



**Sønderjyllands Revision**  
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# **Stoddard ApS**

**Møllegade 32, 8000 Aarhus C**

**Company reg. no. 40 19 83 85**

## **Annual report**

**1 September 2021 - 31 August 2022**

The annual report was submitted and approved by the general meeting on the 1 December 2022.

**Mario Præstholt Riewerts**  
Chairman of the meeting

**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 %.

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## **Management's statement**

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Today, the executive board has presented the annual report of Stoddard ApS for the financial year 1 September 2021 - 31 August 2022.

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 August 2022 and of the company's results of activities in the financial year 1 September 2021 – 31 August 2022.

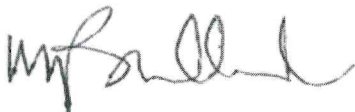
We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Aarhus C, 7 November 2022

### **Executive board**

Michael John Stoddard



René Lundgaard Madsen



## **Independent auditor's report**

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### **To the shareholder of Stoddard ApS**

#### **Opinion**

We have audited the financial statements of Stoddard ApS for the financial year 1 September 2021 - 31 August 2022, 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.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 August 2022 and of the results of the company's activities for the financial year 1 September 2021 - 31 August 2022 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company 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 audit evidence we have 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 provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.

## **Independent auditor's report**

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As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the 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 express no assurance opinion thereon.



## **Independent auditor's report**

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In connection with our audit of 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 audit, 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 management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Sønderborg, 7 November 2022

**Sønderjyllands Revision**

State Authorised Public Accountants

Company reg. no. 18 06 16 35

  
Niels Christian Schjøth

State Authorised Public Accountant

mne19693

## Company information

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**The company**

Stoddard ApS  
Møllegade 32  
8000 Aarhus C

Company reg. no. 40 19 83 85  
Established: 23 January 2019  
Domicile: Aarhus  
Financial year: 1 September 2021 - 31 August 2022  
4th financial year

**Executive board**

Michael John Stoddard  
René Lundgaard Madsen

**Auditors**

Sønderjyllands Revision, Statsautoriseret revisionsaktieselskab  
Jyllandsgade 28  
6400 Sønderborg

**Parent company**

Stoddard Manufacturing Company Limited

## **Management's review**

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

The principal activities of the company are sales- and agent business in the dental industry.

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

The gross profit for the year totals DKK 753.739 against t.DKK 585 last year. The results from ordinary activities after tax are DKK 48.348 against t.DKK -130 last year.

Due to the company's negative equity, DKK -222.731, the company has lost more than half of the registered capital. In terms of the Danish Companies Act § 119, the management must consider the current financial situation and decide on necessary measures to restore the financial situation.

It's the management's opinion that the company will restore its financial situation through future earnings. The management sees no risk in terms of going concern based on the defined objectives and primarily tasks of the company. The company is providing representative services for the parent company, Stoddard Manufacturing Company Ltd., and all costs and obligations of Stoddard ApS will be met by earning 20% commission all reselling of goods supplied by the parent company.

As a consequence of BREXIT the company's business conditions are changed. Together with an UK based logistic company, Stoddard Manufacturing Company Ltd., the company has developed a solution, which allows business with EU-based customers to continue post BREXIT. The management is confident, that with the steps taken, BREXIT, with the agreement, will have none or almost none negative impact on the capability to continue growth and hence to ensure the stability of Stoddard ApS. As a result the activities are extended. The company resells goods delivered from the parent company, Stoddard Manufacturing Company Ltd., because many customers know the challenges of adapting to BREXIT.

If temporary challenges should have an impact on Stoddard ApS' capabilities to generate earnings, the parent company will secure the going concern of Stoddard ApS by adding necessary funds to the company.



## **Accounting policies**

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The annual report for Stoddard ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B 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 profit and loss account 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 profit and loss account are recognised in the profit and loss account.

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 concern matters existing on the balance sheet date.

### **Foreign currency translation**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

## **Accounting policies**

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### **Income statement**

#### **Gross profit**

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

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

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

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

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

#### **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.

#### **Other operating costs**

Other operating costs comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including losses on disposal of intangible and tangible fixed assets.

#### **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, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

## **Accounting policies**

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### **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 profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

### **The balance sheet**

#### **Financial fixed assets**

##### **Deposits**

Deposits are measured at amortised cost and represent rent deposits, etc.

##### **Receivables**

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

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

##### **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.

##### **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.

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.

## **Accounting policies**

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Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### **Liabilities other than provisions**

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



**Income statement 1 September - 31 August**

Amounts concerning 2021/22: DKK.

Amounts concerning 2020/21: DKK thousand.

<u>Note</u>	<u>2021/22</u>	<u>2020/21</u>
<b>Gross profit</b>	<b>753.739</b>	<b>585</b>
2 Staff costs	-693.466	-710
Other operating expenses	-3.685	0
<b>Operating profit</b>	<b>56.588</b>	<b>-125</b>
Other financial costs	-8.240	-5
<b>Pre-tax net profit or loss</b>	<b>48.348</b>	<b>-130</b>
Tax on ordinary results	0	0
<b>Net profit or loss for the year</b>	<b>48.348</b>	<b>-130</b>
<b>Proposed appropriation of net profit:</b>		
Transferred to retained earnings	48.348	0
Allocated from retained earnings	0	-130
<b>Total allocations and transfers</b>	<b>48.348</b>	<b>-130</b>

**Balance sheet at 31 August**

Amounts concerning 2022: DKK.

Amounts concerning 2021: DKK thousand.

<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
<b>Non-current assets</b>		
Deposits	3.162	0
Total investments	3.162	0
<b>Total non-current assets</b>	<b>3.162</b>	<b>0</b>
<b>Current assets</b>		
Trade debtors	1.088.143	885
Other debtors	18.307	35
Prepayments	33.333	0
Total receivables	1.139.783	920
Cash and cash equivalents	213.512	265
<b>Total current assets</b>	<b>1.353.295</b>	<b>1.185</b>
<b>Total assets</b>	<b>1.356.457</b>	<b>1.185</b>



**Balance sheet at 31 August**

Amounts concerning 2022: DKK.

Amounts concerning 2021: DKK thousand.

<b>Equity and liabilities</b>		
<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Equity</b>		
Contributed capital	50.000	50
Results brought forward	-272.731	-321
<b>Total equity</b>	<b>-222.731</b>	<b>-271</b>
<b>Liabilities other than provisions</b>		
3 Other payables	85.830	86
Total long term liabilities other than provisions	85.830	86
Bank debts	0	20
Trade creditors	18.380	42
Payables to group enterprises	1.346.990	1.120
Other debts	127.988	188
Total short term liabilities other than provisions	1.493.358	1.370
<b>Total liabilities other than provisions</b>	<b>1.579.188</b>	<b>1.456</b>
<b>Total equity and liabilities</b>	<b>1.356.457</b>	<b>1.185</b>
1 <b>Special items</b>		
4 <b>Contingencies</b>		

**Notes**

Amounts concerning 2021/22: DKK.

Amounts concerning 2020/21: DKK thousand.

**1. Special items**

As mentioned in the management commentary, the development in the period regarding these financial statements, has been affected by the outbreak of Corona virus (COVID-19). Because of this outbreak, the year has been affected by a number of factors that differ from what is considered by management to be part of operating activities.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	<u>2021/22</u>	<u>2020/21</u>
<b>Income:</b>		
Compensation due to COVID-19	<u>0</u>	<u>22.258</u>
	<u>0</u>	<u>22.258</u>
<b>Expenses:</b>		
Compensation due to COVID-19	<u>-3.685</u>	<u>0</u>
	<u>-3.685</u>	<u>0</u>
Special items are recognised in the following items in the financial statements:		
Other operating income	0	22.258
Other operation expenses	<u>3.685</u>	<u>0</u>
<b>Profit of special items, net</b>	<u><b>3.685</b></u>	<u><b>22.258</b></u>

**2. Staff costs**

Salaries and wages	637.782	656
Pension costs	49.770	48
Other costs for social security	<u>5.914</u>	<u>6</u>
	<u><b>693.466</b></u>	<u><b>710</b></u>
Average number of employees	<u>1</u>	<u>1</u>

**Notes**

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Amounts concerning 2022: DKK.

Amounts concerning 2021: DKK thousand.

	<u>31/8 2022</u>	<u>31/8 2021</u>
<b>3. Other payables</b>		
Total other payables	85.830	86
Share of amount due within 1 year	<u>0</u>	<u>0</u>
<b>Total other payables</b>	<u><b>85.830</b></u>	<u><b>86</b></u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>

**4. Contingencies**

**Contingent liabilities**

Leasing liabilities

The company has entered into leasing contracts with an average annual leasing payment of 77 t.DKK. The leasing contracts have 32 months left to run, and the total outstanding leasing payment is 207 t.DKK.