

**MARK & WEDELL A/S.
INGENIØR- OG
HANDELSFIRMA**

Oldenvej 5
3490 Kvistgård
Central Business Registration
No 48299210

**Annual report
01.05.2018 -
30.04.2019**

The Annual General Meeting adopted the annual report on 11.10.2019

Chairman of the General Meeting

Name: Bjarke Pålsson

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Entity details

Entity

MARK & WEDELL A/S. INGENIØR- OG HANDELSFIRMA
Oldenvej 5
3490 Kvistgård

Central Business Registration No (CVR): 48299210

Founded: 30.04.1974

Registered in: Helsingør

Financial year: 01.05.2018 - 30.04.2019

Board of Directors

Precylinda Zafra Ekvall

Marie-Ann Winther Pålsson

Bjarke Pålsson

Executive Board

Bjarke Pålsson

Torben Filip Ekvall

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the consolidated financial statements and parent financial statements of MARK & WEDELL A/S. INGENIØR- OG HANDELSFIRMA for the financial year 01.05.2018 - 30.04.2019.

The consolidated financial statements and parent financial statements are presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and parent financial statements financial statements give a true and fair view of the Group's and the Parent's financial position at 30.04.2019 and of the results of their operations for the financial year 01.05.2018 - 30.04.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the consolidated financial statements and parent financial statements for adoption at the Annual General Meeting.

Kvistgård, 11.10.2019

Executive Board

Bjarke Pålsson

Torben Filip Ekvall

Board of Directors

Precylinda Zafra Ekvall

Marie-Ann Winther Pålsson

Bjarke Pålsson

Independent auditor's report

To the shareholders of MARK & WEDELL A/S. INGENIØR- OG HANDELSFIRMA

Opinion

We have audited the consolidated financial statements and the parent financial statements of MARK & WEDELL A/S. INGENIØR- OG HANDELSFIRMA for the financial year 01.05.2018 - 30.04.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent . The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30.04.2019, and of the results of their operations for the financial year 01.05.2018 - 30.04.2019 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent'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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated

Independent auditor's report

financial statements and these parent 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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent auditor's report

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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.

Copenhagen, 11.10.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Keld Juel Danielsen
State Authorised Public Accountant
Identification No (MNE) mne26741

Management commentary

Primary activities

As in previous years, the company's activities have consisted in sales, development and production of specialized machines as well as the development and production of special orders for the company's subsidiaries.

In addition, subcontracting work is carried out both in the studio and in the workshop.

Development in activities and finances

The profit for the year is 2,340 t.kr. against a profit of 4,199 t.kr. in 2017/18. The equity is per 30th of April 2019 20,176 t.kr. against 27,267 t.kr. last year.

Management considers the development to be satisfactory.

As of May 1st 2018 the Parent has been merged with the group enterprises M & W Engineering and Business Development ApS, M & W Asketeknik ApS and M & W Bolig ApS.

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.

Consolidated income statement for 2018/19

	<u>Notes</u>	<u>2018/19 DKK</u>	<u>2017/18 DKK</u>
Gross profit		22.979.963	20.812.229
Staff costs	1	(19.125.955)	(16.439.594)
Depreciation, amortisation and impairment losses	2	(519.700)	947.125
Operating profit/loss		3.334.308	5.319.760
Other financial income	3	13.068	11.951
Other financial expenses	4	(289.591)	(248.717)
Profit/loss before tax		3.057.785	5.082.994
Tax on profit/loss for the year	5	(718.200)	(884.258)
Profit/loss for the year		2.339.585	4.198.736
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		2.500.000	0
Extraordinary dividend distributed in the financial year		15.000.000	2.300.000
Retained earnings		(15.160.415)	1.898.736
		2.339.585	4.198.736

Consolidated balance sheet at 30.04.2019

	<u>Notes</u>	<u>2018/19 DKK</u>	<u>2017/18 DKK</u>
Acquired patents		36.217	46.817
Intangible assets	6	36.217	46.817
Land and buildings		20.500.000	13.551.897
Plant and machinery		5.018.030	4.780.227
Other fixtures and fittings, tools and equipment		413.728	455.382
Property, plant and equipment	7	25.931.758	18.787.506
Fixed assets		25.967.975	18.834.323
Raw materials and consumables		329.500	300.000
Manufactured goods and goods for resale		980.675	1.573.902
Inventories		1.310.175	1.873.902
Trade receivables		7.974.864	10.993.780
Contract work in progress	8	5.292.961	4.546.000
Receivables from group enterprises		465.670	0
Other receivables		1.866.383	3.430.763
Income tax receivable		273.352	201.338
Joint taxation contribution receivable		0	66.597
Prepayments		41.885	26.428
Receivables		15.915.115	19.264.906
Cash		1.390.452	3.879.965
Current assets		18.615.742	25.018.773
Assets		44.583.717	43.853.096

Consolidated balance sheet at 30.04.2019

	<u>Notes</u>	<u>2018/19 DKK</u>	<u>2017/18 DKK</u>
Contributed capital		500.000	500.000
Revaluation reserve		7.788.925	3.388.594
Retained earnings		9.386.703	23.378.118
Proposed dividend		2.500.000	0
Equity		<u>20.175.628</u>	<u>27.266.712</u>
Deferred tax	9	5.940.000	3.651.000
Provisions		<u>5.940.000</u>	<u>3.651.000</u>
Mortgage debt		9.792.840	0
Non-current liabilities other than provisions	10	<u>9.792.840</u>	<u>0</u>
Current portion of long-term liabilities other than provisions	10	552.007	0
Prepayments received from customers		1.674.000	5.022.000
Trade payables		1.848.079	1.793.481
Other payables		4.601.163	6.119.903
Current liabilities other than provisions		<u>8.675.249</u>	<u>12.935.384</u>
Liabilities other than provisions		<u>18.468.089</u>	<u>12.935.384</u>
Equity and liabilities		<u>44.583.717</u>	<u>43.853.096</u>
Unrecognised rental and lease commitments	11		
Assets charged and collateral	12		
Subsidiaries	13		

Consolidated statement of changes in equity for 2018/19

	Contributed capital DKK	Revaluation reserve DKK	Retained earnings DKK
Equity beginning of year	500.000	3.388.594	23.378.119
Effect of divestments of entities etc	0	0	(1.309.812)
Extraordinary dividend paid	0	0	(15.000.000)
Revaluations for the year	0	7.140.130	0
Tax of entries on equity	0	(1.570.800)	0
Dissolution of reserves	0	(1.168.999)	2.478.811
Profit/loss for the year	0	0	(160.415)
Equity end of year	500.000	7.788.925	9.386.703

	Proposed dividend DKK	Total DKK
Equity beginning of year	0	27.266.713
Effect of divestments of entities etc	0	(1.309.812)
Extraordinary dividend paid	0	(15.000.000)
Revaluations for the year	0	7.140.130
Tax of entries on equity	0	(1.570.800)
Dissolution of reserves	0	1.309.812
Profit/loss for the year	2.500.000	2.339.585
Equity end of year	2.500.000	20.175.628

Notes to consolidated financial statements

	2018/19 DKK	2017/18 DKK
1. Staff costs		
Wages and salaries	18.142.780	15.577.443
Pension costs	507.253	488.390
Other social security costs	320.876	265.345
Other staff costs	155.046	108.416
	19.125.955	16.439.594
Average number of employees	35	33
	2018/19 DKK	2017/18 DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	10.600	6.183
Depreciation of property, plant and equipment	509.100	632.892
Profit/loss from sale of intangible assets and property, plant and equipment	0	(1.586.200)
	519.700	(947.125)
	2018/19 DKK	2017/18 DKK
3. Other financial income		
Financial income arising from group enterprises	4.173	0
Other interest income	8.895	(899)
Exchange rate adjustments	0	12.850
	13.068	11.951
	2018/19 DKK	2017/18 DKK
4. Other financial expenses		
Other interest expenses	75.554	23.110
Exchange rate adjustments	35.096	60.493
Other financial expenses	178.941	165.114
	289.591	248.717
	2018/19 DKK	2017/18 DKK
5. Tax on profit/loss for the year		
Current tax	0	197.658
Change in deferred tax	718.200	686.600
	718.200	884.258

Notes to consolidated financial statements

			Acquired patents DKK
6. Intangible assets			
Cost beginning of year			53.000
Cost end of year			53.000
Amortisation and impairment losses beginning of year			(6.183)
Amortisation for the year			(10.600)
Amortisation and impairment losses end of year			(16.783)
Carrying amount end of year			36.217
			Other fixtures and fittings, tools and equipment DKK
	Land and buildings DKK	Plant and machinery DKK	
7. Property, plant and equipment			
Cost beginning of year	13.598.900	19.473.211	2.430.254
Additions	0	475.090	38.132
Cost end of year	13.598.900	19.948.301	2.468.386
Revaluations beginning of year	4.344.351	0	0
Revaluations for the year	7.140.130	0	0
Revaluations end of year	11.484.481	0	0
Depreciation and impairment losses beginning of year	(4.391.354)	(14.692.984)	(1.974.872)
Depreciation for the year	(192.027)	(237.287)	(79.786)
Depreciation and impairment losses end of year	(4.583.381)	(14.930.271)	(2.054.658)
Carrying amount end of year	20.500.000	5.018.030	413.728
Carrying amount if asset had not been revalued	10.514.188	-	-
		2018/19 DKK	2017/18 DKK
8. Contract work in progress			
Contract work in progress		5.632.961	20.727.000
Progress billings regarding contract work in progress		(340.000)	(16.181.000)
		5.292.961	4.546.000

Notes to consolidated financial statements

	2018/19	2017/18
	DKK	DKK
9. Deferred tax		
Property, plant and equipment	4.412.200	2.824.000
Tax losses carried forward	(170.000)	0
Other taxable temporary differences	1.697.800	827.000
	5.940.000	3.651.000

Changes during the year

Beginning of year	3.651.000
Recognised in the income statement	718.200
Recognised directly in equity	1.570.800
End of year	5.940.000

	Due within 12	Due after
	months	more than 12
	2018/19	months
	DKK	2018/19
		DKK
10. Liabilities other than provisions		
Mortgage debt	552.007	9.792.840
	552.007	9.792.840

	2018/19	2017/18
	DKK	DKK
11. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	439.200	544.600

12. Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties.

For security of bank debt there is a deposited owner mortgage letter nom. 4,400 t.kr. (2017/18: 4,400 t.kr.) and indemnity letters nom. 15,000 t.kr. (2017/18: 15,000 t.kr.) in properties.

The carrying amount of mortgaged properties amounts to 13,552 t.kr. (2017/18: 13,743 t.kr.).

The group has issued bank and labor guarantees to ensure fulfillment of orders with customers for a total of 1.6 mio.kr. (2017/18: 5.0 mio.kr.)

For security of bank debt assets are charged nom. 5 mio.kr. (2017/18: 0 t.kr.). The carrying amount of assets charged amounts to 8.659 t.kr.

Notes to consolidated financial statements

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>
13. Subsidiaries			
M & W JAWO Handling	Kvistgård	A/S	100,0

Parent income statement for 2018/19

	<u>Notes</u>	<u>2018/19 DKK</u>	<u>2017/18 DKK</u>
Gross profit		21.776.200	19.117.676
Staff costs	1	(19.125.955)	(16.439.594)
Depreciation, amortisation and impairment losses	2	(519.700)	947.125
Operating profit/loss		2.130.545	3.625.207
Income from investments in group enterprises		897.112	1.177.109
Other financial income	3	13.068	48.862
Other financial expenses	4	(238.602)	(99.565)
Profit/loss before tax		2.802.123	4.751.613
Tax on profit/loss for the year	5	(462.538)	(552.879)
Profit/loss for the year		2.339.585	4.198.734
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		2.500.000	0
Extraordinary dividend distributed in the financial year		15.000.000	2.300.000
Retained earnings		(15.160.415)	1.898.734
		2.339.585	4.198.734

Parent balance sheet at 30.04.2019

	<u>Notes</u>	<u>2018/19 DKK</u>	<u>2017/18 DKK</u>
Acquired patents		36.217	46.817
Intangible assets	6	36.217	46.817
Land and buildings		20.500.000	13.551.897
Plant and machinery		5.018.030	4.780.227
Other fixtures and fittings, tools and equipment		413.728	455.383
Property, plant and equipment	7	25.931.758	18.787.507
Investments in group enterprises		3.492.655	4.272.081
Fixed asset investments	8	3.492.655	4.272.081
Fixed assets		29.460.630	23.106.405
Raw materials and consumables		329.500	300.000
Manufactured goods and goods for resale		980.675	1.573.902
Inventories		1.310.175	1.873.902
Trade receivables		1.916.879	3.139.334
Contract work in progress	9	2.485.000	277.000
Receivables from group enterprises		3.242.400	5.127.082
Other receivables		1.653.231	1.333.941
Joint taxation contribution receivable		123.662	0
Prepayments		41.885	26.429
Receivables		9.463.057	9.903.786
Cash		1.194.515	3.879.966
Current assets		11.967.747	15.657.654
Assets		41.428.377	38.764.059

Parent balance sheet at 30.04.2019

	<u>Notes</u>	<u>2018/19 DKK</u>	<u>2017/18 DKK</u>
Contributed capital		500.000	500.000
Revaluation reserve		7.788.925	3.388.594
Reserve for net revaluation according to the equity method		1.983.388	2.387.814
Retained earnings		7.403.315	20.990.305
Proposed dividend		2.500.000	0
Equity		20.175.628	27.266.713
Deferred tax	10	5.566.000	3.409.000
Provisions		5.566.000	3.409.000
Mortgage debt		9.792.840	0
Income tax payable		0	42.842
Non-current liabilities other than provisions	11	9.792.840	42.842
Current portion of long-term liabilities other than provisions	11	552.007	0
Trade payables		1.808.139	1.752.979
Payables to group enterprises		0	1.802.481
Other payables		3.533.763	4.490.044
Current liabilities other than provisions		5.893.909	8.045.504
Liabilities other than provisions		15.686.749	8.088.346
Equity and liabilities		41.428.377	38.764.059
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Assets charged and collateral	14		

Parent statement of changes in equity for 2018/19

	Contributed capital DKK	Revaluation reserve DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK
Equity beginning of year	500.000	3.388.594	2.387.814	20.990.305
Effect of divestments of entities etc	0	0	(1.309.812)	0
Extraordinary dividend paid	0	0	0	(15.000.000)
Revaluations for the year	0	7.140.130	0	0
Tax of entries on equity	0	(1.570.800)	0	0
Dissolution of reserves	0	(1.168.999)	0	2.478.811
Profit/loss for the year	0	0	905.386	(1.065.801)
Equity end of year	500.000	7.788.925	1.983.388	7.403.315
			Proposed dividend DKK	Total DKK
Equity beginning of year			0	27.266.713
Effect of divestments of entities etc			0	(1.309.812)
Extraordinary dividend paid			0	(15.000.000)
Revaluations for the year			0	7.140.130
Tax of entries on equity			0	(1.570.800)
Dissolution of reserves			0	1.309.812
Profit/loss for the year			2.500.000	2.339.585
Equity end of year			2.500.000	20.175.628

Notes to parent financial statements

	2018/19 DKK	2017/18 DKK
1. Staff costs		
Wages and salaries	18.142.780	15.577.443
Pension costs	507.253	488.390
Other social security costs	320.876	265.345
Other staff costs	155.046	108.416
	19.125.955	16.439.594
Average number of employees	35	33
	2018/19 DKK	2017/18 DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	10.600	6.183
Depreciation of property, plant and equipment	509.100	632.892
Profit/loss from sale of intangible assets and property, plant and equipment	0	(1.586.200)
	519.700	(947.125)
	2018/19 DKK	2017/18 DKK
3. Other financial income		
Financial income arising from group enterprises	4.173	49.416
Other interest income	8.895	(899)
Exchange rate adjustments	0	345
	13.068	48.862
	2018/19 DKK	2017/18 DKK
4. Other financial expenses		
Financial expenses from group enterprises	25.131	38.743
Other interest expenses	72.348	23.077
Exchange rate adjustments	11.945	13.301
Other financial expenses	129.178	24.444
	238.602	99.565

Notes to parent financial statements

	2018/19 DKK	2017/18 DKK	
5. Tax on profit/loss for the year			
Current tax	0	132.842	
Change in deferred tax	586.200	420.037	
Refund in joint taxation arrangement	(123.662)	0	
	462.538	552.879	
		Acquired patents DKK	
6. Intangible assets			
Cost beginning of year		53.000	
Cost end of year		53.000	
Amortisation and impairment losses beginning of year		(6.183)	
Amortisation for the year		(10.600)	
Amortisation and impairment losses end of year		(16.783)	
Carrying amount end of year		36.217	
		Other fixtures and fittings, tools and equipment DKK	
	Land and buildings DKK	Plant and machinery DKK	
7. Property, plant and equipment			
Cost beginning of year	13.598.900	19.473.211	2.271.269
Additions	0	475.090	38.132
Cost end of year	13.598.900	19.948.301	2.309.401
Revaluations beginning of year	4.344.351	0	0
Revaluations for the year	7.140.130	0	0
Revaluations end of year	11.484.481	0	0
Depreciation and impairment losses beginning of year	(4.391.354)	(14.692.984)	(1.815.887)
Depreciation for the year	(192.027)	(237.287)	(79.786)
Depreciation and impairment losses end of year	(4.583.381)	(14.930.271)	(1.895.673)
Carrying amount end of year	20.500.000	5.018.030	413.728
Carrying amount if asset had not been revalued	10.514.188	-	-

Notes to parent financial statements

	Investments in group enterprises DKK
8. Fixed asset investments	
Cost beginning of year	1.884.267
Disposals	(375.000)
Cost end of year	1.509.267
Revaluations beginning of year	2.387.814
Share of profit/loss for the year	905.386
Reversal regarding disposals	(1.309.812)
Revaluations end of year	1.983.388
Carrying amount end of year	3.492.655

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

	2018/19 DKK	2017/18 DKK
9. Contract work in progress		
Contract work in progress	2.825.000	16.458.000
Progress billings regarding contract work in progress	(340.000)	(16.181.000)
	2.485.000	277.000
	2018/19 DKK	2017/18 DKK
10. Deferred tax		
Property, plant and equipment	4.426.000	2.843.000
Tax losses carried forward	(170.000)	0
Other taxable temporary differences	1.310.000	566.000
	5.566.000	3.409.000
Changes during the year		
Beginning of year	3.409.000	
Recognised in the income statement	586.200	
Recognised directly in equity	1.570.800	
End of year	5.566.000	

Notes to parent financial statements

	Due within 12 months 2018/19 DKK	Due after more than 12 months 2018/19 DKK
11. Liabilities other than provisions		
Mortgage debt	552.007	9.792.840
	552.007	9.792.840
	2018/19 DKK	2017/18 DKK
12. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	439.200	544.600

13. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where M & W Holding ApS serves as the administration company until 30th of April 2018. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

14. Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties.

For security of bank debt there is a deposited owner mortgage letter nom. 4,400 t.kr. (2017/18: 4,400 t.kr.) and indemnity letters nom. 15,000 t.kr. (2017/18: 15,000 t.kr.) in properties.

The carrying amount of mortgaged properties amounts to 13,552 t.kr. (2017/18: 13,743 t.kr.).

The company has issued bank and labor guarantees to ensure fulfillment of orders with customers for a total of 605 t.kr. (2017/18: 776 t.kr.)

For security of bank debt assets are charged nom. 5 mio.kr. (2017/18: 0 t.kr.). The carrying amount of assets charged amounts to 8.659 t.kr.

Collateral against affiliated companies

Above-mentioned mortgage letter nom. 4,400 t.kr. (2016/17: 4,400 t.kr.) has also been deposited for security affiliated companies' debts to Jyske Bank.

The company has secured guarantees for affiliated companies' debts to Jyske Bank.

Bank debt in affiliates amounts to DKK 0.

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 certain provisions for reporting class C.

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

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, 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.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other operating income

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

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for

Accounting policies

the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

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

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange 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.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

Accounting policies

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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 less 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	50 years
Plant and machinery	2-10 years
Other fixtures and fittings, tools and equipment	2-10 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.

Investments in group enterprises

In the parent financial statements, investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Inventories

Inventories are measured at the lower of cost using the FIFO 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.

Accounting policies

Receivables

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

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as finance costs are recognised in the income statement as incurred.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for 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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Accounting policies

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.