

# Advanced Couplings ApS

Klokkestøbervej 43, 8800 Viborg

Company reg. no. 37 32 97 70

## Annual report

1 January - 31 December 2019



The annual report was submitted and approved by the general meeting on the 27 May 2020.

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Morten Bjerre Kirkegaard  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British 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 2019.

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 2019 and of the company's results of activities in the financial year 1 January – 31 December 2019.

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, 22 May 2020

### **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 2019, which comprise accounting policies, income statement, statement of financial position 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 2019 and of the results of the company's activities for the financial year 1 January - 31 December 2019 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, 22 May 2020

### **Ullits & Winther**

State Authorised Public Accountants  
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  
Klokkestøbervej 43  
8800 Viborg

Company reg. no. 37 32 97 70  
Established: 29 December 2015  
Domicile: Viborg Municipality  
Financial year: 1 January 2019 - 31 December 2019

### **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**

The principal activity consists of being a wholesale business; supplying steel tube connections and fittings to the food and pharmaceutical industries.

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

The income statement covers the period 1 January to 31 December 2019 and shows a result of DKK 638.211 against DKK 948.535 last year. The statement of financial position shows equity of DKK 1.861.691.

Management considers the result for the year to be satisfactory.

## **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 Danish kroner (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, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the income statement are recognised in the income statement.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

### **Income statement**

#### **Gross profit**

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

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.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.



## Accounting policies

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### Staff costs

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

### Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

### Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts that concerns the financial year.

### Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the income statement with the share referring to the results for the year.

## The balance sheet

### Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of 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 book value, the amortisation discontinues.

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

The cost comprises the acquisition cost and costs directly attached to 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 takes place on a straight line basis and based on an evaluation of the expected useful life:

	Useful life
Other plants, operating assets, fixtures and furniture	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 profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the income statement as other operating income or other operating expenses.

### **Leasing contracts**

All leasing contracts are considered operational leasing. Payments in connection with operational leasing and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operational leasing and lease agreements are recognised under contingencies, etc.

### **Inventories**

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods comprises the acquisition cost with the addition of the delivery costs.

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

### **Debtors**

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

### **Accrued income and deferred expenses**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

### **Available funds**

Available funds comprise cash at bank and in hand.

### **Equity**

#### **Dividend**

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).

## **Accounting policies**

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### **Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

### **Liabilities**

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>2019</u>	<u>2018</u>
<b>Gross profit</b>	<b>2.438.721</b>	<b>2.687.899</b>
1 Staff costs	-1.512.398	-1.371.229
Depreciation and writedown relating to tangible fixed assets	-99.018	-67.794
<b>Results before net financials</b>	<b>827.305</b>	<b>1.248.876</b>
Financial income	28	4.028
Financial costs	-6.764	-33.659
<b>Results before tax</b>	<b>820.569</b>	<b>1.219.245</b>
2 Tax on ordinary results	-182.358	-270.710
<b>Result for the year</b>	<b>638.211</b>	<b>948.535</b>
<b>Proposed distribution of net profit:</b>		
Dividend for the financial year	0	420.000
Transferred to retained earnings	638.211	528.535
<b>Distribution in total</b>	<b>638.211</b>	<b>948.535</b>

## Statement of financial position at 31 December

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All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
<b>Fixed assets</b>		
3 Other plants, operating assets, fixtures and furniture	65.603	57.057
Tangible fixed assets in total	65.603	57.057
<b>Fixed assets in total</b>	<b>65.603</b>	<b>57.057</b>
<b>Current assets</b>		
Manufactured goods and goods for resale	4.867.809	4.104.593
Prepayments for goods	0	477.205
Inventories in total	4.867.809	4.581.798
Trade debtors	1.068.313	819.670
Receivable corporate tax	0	29.290
Accrued income and deferred expenses	50.800	73.200
Debtors in total	1.119.113	922.160
Available funds	1.015.912	1.088.282
<b>Current assets in total</b>	<b>7.002.834</b>	<b>6.592.240</b>
<b>Assets in total</b>	<b>7.068.437</b>	<b>6.649.297</b>

## Statement of financial position at 31 December

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All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2019</u>	<u>2018</u>
<b>Equity</b>			
4	Contributed capital	50.000	2
5	Reserve for entrepreneurial companies	0	49.998
6	Retained earnings	1.811.691	1.173.480
7	Proposed dividend for the financial year	0	420.000
	<b>Equity in total</b>	<b><u>1.861.691</u></b>	<b><u>1.643.480</u></b>
 <b>Provisions</b>			
	Provisions for deferred tax	2.000	2.000
	<b>Provisions in total</b>	<b><u>2.000</u></b>	<b><u>2.000</u></b>
 <b>Liabilities</b>			
	Trade creditors	237.502	140.742
	Debt to group enterprises	4.463.635	4.417.805
8	Corporate tax	5.358	0
	Other debts	498.251	445.270
	Short term liabilities in total	<u>5.204.746</u>	<u>5.003.817</u>
	<b>Liabilities in total</b>	<b><u>5.204.746</u></b>	<b><u>5.003.817</u></b>
	<b>Equity and liabilities in total</b>	<b><u>7.068.437</u></b>	<b><u>6.649.297</u></b>

**9 Mortgage and securities**

**10 Contingencies**

## Notes

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All amounts in DKK.

	<u>2019</u>	<u>2018</u>
<b>1. Staff costs</b>		
Salaries and wages	1.497.794	1.357.880
Other costs for social security	7.573	6.816
Other staff costs	<u>7.031</u>	<u>6.533</u>
	<b><u>1.512.398</u></b>	<b><u>1.371.229</u></b>
Average number of employees	<u>2</u>	<u>2</u>
<b>2. Tax on ordinary results</b>		
Tax of the results for the year	<u>182.358</u>	<u>270.710</u>
	<b><u>182.358</u></b>	<b><u>270.710</u></b>
	<u>31/12 2019</u>	<u>31/12 2018</u>
<b>3. Other plants, operating assets, fixtures and furniture</b>		
Cost opening balance	76.267	56.746
Additions during the year	<u>28.000</u>	<u>19.521</u>
<b>Cost closing balance</b>	<b><u>104.267</u></b>	<b><u>76.267</u></b>
Depreciation and writedown opening balance	-19.210	-4.281
Depreciation for the year	<u>-19.454</u>	<u>-14.929</u>
<b>Depreciation and writedown closing balance</b>	<b><u>-38.664</u></b>	<b><u>-19.210</u></b>
<b>Book value closing balance</b>	<b><u>65.603</u></b>	<b><u>57.057</u></b>
<b>4. Contributed capital</b>		
Contributed capital opening balance	2	2
Transferred from reserves for entrepreneurial companies	<u>49.998</u>	<u>0</u>
	<b><u>50.000</u></b>	<b><u>2</u></b>

## Notes

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All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
<b>5. Reserve for entrepreneurial companies</b>		
Reserve for entrepreneurial companies opening balance	49.998	49.998
Transferred to contributed capital	-49.998	0
	<u><b>0</b></u>	<u><b>49.998</b></u>
<b>6. Retained earnings</b>		
Retained earnings opening balance	1.173.480	644.945
Retained earnings for the year	638.211	528.535
	<u><b>1.811.691</b></u>	<u><b>1.173.480</b></u>
<b>7. Proposed dividend for the financial year</b>		
Dividend opening balance	420.000	500.000
Distributed dividend	-420.000	-500.000
Dividend for the financial year	0	420.000
	<u><b>0</b></u>	<u><b>420.000</b></u>
<b>8. Corporate tax</b>		
Receivable corporate tax opening balance	-29.290	336.974
Received corporate tax during the financial year	29.290	-336.974
Receivable corporate tax concerning previous years	0	0
Calculated corporate tax for the present year	182.358	270.710
Paid tax on account for the present year	-177.000	-300.000
	<u><b>5.358</b></u>	<u><b>-29.290</b></u>
<b>9. Mortgage and securities</b>		
None.		



## Notes

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All amounts in DKK.

### 10. Contingencies

#### Contingent liabilities

The company has entered into operational leasing contracts with an average annual lease payment of DKK 91k. The leasing contracts have between 9-28 months left to run and a total outstanding leasing payment of DKK 159k.

The company has entered into a tenancy agreement with an annual rent of DKK 159k. The tenancy may be terminated by giving a 3 months notice.