



Drivhus Holding A/S

Odensevej 38, 5690 Tommerup
CVR No. 12695209

Annual report 2019

The Annual General Meeting adopted the
annual report on 12.03.2020

Carl Erik Skovgaard
Conductor

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Entity details

Entity

Drivhus Holding A/S

Odensevej 38

5690 Tommerup

CVR No.: 12695209

Registered office: Assens

Financial year: 01.01.2019 - 31.12.2019

Phone number: 64 75 20 00

URL: www.viemose-dgs.dk

Board of Directors

Carl Erik Skovgaard, Chairman of the board

Lars Bennet Sørensen, Board member

Benny Schack Nielsen, Board member

Executive Board

Søren Evald Kristensen, CEO

Steen Mortensen, CFO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Tværkajen 5

P. O. Box 10

5100 Odense

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Drivhus Holding A/S for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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.

Verninge, 12.03.2020

Executive Board

Søren Evald Kristensen
CEO

Steen Mortensen
CFO

Board of Directors

Carl Erik Skovgaard
Chairman of the board

Lars Bennet Sørensen
Board member

Benny Schack Nielsen
Board member

Independent auditor's report

To the shareholders of Drivhus Holding A/S

Opinion

We have audited the financial statements of Drivhus Holding A/S for the financial year 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 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 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.

Odense, 12.03.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Heino Hyllested Tholsgaard

State Authorised Public Accountant
Identification No (MNE) mne34511

Management commentary

Financial highlights

	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000
Key figures					
Gross profit/loss	(43)	(96)	(90)	(60)	(37)
Operating profit/loss	(43)	(96)	(90)	(60)	(37)
Net financials	(43)	(96)	(90)	(60)	(37)
Profit/loss for the year	920	(13,722)	3,905	(1,488)	2,052
Total assets	4,421	3,553	17,162	12,999	14,272
Equity	4,393	3,472	17,067	12,954	14,220
Ratios					
Return on invested capital (%)	(0,4)	(0,9)	(0,6)	(0,4)	(0,3)
Return on equity (%)	23.39	(133.62)	26.02	(10.95)	15,7
Equity ratio (%)	99.37	97.72	99.45	99.65	99.64

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on invested capital (%):

$\frac{\text{Operating profit/loss} * 100}{\text{Average assets}}$

Average assets

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

The purpose of the company is to have equity interests in other companies, including owning shares, conducting financial activities and in carrying on any other related business.

Development in activities and finances

Profit for the year is DKK 915k before tax and DKK 909k after tax.

The realized result does not fully meet the management's expectation.

The initiated turn-around process in the subsidiary Viemose-Driboga A/S started up in 2018 is completed in 2019 and replaced by a targeted action plan which is intended to improve earnings and optimization of the internal processes.

The Entity is not subject to any material risk other than the general industry risk including business and financial risk.

For description of going concern, we refer to note 1.

Uncertainty relating to recognition and measurement

For description of uncertainty relating to recognition and measurement, we refer to note 2.

Outlook

Management's expectations for the future are very positive. In the coming year, the Entity will continue working on the targeted action plan in the subsidiary Viemose-Driboga A/S.

Based on the action plan and the present order pipeline the Management expect a substantially better profit at DKK 3-5 million in the subsidiary Viemose-Driboga A/S in 2020.

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 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		(42,926)	(95,777)
Income from investments in group enterprises		900,390	(13,525,558)
Income from investments in associates		0	(184,283)
Other financial income	4	68,373	73,464
Other financial expenses	5	(53)	(15)
Profit/loss before tax		925,784	(13,732,169)
Tax on profit/loss for the year	6	(5,587)	9,719
Profit/loss for the year	7	920,197	(13,722,450)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Investments in group enterprises		2,142,582	1,254,139
Other financial assets	8	2,142,582	1,254,139
Fixed assets		2,142,582	1,254,139
Receivables from group enterprises		2,262,844	2,277,360
Deferred tax	9	10,937	16,524
Income tax receivable		4,912	4,912
Receivables		2,278,693	2,298,796
Cash		0	88
Current assets		2,278,693	2,298,884
Assets		4,421,275	3,553,023

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital	10	5,500,000	5,500,000
Retained earnings		(1,107,477)	(2,027,674)
Equity		4,392,523	3,472,326
Provisions for investments in group enterprises		0	11,947
Provisions		0	11,947
Bank loans		2	0
Other payables	12	28,750	68,750
Current liabilities other than provisions		28,752	68,750
Liabilities other than provisions		28,752	68,750
Equity and liabilities		4,421,275	3,553,023
Going concern	1		
Events after the balance sheet date	2		
Uncertainty relating to recognition and measurement	3		
Contingent liabilities	13		
Assets charged and collateral	14		
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Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	5,500,000	(2,027,674)	3,472,326
Profit/loss for the year	0	920,197	920,197
Equity end of year	5,500,000	(1,107,477)	4,392,523

Notes

1 Going concern

The Entity made a profit for 2019 of DKK 915k before tax, which is a significant improvement compared to 2018 with a deficit of DKK 13,722k.

The subsidiary Viemose-Driboga A/S has received a loan agreement that is due until mid-2020 and the expectation of the management is that the loan agreement will be extended.

In 2020 a positive profit before tax of DKK 3-5 million is expected in the subsidiary Viemose-Driboga A/S, as well as in the following years, improved earnings are expected.

The realized monthly accounts for Viemose-Driboga A/S for January 2020 show a positive deviation compared to budget 2020. It is therefore management's opinion that there will be a positive development for the whole of 2020. At the same time, management estimates that there is no going concern issues.

2 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.

3 Uncertainty relating to recognition and measurement

The value of deferred tax amounting to DKK 10,937k regarding the tax loss carryforwards in Viemose-Driboga is based on managements expectations to future earnings.

4 Other financial income

	2019	2018
	DKK	DKK
Financial income from group enterprises	68,373	66,000
Other financial income	0	7,464
	68,373	73,464

5 Other financial expenses

	2019	2018
	DKK	DKK
Other interest expenses	53	15
	53	15

6 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Current tax	0	(4,912)
Change in deferred tax	5,587	(4,807)
	5,587	(9,719)

7 Proposed distribution of profit and loss

	2019 DKK	2018 DKK
Retained earnings	920,197	(13,722,450)
	920,197	(13,722,450)

8 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	6,811,052
Cost end of year	6,811,052
Revaluations beginning of year	(5,556,913)
Share of profit/loss for the year	888,443
Revaluations end of year	(4,668,470)
Carrying amount end of year	2,142,582

	Registered in	Equity interest %
Investments in subsidiaries		
Viemose-Driboga A/S	Assens	100%

9 Deferred tax

	2019 DKK	2018 DKK
Changes during the year		
Beginning of year	16,524	11,717
Recognised in the income statement	(5,587)	4,807
End of year	10,937	16,524

The valuation of deferred tax and the deferred tax in the subsidiary has been performed on basis of the expectations for future earnings set by the executive board. The executive board expects a continuous stream of positive earnings the next five years, which will use the positive deferred tax.

10 Share capital

	Number	Par value DKK	Nominal value DKK	Recorded par value DKK
Shares	5,500	1,000	5,500,000	5,500,000
	5,500		5,500,000	5,500,000

Share capital comprise of 5,500 shares par DKK 1,000. No shares are attributed special rights.

11 Provisions for investments in group enterprises

Provisions for investments in Viemose-Driboga GmbH.

12 Other payables

	2019 DKK	2018 DKK
Other costs payable	28,750	68,750
	28,750	68,750

13 Contingent liabilities

The company has provided unlimited debt guarantee for its subsidiary Viemose-Driboga A/S's bank debt. Bank debt amounts to DKK 7,422k per 31.12.2019.

The company has provided Performance Bonds at a value of DKK 202k.

The Entity participates in a Danish joint taxation arrangement where BSN Invest ApS, Broby serves as the administration company. 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

Unlisted securities at the carrying amount DKK 2,763, and other securities has been pledged for Viemose-Driboga A/S. The Entity is not allowed to sell its stakes without the bank's consent.

15 Related parties with controlling interest

The following legal and physical persons have controlling influence over the company:

Benny Schack Nielsen, majority shareholder, Assens Municipality

BSN Invest ApS, majority shareholder, Assens Municipality

Other related parties:

LBS Invest ApS, shareholder, Assens Municipality

Viemose-Driboga A/S, subsidiary, Assens Municipality

Søren Evald Kristensen, chief executive officer, Assens Municipality

Steen Mortensen, chief financial officer, Odense Municipality

Lars Bennet Sørensen, board member, Assens Municipality

Otto Frederik Spliid, former chairman of the board, Odense Municipality

Kenneth Bo Madsen, former board member, Odense Municipality

Carl Erik Skovgaard, new chairman of the board, Aarhus Municipality

16 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

17 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
BSN Invest ApS, Broby - Assens Municipality

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

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 intra-group profits or losses.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after pro rata elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, interest income on receivables from group enterprises and 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 and 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**Investments in group enterprises**

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 and plus or minus unrealised intra-group profits or losses.

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 in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

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 the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

Income tax payable or receivable

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

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments..

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Other financial liabilities

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

Cash flow statement

With reference to § 86 (4) of the Danish Financial Accounting Act, no cash flow statement has been prepared.