



Åge Espersen & Søn A/S

Svansøvej 2
7800 Skive
CVR No. 42607819

Annual report 2021

The Annual General Meeting adopted the
annual report on 31.05.2022

Denis Reuter

Chairman of the General Meeting

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Entity details

Entity

Åge Espersen & Søn A/S

Svansøvej 2

7800 Skive

Business Registration No.: 42607819

Registered office: Skive

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Denis Reuter

Anke Eisermann

Jørgen Quade Andersen

Executive Board

Florian Pries

Torben Lund Smedegaard

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 Åge Espersen & Søn A/S for the financial year 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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.

Skive, 31.05.2022

Executive Board

Florian Pries

Torben Lund Smedegaard

Board of Directors

Denis Reuter

Anke Eisermann

Jørgen Quade Andersen

Independent auditor's report

To the shareholders of Åge Espersen & Søn A/S

Opinion

We have audited the financial statements of Åge Espersen & Søn A/S for the financial year 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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 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.

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, 31.05.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Allan Trolle Pedersen

State Authorised Public Accountant
Identification No (MNE) mne34339

Management commentary

Primary activities

The primary activities of the Company are within the recycling industry, i.e. handling of scrap iron and steel scrap and environmental handling of scrapped vehicles.

Development in activities and finances

Profit for the financial year is DKK 3.021k compared to a profit of DKK 731k last year.

The result for 2021 is deemed satisfactory, and is a result of favorable market conditions and continued focus on cost reductions.

For year 2022 a profit is expected.

Management has evaluated the company's capital resources and it is Managements assessment that the Company has the needed capital resources to fund its activities.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		10,937,027	7,812,482
Staff costs	1	(4,808,329)	(4,478,483)
Depreciation, amortisation and impairment losses	2	(2,127,020)	(2,150,916)
Other operating expenses		0	(2,200)
Operating profit/loss		4,001,678	1,180,883
Other financial expenses	3	(124,990)	(241,025)
Profit/loss before tax		3,876,688	939,858
Tax on profit/loss for the year	4	(855,665)	(208,871)
Profit/loss for the year		3,021,023	730,987
Proposed distribution of profit and loss			
Retained earnings		3,021,023	730,987
Proposed distribution of profit and loss		3,021,023	730,987

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Land and buildings		2,545,590	2,825,263
Plant and machinery		3,516,507	5,002,475
Other fixtures and fittings, tools and equipment		275,029	332,320
Property, plant and equipment	5	6,337,126	8,160,058
Fixed assets		6,337,126	8,160,058
Manufactured goods and goods for resale		5,455,318	2,893,693
Inventories		5,455,318	2,893,693
Trade receivables		1,370,710	951,902
Receivables from group enterprises		20,000	365,764
Deferred tax	6	336,000	300,500
Other receivables		228,419	274,295
Prepayments		117,360	115,283
Receivables		2,072,489	2,007,744
Other investments		11,000	11,350
Other investments		11,000	11,350
Cash		1,955,102	4,117,234
Current assets		9,493,909	9,030,021
Assets		15,831,035	17,190,079

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		1,000,000	1,000,000
Revaluation reserve		289,652	335,386
Retained earnings		11,172,214	8,105,457
Equity		12,461,866	9,440,843
Other payables		0	330,090
Non-current liabilities other than provisions		0	330,090
Bank loans		6,525	54,836
Trade payables		1,313,000	222,159
Payables to group enterprises		256,312	6,023,325
Joint taxation contribution payable		491,165	161,471
Other payables		1,302,167	957,355
Current liabilities other than provisions		3,369,169	7,419,146
Liabilities other than provisions		3,369,169	7,749,236
Equity and liabilities		15,831,035	17,190,079
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		
Assets charged and collateral	9		

Statement of changes in equity for 2021

	Contributed capital DKK	Revaluation reserve DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,000,000	335,386	8,105,457	9,440,843
Dissolution of revaluations	0	(45,734)	45,734	0
Profit/loss for the year	0	0	3,021,023	3,021,023
Equity end of year	1,000,000	289,652	11,172,214	12,461,866

Notes

1 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	4,169,940	3,893,873
Pension costs	499,917	457,138
Other social security costs	92,512	87,501
Other staff costs	45,960	39,971
	4,808,329	4,478,483
Average number of full-time employees	9	9

2 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Depreciation of property, plant and equipment	2,127,020	2,150,916
	2,127,020	2,150,916

3 Other financial expenses

	2021	2020
	DKK	DKK
Financial expenses from group enterprises	73,426	19,998
Other interest expenses	35,446	210,161
Exchange rate adjustments	14,118	8,866
Other financial expenses	2,000	2,000
	124,990	241,025

4 Tax on profit/loss for the year

	2021	2020
	DKK	DKK
Current tax	891,165	161,471
Change in deferred tax	(35,500)	47,400
	855,665	208,871

5 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	8,028,646	16,695,811	1,300,389
Additions	0	397,870	0
Disposals	0	(250,000)	0
Cost end of year	8,028,646	16,843,681	1,300,389
Revaluations beginning of year	1,924,531	0	0
Revaluations end of year	1,924,531	0	0
Depreciation and impairment losses beginning of year	(7,127,914)	(11,693,336)	(968,069)
Depreciation for the year	(279,673)	(1,731,060)	(57,291)
Reversal regarding disposals	0	97,222	0
Depreciation and impairment losses end of year	(7,407,587)	(13,327,174)	(1,025,360)
Carrying amount end of year	2,545,590	3,516,507	275,029
Carrying amount if asset had not been revalued	2,174,206	3,516,507	275,029

6 Deferred tax

	2021 DKK	2020 DKK
Changes during the year		
Beginning of year	300,500	347,900
Recognised in the income statement	35,500	(47,400)
End of year	336,000	300,500

7 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	96,900	158,100

8 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which TSR Danmark ApS serves as the administration company. According to the joint taxation provisions of the the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

9 Assets charged and collateral

As security for reestablishment, the Company has provided a bank guarantee of DKK 100,000.

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 a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

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 nonmonetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

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

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including gains from the sale of intangible assets and property, plant and equipment.

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.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as 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.

The Entity is jointly taxed with TSR Danmark ApS. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Land and buildings are measured at cost #plus revaluation, and for buildings, less accumulated depreciation and impairment losses. Revaluation is calculated on the basis of regular, independent fair value measurements.

Plant and machinery, and 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.

The basis of depreciation is cost plus revaluation and minus 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:

Buildings	10 - 25 years
Plant and machinery	2,5 - 15 years
Other fixtures and fittings, tools and equipment	2 - 8 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.

Inventories

Inventories are measured at the lower of cost using the weighted average method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

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

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets 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.

Prepayments

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

Other investments

Other current asset investments comprise unlisted investments measured at the lower of cost and net realisable value.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.