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Rådgivning & Revision

Schrand ApS

c/o Dansk-Tysk Handelskammer, Kongens Nytorv 26, 3., 1050 København K

Annual report

2023

Company reg. no. 41 52 12 60

The annual report was submitted and approved by the general meeting on the 7 June 2024.

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Timo Anton Schrand
Chairman of the meeting

Contents

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 EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Managing Director has approved the annual report of Schrand ApS for the financial year 2023.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

The Managing Director consider the conditions for audit exemption of the 2023 financial statements to be met.

Further, in my opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

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

København K, 7 June 2024

Managing Director

Timo Anton Schrand

Practitioner's compilation report

To the Shareholder of Schrand ApS

We have compiled the financial statements of Schrand ApS for the financial year 1 January - 31 December 2023 based on the company's bookkeeping and on information you have provided.

These financial statements comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements under the Danish Act on Approved Auditors and Audit Firms and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Risskov, 7 June 2024

Martinsen
State Authorised Public Accountants
Company reg. no. 32 28 52 01

Kaj Kromann Laschewski
State Authorised Public Accountant
mne32783

Company information

The company	Schrand ApS c/o Dansk-Tysk Handelskammer Kongens Nytorv 26, 3. 1050 København K	
	Company reg. no.	41 52 12 60
	Domicile:	Copenhagen
	Financial year:	1 January - 31 December 3rd financial year
Managing Director	Timo Anton Schrand	
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Voldbjergvej 16, 2. sal 8240 Risskov	
Parent company	Schrand Engineering & Investment GmbH Johannes-Gutenberg-Str. 3, 49632 Essen, Tyskland	

Management´s review

The principal activities of the company

The principal activity of the company of the pipeline. power construction and service for transport of energy.

Development in activities and financial matters

The gross profit for the year totals EUR 11.967 against EUR 322.032 last year. Income or loss from ordinary activities after tax totals EUR -7.639 against EUR 84.775 last year. Management considers the net profit or loss for the year satisfactory.

The company has lost its equity. However, management assumes that it can compensate for the lost equity with future income from projects. The management believes that the company has enough funds for the coming year, if necessary the company will receive financial support from the parent company.

Accounting policies

The annual report for Schrand 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 the previous year, and the annual report is presented in euro (EUR).

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.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

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 of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Accounting policies

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. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

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

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

Other operating expenses
Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible 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.

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 and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Property, plant, and equipment
Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

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.

Accounting policies

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, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	30 years	20 %
Plant and machinery	5-10 years	0-20 %
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

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.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Investment properties

At the initial recognition, investment properties are measured at cost, comprising the cost price of the property and any directly related costs.

Investment properties are subsequently measured at fair value, corresponding to the amount for which the individual property is estimated to be able to sell for on the balance sheet date to an independent buyer. The fair value is calculated using a return-based model based on the budgeted net earnings for the following year, restated according to normal earnings and by applying a required rate of return reflecting the market’s actual required rate of return of similar properties. The value is adjusted for factors that are not reflected in normalized earnings, such as actual rent loss due to vacancy, major refurbishment work, etc. Compared to the latest financial year, the methods of measurement used have not been changed.

Costs adding new or improved qualities to an investment property compared to its condition at the time of acquisition, thereby improving the future return on the property, are added to the cost as an improvement. Costs which do not add new or improved qualities to an investment property are recognized in the income statement under the item ”Costs concerning investment property”.

Accounting policies

Like other property, plant, and equipment except for land, investment property has a limited economic life. The impairment taking place concurrently with the ageing of the investment property is reflected in the continuing measurement of the investment property at fair value. Therefore, no systematic depreciations are made over the useful life of the investment property.

Value adjustments are recognized in the income statement under the item ”Value adjustments of property”.

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.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

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.

Accounting policies

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.

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

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in EUR.

Note		2023	2022
	Gross profit	**11.967**	**322.032**
1	Staff costs	-26.057	-218.700
	Other operating expenses	-9	0
	Operating profit	**-14.099**	**103.332**
2	Other financial income	6.267	9.425
3	Other financial expenses	-1.932	-2.725
	Pre-tax net profit or loss	**-9.764**	**110.032**
4	Tax on net profit or loss for the year	2.125	-25.257
	Net profit or loss for the year	**-7.639**	**84.775**
	Proposed distribution of net profit:		
	Dividend for the financial year	0	125.000
	Allocated from retained earnings	-7.639	-40.225
	Total allocations and transfers	**-7.639**	**84.775**

Balance sheet at 31 December

All amounts in EUR.

Note	Assets	2023	2022
	Current assets		
	Trade debtors	0	31.869
	Deferred tax assets	2.125	0
	Receivable corporate tax	12.696	0
5	Other receivables	10.033	565
6	Receivables from owners and management	0	106.498
	Total receivables	24.854	138.932
	Cash and cash equivalents	1.308	135.692
	Total current assets	**26.162**	**274.624**
	Total assets	**26.162**	**274.624**

Balance sheet at 31 December

All amounts in EUR.

Note	**Equity and liabilities**	2023	2022
	Equity		
	Contributed capital	5.354	5.354
	Results brought forward	-4.076	3.563
	Proposed dividend for the financial year	0	125.000
	Total equity	**1.278**	**133.917**
	Liabilities other than provisions		
	Trade creditors	4.924	5.865
	Payables to subsidiaries	19.052	81.000
	Income tax payable	0	25.357
	Other debts	908	28.485
	Total short term liabilities other than provisions	24.884	140.707
	Total liabilities other than provisions	**24.884**	**140.707**
	Total equity and liabilities	**26.162**	**274.624**

Statement of changes in equity

All amounts in EUR.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2022	5.354	43.788	135.000	184.142
Distributed dividend	0	0	-135.000	-135.000
Profit or loss for the year brought forward	0	-40.225	125.000	84.775
Equity 1 January 2023	5.354	3.563	125.000	133.917
Distributed dividend	0	0	-125.000	-125.000
Profit or loss for the year brought forward	0	-7.639	0	-7.639
	5.354	**-4.076**	**0**	**1.278**

Notes

All amounts in EUR.

		2023	2022
1.	**Staff costs**		
	Salaries and wages	25.472	215.045
	Other costs for social security	114	1.438
	Other staff costs	471	2.217
		26.057	**218.700**
	Average number of employees	0	3
2.	**Other financial income**		
	Exchange differences	387	105
	Interest management debt	5.880	9.320
		6.267	**9.425**
3.	**Other financial expenses**		
	Other financial costs	1.932	2.725
		1.932	**2.725**
4.	**Tax on net profit or loss for the year**		
	Tax of the results for the year, parent company	0	24.288
	Adjustment for the year of deferred tax	-2.125	0
	Adjustment of tax for previous years	0	-100
	Calculated addition	0	1.069
		-2.125	**25.257**
5.	**Other receivables**		
	Receivable VAT	10.033	0
	Tax Account	0	565
		10.033	**565**

Notes

All amounts in EUR.

	31/12 2023	31/12 2022

6. Receivables from owners and management

Category	Interest rate	Amounts repaid during the financial year	Total receivables at 31 December 2023
Executive board	13,25	110.948	0