



**ETK EMS FREDERIKSSUND A/S**

Vølundsvej 24-26  
3600 Frederikssund

CVR no. 46 08 97 15

**ANNUAL REPORT FOR 2018/19**

**(43. Financial year)**

Adopted at the annual general  
meeting on  
26. november 2019

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Thomas Vinter  
chairman

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## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory and executive boards have today discussed and approved the annual report of ETK EMS Frederikssund A/S for the financial year 1 July 2018 - 30 June 2019.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 June 2019 and of the results of the company's operations for the financial year 1 July 2018 - 30 June 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Frederikssund, 26 November 2019

### **Executive board**

Thomas Vinter  
President

### **Supervisory board**

Thomas Vinter

Torben Drejer

Steen Tygesen

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## INDEPENDENT AUDITOR'S REPORT

### ***To the shareholders of ETK EMS Frederikssund A/S***

#### **Opinion**

We have audited the financial statements of ETK EMS Frederikssund A/S for the financial year 1 July 2018 - 30 June 2019, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 June 2019 and of the results of the company's operations for the financial year 1 July 2018 - 30 June 2019 in accordance with the Danish Financial Statements Act.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the 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 in preparing the financial statements 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 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.

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## INDEPENDENT AUDITOR'S REPORT

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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 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 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 the disclosures, 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 management's review**

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

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## INDEPENDENT AUDITOR'S REPORT

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review 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 management's review.

Skanderborg, 26 November 2019

### **ADVOSSION**

Statsautoriseret revisionspartnerselskab  
CVR no. 37 55 70 64

Ole Christensen  
State Authorised Public Accountant  
MNE no. mne3602

Henrik Hansen  
State Authorised Public Accountant  
MNE no. mne21336

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## COMPANY DETAILS

<b>The company</b>	ETK EMS Frederikssund A/S Vølundsvej 24-26 3600 Frederikssund
	CVR no.: 46 08 97 15
	Reporting period: 1 July 2018 - 30 June 2019
	Domicile: Frederikssund
<b>Supervisory board</b>	Thomas Vinter Torben Drejer Steen Tygesen
<b>Executive board</b>	Thomas Vinter
<b>Auditors</b>	ADVOSION Statsautoriseret revisionspartnerselskab Krøyer Kielbergs Vej 3, 5 th. 8660 Skanderborg

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## MANAGEMENT'S REVIEW

### Business activities

The year's activity, similarly to previous years, has consisted of fabrication of and trading in electronic equipment and expertise concerning such.

### Business review

The company's income statement for the year ended 30 June shows a profit of EUR 167,369, and the balance sheet at 30 June 2019 shows equity of EUR 1,315,328.

### Financial review

In our 40 years anniversary financial year, 2018/19, ETK EMS Group did not only achieve to keep the growth level as previous years but actually to improve. For this financial year, the result exceeds the expectation of the shareholders.

The result for 2018/19 was budgeted to be in the area of 10-11% growth and the result ended by 29%, which is satisfactory for the Management. The expectation for the financial year 2019/20 is to continue to grow the result. After the result of the first quarter of financial year, 2019/20 the expectation is to reach a result minimum in the level of our previous 5 years.

The global EMS market have after several years with unstable supply chain of components reach into a much more stable situation where demand is matching the global availability. Growth in the market is still very fragmented as some industries are having effect of global political issues like Brexit, Trade wars and general unbalance, but other industries are seeing stable growth. Markets with high activity level is e.g. Medico, Food Quality management, Agriculture & Robotics.

In the financial year, 2018/19 ETK EMS acquired another EMS competitor in the Danish market. October 2018 we acquired Delfi Electronics, located in Sønderborg and the transformation into being part of the ETK EMS Group started immediately. Delfi Electronics had severe losses in the last years in business and it required significant changes both mentally but also in business systems to change this outcome in only few months. Already this financial year ETK EMS Sønderborg have participated into growing the financial result for ETK EMS Group. The shareholders are extraordinary proud of this performance. One of our strategic goals is to be first mover of real digitalization in our EMS industry as well as in the Industry in general. In 2018/19, we have implemented several new internal systems that reduce the level of managerial interference and paperwork in the production areas. By these new systems, we have gained even more flexibility, agility and transparency around the organization. Besides having the already market proven ETK EMS Intelligence system upstream towards our customer base the next year will have several projects optimizing the present systems downstream to our supplier base. This high level of digitalization around the organization proved to be one of the key elements in transferring the new site in Sønderborg to be profitable in only very few months.



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## MANAGEMENT'S REVIEW

In September 2018, ETK EMS celebrated our 40th year's anniversary together with customers, suppliers and business partners. We are very thankful for the support all these parties have given our company during these years and we look forward to live up to both our own and their expectations for the years to come.

ETK EMS Group are committed to support the sustainable development goals set by UN not only by our own internal efforts to make a real difference but certainly also by given focus and support to the number of customers we have actually creating products supporting directly some of these 17 goals. This year one of our own CSR activities was to plant 400 mangrove trees in Thailand.

### **Significant events occurring after end of reporting period**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

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## ACCOUNTING POLICIES

The annual report of ETK EMS Frederikssund A/S for 2018/19 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the Accounting Standard on small enterprises as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2018/19 is presented in EUR

### **Basis of recognition and measurement**

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

### **Income statement**

#### **Gross profit**

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

#### **Revenue**

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

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## ACCOUNTING POLICIES

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

### **Raw materials and consumables**

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

### **Other external expenses**

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

### **Staff costs**

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

### **Balance sheet**

#### **Tangible assets**

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost added revaluations and less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

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## ACCOUNTING POLICIES

Depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-8 years	0 %

Assets costing less than EUR 1,849 are expensed in the year of acquisition.

The useful life and residual value of the company's property, plant and equipment is reassessed annually.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

### Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

### Receivables

Receivables are measured at amortised cost.

### Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

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## ACCOUNTING POLICIES

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

### Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

## INCOME STATEMENT 1 JULY - 30 JUNE

	Note	2018/19 EUR	2017/18 EUR
<b>Gross profit</b>		<b>569,790</b>	<b>582,931</b>
Staff costs	1	-388,069	-428,464
<b>Profit/loss before amortisation/depreciation and impairment losses</b>		<b>181,721</b>	<b>154,467</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-4,832	-8,065
<b>Profit/loss before net financials</b>		<b>176,889</b>	<b>146,402</b>
Financial income	2	44,708	56,015
Financial costs	3	-6,945	-14,910
<b>Profit/loss before tax</b>		<b>214,652</b>	<b>187,507</b>
Tax on profit/loss for the year	4	-47,283	-41,347
<b>Profit/loss for the year</b>		<b>167,369</b>	<b>146,160</b>
Retained earnings		167,369	146,160
		<b>167,369</b>	<b>146,160</b>

## BALANCE SHEET 30 JUNE

	<u>Note</u>	<u>2019</u> EUR	<u>2018</u> EUR
<b>Assets</b>			
Other fixtures and fittings, tools and equipment		28,684	12,098
<b>Tangible assets</b>	5	<b>28,684</b>	<b>12,098</b>
Deposits		26,421	26,039
<b>Fixed asset investments</b>		<b>26,421</b>	<b>26,039</b>
<b>Total non-current assets</b>		<b>55,105</b>	<b>38,137</b>
Raw materials and consumables		541,738	332,477
Finished goods and goods for resale		377,079	131,614
<b>Stocks</b>		<b>918,817</b>	<b>464,091</b>
Trade receivables		495,968	246,295
Receivables from group entities		929,055	1,473,004
<b>Receivables</b>		<b>1,425,023</b>	<b>1,719,299</b>
<b>Cash at bank and in hand</b>		<b>2,251</b>	<b>723</b>
<b>Total current assets</b>		<b>2,346,091</b>	<b>2,184,113</b>
<b>Total assets</b>		<b>2,401,196</b>	<b>2,222,250</b>

## BALANCE SHEET 30 JUNE

	<u>Note</u>	<u>2019</u> EUR	<u>2018</u> EUR
<b>Equity and liabilities</b>			
Share capital		107,184	107,344
Revaluation reserve		56,139	56,220
Retained earnings		<u>1,152,005</u>	<u>987,692</u>
<b>Equity</b>	<b>6</b>	<b><u>1,315,328</u></b>	<b><u>1,151,256</u></b>
Provision for deferred tax		<u>2,773</u>	<u>2,661</u>
<b>Total provisions</b>		<b><u>2,773</u></b>	<b><u>2,661</u></b>
Banks		228,753	685,619
Prepayments received from customers		261	0
Trade payables		258,277	207,891
Payables to group entities		436,073	0
Corporation tax		47,167	43,121
Other payables		<u>112,564</u>	<u>131,702</u>
<b>Total current liabilities</b>		<b><u>1,083,095</u></b>	<b><u>1,068,333</u></b>
<b>Total liabilities</b>		<b><u>1,083,095</u></b>	<b><u>1,068,333</u></b>
<b>Total equity and liabilities</b>		<b><u>2,401,196</u></b>	<b><u>2,222,250</u></b>
Mortgages and collateral	7		



## NOTES

	2018/19 EUR	2017/18 EUR
<b>1 Staff costs</b>		
Wages and salaries	373,226	404,528
Pensions	8,020	16,388
Other social security costs	6,823	7,548
	<b>388,069</b>	<b>428,464</b>
Average number of employees	7	8
<b>2 Financial income</b>		
Interest received from group entities	44,701	53,554
Other financial income	7	2,461
	<b>44,708</b>	<b>56,015</b>
<b>3 Financial costs</b>		
Financial expenses, group entities	65	0
Other financial costs	6,880	14,910
	<b>6,945</b>	<b>14,910</b>
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	47,167	43,121
Deferred tax for the year	116	-1,774
	<b>47,283</b>	<b>41,347</b>

## NOTES

### 5 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 July 2018	323,202
Exchange adjustment	-482
Additions for the year	21,437
Cost at 30 June 2019	344,157
Revaluations at 1 July 2018	74,961
Exchange adjustment	-112
Revaluations at 30 June 2019	74,849
Impairment losses and depreciation at 1 July 2018	386,065
Exchange adjustment	-575
Depreciation for the year	4,832
Impairment losses and depreciation at 30 June 2019	390,322
<b>Carrying amount at 30 June 2019</b>	<b>28,684</b>

### 6 Equity

	Share capital	Revaluation re- serve	Retained ear- nings	Total
Equity at 1 July 2018	107,344	56,220	987,692	1,151,256
Exchange adjustments	-160	-81	-3,056	-3,297
Net profit/loss for the year	0	0	167,369	167,369
<b>Equity at 30 June 2019</b>	<b>107,184</b>	<b>56,139</b>	<b>1,152,005</b>	<b>1,315,328</b>

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## NOTES

### 7 Mortgages and collateral

The company is jointly and severally liable for tax on consolidated taxable income and dividend tax. The total amount of income tax payable etc. is shown in the annual report for Javitek ApS, which is the management company in relation to the joint taxation.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

## Thomas Vinter

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Som Direktør NEM ID  
PID: 9208-2002-2-269732078202  
Tidspunkt for underskrift: 04-12-2019 kl.: 09:15:36  
Underskrevet med NemID

## Torben Drejer

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Som Direktør NEM ID  
PID: 9208-2002-2-524227610479  
Tidspunkt for underskrift: 29-11-2019 kl.: 12:03:10  
Underskrevet med NemID

## Steen Thy Tygesen

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Som Bestyrelsesmedlem NEM ID  
PID: 9208-2002-2-096572777608  
Tidspunkt for underskrift: 05-12-2019 kl.: 10:20:11  
Underskrevet med NemID

## Ole Christensen

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Som Revisor NEM ID  
RID: 80351951  
Tidspunkt for underskrift: 05-12-2019 kl.: 10:48:38  
Underskrevet med NemID

## Henrik Hansen

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Som Revisor NEM ID  
RID: 80810872  
Tidspunkt for underskrift: 05-12-2019 kl.: 15:01:20  
Underskrevet med NemID

## Thomas Vinter

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Som Dirigent NEM ID  
PID: 9208-2002-2-269732078202  
Tidspunkt for underskrift: 05-12-2019 kl.: 15:04:01  
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