancy may be terminated by giving a 6 months notice.