

Dansk Skalform A/S

Birkevej 59, 9600 Aars
CVR no. 17 20 18 75

Annual report for the financial year 01.07.23 - 30.06.24

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 14.11.24

Peter Dissing
Dirigent

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The company

Dansk Skalform A/S
Birkevej 59
9600 Aars

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Registered office: Vesthimmerland
CVR no.: 17 20 18 75
Financial year: 01.07 - 30.06

Executive Board

Peter Dissing

Board of Directors

Søren Dissing
Peter Dissing
Kathrine Dissing

Auditors

Beierholm
Godkendt Revisionspartnerselskab

Bank

Spar Nord Bank

Parent company

Dansk Skalform Holding A/S, Vesthimmerland

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.07.23 - 30.06.24 for Dansk Skalform A/S.

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 company's assets, liabilities and financial position as at 30.06.24 and of the results of the company's activities for the financial year 01.07.23 - 30.06.24.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Aars, November 14, 2024

Executive Board

Peter Dissing

Board of Directors

Søren Dissing

Peter Dissing

Kathrine Dissing

To the Shareholder of Dansk Skalform A/S**Opinion**

We have audited the financial statements of Dansk Skalform A/S for the financial year 01.07.23 - 30.06.24, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including material accounting policy information. 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 company's financial position at 30.06.24 and of the results of the company's operations for the financial year 01.07.23 - 30.06.24 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' 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 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of 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 the management's review

Management is responsible for the management's review.

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

In connection with our audit of the financial statements, it is our responsibility 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 by law and regulations.

Based on the work we have performed, we conclude that the management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of Danish Financial Statements Act. We did not identify any material misstatement of the management's review.

Farsø, November 14, 2024

Beierholm

Godkendt Revisionspartnerselskab
CVR no. 32 89 54 68

Ole Hosbond Poulsen
State Authorised Public Accountant
MNE-no. mne26695

Primary activities

The company's activities comprise production and sale of castings, including shell molding and precision casting. Sales are mainly directed towards export markets.

Development in activities and financial affairs

The income statement for the period 01.07.23 - 30.06.24 shows a profit/loss of DKK 6,628,978 against DKK 6,011,365 for the period 01.07.22 - 30.06.23. The balance sheet shows equity of DKK 21,524,126.

The management considers the net profit for the year to be satisfactory.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

Note		2023/24 DKK	2022/23 DKK
	Gross profit	37,930,952	41,061,942
2	Staff costs	-29,673,806	-31,419,783
	Profit before depreciation, amortisation, write-downs and impairment losses	8,257,146	9,642,159
	Depreciation and impairments losses of property, plant and equipment	-312,755	-463,235
	Write-downs of current assets exceeding normal write-downs	0	-1,200,000
	Operating profit	7,944,391	7,978,924
	Financial income	1,062,365	41,570
3	Financial expenses	-503,766	-284,425
	Profit before tax	8,502,990	7,736,069
	Tax on profit for the year	-1,874,012	-1,724,704
	Profit for the year	6,628,978	6,011,365
	Proposed appropriation account		
	Proposed dividend for the financial year	7,000,000	7,000,000
	Retained earnings	-371,022	-988,635
	Total	6,628,978	6,011,365

Balance sheet

ASSETS

	30.06.24 DKK	30.06.23 DKK
Leasehold improvements	138,801	220,866
Plant and machinery	184,621	382,476
Other fixtures and fittings, tools and equipment	18,961	51,796
Total property, plant and equipment	342,383	655,138
Deposits	2,000,000	2,000,000
Total investments	2,000,000	2,000,000
Total non-current assets	2,342,383	2,655,138
Raw materials and consumables	4,467,358	6,354,515
Work in progress	520,753	414,646
Manufactured goods and goods for resale	194,515	0
Total inventories	5,182,626	6,769,161
Trade receivables	7,706,367	12,868,199
Deferred tax asset	219,586	338,582
Other receivables	1,614,256	1,764,857
Prepayments	213,594	181,185
Total receivables	9,753,803	15,152,823
Cash	22,671,778	21,260,808
Total current assets	37,608,207	43,182,792
Total assets	39,950,590	45,837,930

EQUITY AND LIABILITIES		30.06.24	30.06.23
		DKK	DKK
Note			
	Share capital	500,000	500,000
	Retained earnings	14,024,126	14,395,148
	Proposed dividend for the financial year	7,000,000	7,000,000
	Total equity	21,524,126	21,895,148
4	Other provisions	302,617	0
	Total provisions	302,617	0
	Payables to other credit institutions	1	0
	Prepayments received from customers	495,776	0
	Trade payables	2,108,582	3,490,970
	Payables to group enterprises	9,279,545	13,110,847
	Income taxes	1,755,016	1,952,341
	Other payables	4,484,927	5,388,624
	Total short-term payables	18,123,847	23,942,782
	Total payables	18,123,847	23,942,782
	Total equity and liabilities	39,950,590	45,837,930
5	Contingent liabilities		
6	Related parties		

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Proposed dividend for the financial year
Statement of changes in equity for 01.07.22 - 30.06.23			
Balance as at 01.07.22	500,000	15,383,783	4,000,000
Dividend paid	0	0	-4,000,000
Net profit/loss for the year	0	-988,635	7,000,000
Balance as at 30.06.23	500,000	14,395,148	7,000,000
Statement of changes in equity for 01.07.23 - 30.06.24			
Balance as at 01.07.23	500,000	14,395,148	7,000,000
Dividend paid	0	0	-7,000,000
Net profit/loss for the year	0	-371,022	7,000,000
Balance as at 30.06.24	500,000	14,024,126	7,000,000

1. Special items

Special items are income and expenses that are special due to their size and nature. The following special items were recorded in the financial year:

Special items:	Recognised in the income statement in:	2023/24 DKK	2022/23 DKK
Income in the form of operating loss compensation	Other operating income	331,889	0
Write-downs of inventories (not normal)	Write-downs of current assets exceeding normal write-downs	0	-1,200,000
Total		331,889	-1,200,000

2. Staff costs

Wages and salaries	26,139,375	28,157,682
Pensions	2,664,349	2,332,635
Other social security costs	662,560	754,950
Other staff costs	207,522	174,516
Total	29,673,806	31,419,783
Average number of employees during the year	62	70

3. Financial expenses

Interest, group enterprises	489,141	256,987
Other financial expenses	14,625	27,438
Total	503,766	284,425

	30.06.24	30.06.23
	DKK	DKK

4. Other provisions

Other provisions are expected to be distributed as follows:

Current liabilities	302,617	0
Total	302,617	0

5. Contingent liabilities

Lease commitments

The company has concluded lease agreements with Dissing Udlejning ApS for the rental of commercial buildings located at Vestvej 1 and 3, Aars, as well as Birkevej 59, Aars. The annual rent amounts to DKK 5,200k.

The company has concluded a number of operational lease agreements with Dissing Udlejning ApS for the rental of operating equipment and machinery. The remaining lease period ranges from 44 to 117 months with an average quarterly payment of DKK 355k. The total contractual obligation amounts to DKK 8,958k.

The above-mentioned lease agreements are all entered into with an affiliated company. The company has no other lease agreements

Guarantee commitments

The company has provided the usual industry guarantees for completed work. It is the management's opinion that these guarantee obligations will not have a significant impact on the company's financial position.

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

6. Related parties

Controlling influence	Basis of influence
Dansk Skalform Holding A/S, Vesthimmerland	Kapitalejer

The company is included in the consolidated financial statements of the parent Dansk Skalform Holding A/S, Vesthimmerland.

7. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

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 depreciation, amortisation, impairment losses and write-downs, 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 such assets 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 such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

7. Accounting policies - continued -

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

LEASES

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

INCOME STATEMENT

Gross profit

Gross profit comprises revenue, other operating income and raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

7. Accounting policies - continued -**Costs of raw materials and consumables**

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise other variable costs, production costs, selling costs, cost of premises and administrative expenses as well as other capacity costs, including bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Leasehold improvements	10	0
Plant and machinery	5 - 10	0
Other plant, fixtures and fittings, tools and equipment	5	0

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

7. Accounting policies - continued -

Write-downs of current assets exceeding normal write-downs

Write-downs of current assets exceeding normal write-downs comprise write-downs of inventories, trade receivables and other current assets that due to their nature or size or otherwise due to the affairs of the enterprise are considered to exceed normal write-downs.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements, plant and machinery as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

7. Accounting policies - continued -

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

7. Accounting policies - continued -

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

Provisions

Other provisions comprise expected expenses incidental to warranty commitments, restructuring etc. and are recognised when the company has a legal or constructive obligation at the balance sheet date and it is probable that such obligation will draw on the financial resources of the company. Provisions are measured at net realisable value or fair value if the provision is expected to be settled over the longer term.

Warranty commitments comprise the obligation to repair defective work within the warranty period of 1-5 years. Warranty commitments are measured at net realisable value and recognised based on previous years' experience with warranty work.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

7. Accounting policies - continued -

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.