

# **Flensted Food Group A/S**

**Adelvej 9, Skovlund, 6823 Ansager**

**Company reg. no. 16 24 27 99**

## **Annual report**

**1 January - 31 December 2019**

The annual report was submitted and approved by the general meeting on the 19 May 2020.

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**Martin Kuper**  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## **Management's report**

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The board of directors and the executive board have today presented the annual report of Flensted Food Group A/S for the financial year 1 January to 31 December 2019.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Ansager, 19 May 2020

### **Executive board**

Lene Vinge Rasmussen

Jørgen Bonde Østergaard

### **Board of directors**

Stefan Wernsing  
Chairman

Martin Kuper

Martin Zwinkels

## **Independent auditor's report**

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### **To the shareholder of Flensted Food Group A/S**

#### **Opinion**

We have audited the annual accounts of Flensted Food Group A/S for the financial year 1 January to 31 December 2019, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

#### **The management's responsibilities for the annual accounts**

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

## **Independent auditor's report**

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As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

### **Statement on the management's review**

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

## **Independent auditor's report**

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In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

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

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 19 May 2020

### **Grant Thornton**

State Authorised Public Accountants  
Company reg. no. 34 20 99 36

### **Brian Rasmussen**

State Authorised Public Accountant  
mne30153

## Company information

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### The company

Flensted Food Group A/S

Adelvej 9

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6823 Ansager

Phone +45 76 98 50 50

Web site [www.flensted.dk](http://www.flensted.dk)

Company reg. no. 16 24 27 99

Domicile: Skovlund

Financial year: 1 January - 31 December

### Board of directors

Stefan Wernsing, Chairman

Martin Kuper

Martin Zwinkels

### Executive board

Lene Vinge Rasmussen

Jørgen Bonde Østergaard

### Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab

Stockholmsgade 45

2100 København Ø

### Parent company

WFG Denmark A/S

## Financial highlights

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DKK in thousands.	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Income statement:</b>					
Net turnover	411.772	364.315	358.672	356.056	317.365
Gross profit	92.030	81.098	79.730	84.847	69.073
Profit from ordinary operating activities	16.385	8.668	8.213	13.846	4.623
Net financials	-1.692	-1.550	-1.548	-1.130	-1.590
Net profit or loss for the year	11.488	5.709	5.281	9.864	2.323
<b>Statement of financial position:</b>					
Balance sheet total	346.376	340.135	298.826	233.940	195.294
Investments in tangible fixed assets	10.726	35.360	76.443	32.693	10.101
Equity	86.815	75.327	69.618	64.337	54.473
<b>Employees:</b>					
Average number of full-time employees	141	136	132	104	98
<b>Key figures in %:</b>					
Gross margin ratio	22,3	22,3	22,2	23,8	21,8
Profit margin (EBIT-margin)	4,0	2,4	2,3	3,9	1,5
Acid test ratio	63,0	56,0	55,1	72,7	69,8
Solvency ratio	25,1	22,1	23,3	27,5	27,9
Return on equity	14,2	7,9	7,9	16,6	4,4

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.



## **Management commentary**

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### **The principal activities of the company**

The company is a production company within production and sale of processed potato products together with mayonnaise-based salads and dressings.

### **Development in activities and financial matters**

The net turnover for the year is DKK 411,8m against DKK 364,3m last year. Results from the year amount to DKK 11,5m (last year DKK 5,7m). The management consider the results satisfactory taken circumstances into account.

The result for the year is in accordance with the expectations for the year.

### **Special risks**

The company is mainly order producing and thus, there are limited business risks related to the company's inventory of finished goods.

Further, the company runs a tight internal credit policy that ensures that all significant accounts receivable from sale are insured.

The company is exposed to the usual risks within the business, including especially the weather and its influence on price and quality of raw materials as well as sales prices.

#### *Exchange rate risks*

The result, cash flows and equity is influenced by development in currency - and interest for a number of currencies due to activities abroad.

Currency risks are not revealed as trade is primarily made with countries that are economically stable.

### **Environmental issues**

The company has the necessary environmental approvals and approvals for food production, also stated in the latest CSR report for 2019.

### **Know how resources**

The ambition of being market leading and ahead of the business' development means that the company is characterized by a dynamic knowledge environment in rapid change. This places particularly high demands on the company as regards obtaining a distribution of new knowledge and it complicates an efficient standardization of the products. At the same time, the individual solutions are characterized by a complexity in which the personal knowledge of individual employees plays a crucial role.

During the year, there has been an addition of competent and experienced employees who strengthened the company's knowledge- and competence starting point. Successfully, the competence development investments have increased in 2019 and 2018 and targeted training was well-received by the employees.

## **Management commentary**

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The company has an innovation and development department.

### **The expected development**

During next year, focus will still be on market conditions and the necessary adjustments will be made whilst retaining efficiency and optimization of the production.

The result for the coming financial year was expected to be on a slightly lower level than in 2019. The company has focus on ongoing growth in sales as well as efficiency improvements to ensure good competitive power. However, based on the present situation with Covid-19, the company's management cannot at present state anything about the financial consequences and expected results for the financial year 2020.

### **Events subsequent to the financial year**

Based on the present situation with Covid-19, the company's management cannot at present state anything about the financial consequences and expected results for the financial year 2020.

### **Statement of corporate social responsibility**

The company is part of WFG Denmark A/S. We refer to the CSR Report 2019 for this company, which gives a clear picture of the social responsibility in the whole Danish group. The CSR Report can be found on our website <https://flensted.dk/>.

### **Target figures and policies for the under-represented gender**

The company is part of the group accounts for Wernsing Scandinavia ApS. We refer to the group management report where there is a paragraph about target figures and policies regarding the underrepresented gender.

## **Accounting policies**

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The annual report for Flensted Food Group A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of Wernsing Scandinavia ApS.

### **Translation of foreign currency**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

## **Income statement**

### **Revenue**

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

### **Cost of sales**

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

### **Other operating income**

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains and losses on disposal of intangible and tangible fixed assets.

## Accounting policies

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### Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Included in other external costs are also research expenditure concerning development projects which do not meet the recognition criteria for the balance sheet.

### Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

### Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

### Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

### Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

## The balance sheet

### Intangible fixed assets

#### Goodwill

Goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Goodwill is amortised on a straight-line basis over the amortisation period, which is 20 years. The amortisation period is determined on the basis of an expected payback period, being the longer for strategical acquirees with a strong market position and an expected long-term earnings profile.

## Accounting policies

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### Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	10-50 years	0
Technical plants and machinery	5-20 years	0-25 %
Other plants, operating assets, fixtures and furniture	3-5 years	0 %

Minor assets with an expected useful life of less than one year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

### Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

### Writedown of fixed assets

The book values of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

## **Accounting policies**

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If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

### **Financial fixed assets**

#### **Inventories**

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

#### **Receivables**

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

#### **Prepaid expenses**

Prepaid expenses recognised under assets comprise incurred costs concerning the next financial year.

#### **Available funds**

Available funds comprise cash at bank and in hand.

#### **Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

## **Accounting policies**

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According to the rules of joint taxation, Flensted Food Group A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

### **Other provisions**

Provisions comprise expected costs for guarantee liabilities. Provisions are recognised when the company has a legal or actual liability which is due to a previous event and when it is likely that the settlement of the liability will result in expenditure of the financial resources of the company.

If the settlement of the liability is expected to take place in some remote future, provisions are measured at the net realisable value or at fair value.

### **Liabilities**

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

### **Segment information**

Information on geographical markets is provided. The segment information follows the consolidated accounting policies, risks and internal financial control systems.

## Income statement 1 January - 31 December

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DKK in thousands.

<u>Note</u>	<u>2019</u>	<u>2018</u>
2 Net turnover	411.772	364.315
Other operating income	173	2
Raw materials and consumables used	-259.769	-224.021
Other external costs	-60.146	-59.198
<b>Gross profit</b>	<b>92.030</b>	<b>81.098</b>
4 Staff costs	-58.831	-55.989
5 Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-16.814	-16.441
<b>Operating profit</b>	<b>16.385</b>	<b>8.668</b>
6 Other financial costs	-1.692	-1.550
<b>Pre-tax net profit or loss</b>	<b>14.693</b>	<b>7.118</b>
7 Tax on ordinary results	-3.205	-1.409
<b>8 Net profit or loss for the year</b>	<b>11.488</b>	<b>5.709</b>



## Statement of financial position 31 December

DKK in thousands.

<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
<b>Non-current assets</b>		
9 Goodwill	10.532	11.337
Total intangible assets	<u>10.532</u>	<u>11.337</u>
10 Land and property	78.657	70.188
11 Production plant and machinery	92.448	81.677
12 Other plants, operating assets, and fixtures and furniture	213	329
13 Tangible assets under construction and prepayments for tangible assets	<u>5.769</u>	<u>31.273</u>
Total property, plant, and equipment	<u>177.087</u>	<u>183.467</u>
<b>Total non-current assets</b>	<b><u>187.619</u></b>	<b><u>194.804</u></b>
<b>Current assets</b>		
Raw materials and consumables	17.409	15.490
Manufactured goods and trade goods	<u>34.440</u>	<u>32.300</u>
Total inventories	<u>51.849</u>	<u>47.790</u>
Trade debtors	59.104	74.242
Receivables at group companies	28.024	6.816
Other debtors	2.081	3.574
14 Prepaid expenses	<u>380</u>	<u>450</u>
Total receivables	<u>89.589</u>	<u>85.082</u>
Available funds	<u>17.319</u>	<u>12.459</u>
<b>Total current assets</b>	<b><u>158.757</u></b>	<b><u>145.331</u></b>
<b>Total assets</b>	<b><u>346.376</u></b>	<b><u>340.135</u></b>

## Statement of financial position 31 December

DKK in thousands.

<b>Equity and liabilities</b>		<u>2019</u>	<u>2018</u>
<u>Note</u>			
<b>Equity</b>			
15	Contributed capital	43.000	43.000
	Retained earnings	43.815	32.327
	<b>Total equity</b>	<b><u>86.815</u></b>	<b><u>75.327</u></b>
<b>Provisions</b>			
16	Provisions for deferred tax	6.481	4.660
17	Other provisions	965	733
	<b>Total provisions</b>	<b><u>7.446</u></b>	<b><u>5.393</u></b>
<b>Liabilities other than provisions</b>			
	Trade payables	31.643	28.206
	Payables to group enterprises	201.524	210.261
	Corporate tax	0	3.605
	Other payables	18.948	17.343
	Total short term liabilities other than provisions	<u>252.115</u>	<u>259.415</u>
	<b>Total liabilities other than provisions</b>	<b><u>252.115</u></b>	<b><u>259.415</u></b>
	<b>Total equity and liabilities</b>	<b><u>346.376</u></b>	<b><u>340.135</u></b>

- 1 Subsequent events**
- 3 Fee, auditor**
- 18 Charges and security**
- 19 Contingencies**
- 20 Related parties**

## Statement of changes in equity

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DKK thousand.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2018	43.000	26.618	69.618
Profit or loss for the year brought forward	0	5.709	5.709
Equity 1 January 2019	43.000	32.327	75.327
Profit or loss for the year brought forward	0	11.488	11.488
	<b>43.000</b>	<b>43.815</b>	<b>86.815</b>

## Notes

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DKK in thousands.

### 1. Subsequent events

Based on the present situation with Covid-19, the company's management cannot at present state anything about the financial consequences and expected results for the financial year 2020.

### 2. Net turnover

#### Segment information

	<u>Denmark</u>	<u>Sweden</u>	<u>Other countries in EU</u>	<u>Countries outside EU</u>	<u>In total</u>
Geographically	287.643	14.415	108.761	953	411.772

### 3. Fee, auditor

According to the Danish Financial Statement Act, Section 96, subsection 3, the information is left out as the information is included in the group accounts for Wernsing Scandinavia ApS.

	<u>2019</u>	<u>2018</u>
<b>4. Staff costs</b>		
Salaries and wages	51.579	49.222
Pension costs	5.412	5.140
Other costs for social security	1.840	1.627
	<u><b>58.831</b></u>	<u><b>55.989</b></u>
Executive board	1.620	1.670
Board of directors	0	0
	<u><b>1.620</b></u>	<u><b>1.670</b></u>
Average number of employees	<u>141</u>	<u>136</u>

## Notes

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DKK in thousands.

	<u>2019</u>	<u>2018</u>
<b>5. Depreciation, amortisation and writedown relating to tangible and intangible fixed assets</b>		
Amortisation of goodwill	805	825
Depreciation on buildings	3.848	4.029
Depreciation and writedown on production plants and machinery	12.045	11.471
Depreciation on plants, operating assets, fixtures and furniture	<u>116</u>	<u>116</u>
	<b><u>16.814</u></b>	<b><u>16.441</u></b>
<b>6. Other financial costs</b>		
Financial costs, group companies	1.581	1.472
Other financial costs	<u>111</u>	<u>78</u>
	<b><u>1.692</u></b>	<b><u>1.550</u></b>
<b>7. Tax on ordinary results</b>		
Tax of the results for the year	0	3.605
Adjustment for the year of deferred tax	3.205	-1.996
Adjustment of tax for previous years	<u>0</u>	<u>-200</u>
	<b><u>3.205</u></b>	<b><u>1.409</u></b>
<b>8. Proposed appropriation of net profit</b>		
Transferred to retained earnings	<u>11.488</u>	<u>5.709</u>
<b>Total allocations and transfers</b>	<b><u>11.488</u></b>	<b><u>5.709</u></b>

## Notes

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DKK in thousands.

	<u>31/12 2019</u>	<u>31/12 2018</u>
<b>9. Goodwill</b>		
Cost 1 January 2019	17.094	17.094
<b>Cost 31 December 2019</b>	<b><u>17.094</u></b>	<b><u>17.094</u></b>
Amortisation and writedown 1 January 2019	-5.757	-4.932
Amortisation for the year	-805	-825
<b>Amortisation and writedown 31 December 2019</b>	<b><u>-6.562</u></b>	<b><u>-5.757</u></b>
<b>Book value 31 December 2019</b>	<b><u>10.532</u></b>	<b><u>11.337</u></b>
<b>10. Land and property</b>		
Cost 1 January 2019	158.793	158.633
Additions during the year	1.702	160
Disposals during the year	-7.233	0
Transfers	10.709	0
<b>Cost 31 December 2019</b>	<b><u>163.971</u></b>	<b><u>158.793</u></b>
Depreciation and writedown 1 January 2019	-88.605	-84.576
Depreciation for the year	-3.848	-4.029
Reversal of depreciation, amortisation and writedown, assets disposed of	7.139	0
<b>Depreciation and writedown 31 December 2019</b>	<b><u>-85.314</u></b>	<b><u>-88.605</u></b>
<b>Book value 31 December 2019</b>	<b><u>78.657</u></b>	<b><u>70.188</u></b>

## Notes

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DKK in thousands.

	<u>31/12 2019</u>	<u>31/12 2018</u>
<b>11. Production plant and machinery</b>		
Cost 1 January 2019	297.485	293.714
Additions during the year	3.255	3.927
Disposals during the year	-3.845	-156
Transfers	20.565	0
<b>Cost 31 December 2019</b>	<b><u>317.460</u></b>	<b><u>297.485</u></b>
Depreciation and writedown 1 January 2019	-215.808	-204.400
Depreciation for the year	-12.045	-11.471
Reversal of depreciation, amortisation and writedown, assets disposed of	2.841	63
<b>Depreciation and writedown 31 December 2019</b>	<b><u>-225.012</u></b>	<b><u>-215.808</u></b>
<b>Book value 31 December 2019</b>	<b><u>92.448</u></b>	<b><u>81.677</u></b>
<b>12. Other plants, operating assets, and fixtures and furniture</b>		
Cost 1 January 2019	723	723
<b>Cost 31 December 2019</b>	<b><u>723</u></b>	<b><u>723</u></b>
Depreciation and writedown 1 January 2019	-394	-278
Depreciation for the year	-116	-116
<b>Depreciation and writedown 31 December 2019</b>	<b><u>-510</u></b>	<b><u>-394</u></b>
<b>Book value 31 December 2019</b>	<b><u>213</u></b>	<b><u>329</u></b>
<b>13. Tangible assets under construction and prepayments for tangible assets</b>		
Cost 1 January 2019	31.273	0
Additions during the year	5.769	31.273
Transfers	-31.273	0
<b>Cost 31 December 2019</b>	<b><u>5.769</u></b>	<b><u>31.273</u></b>
<b>Book value 31 December 2019</b>	<b><u>5.769</u></b>	<b><u>31.273</u></b>

## Notes

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DKK in thousands.

31/12 2019      31/12 2018

### 14. Prepaid expenses

Prepaid expenses consist of prepaid expenses concerning insurance premiums and subscriptions.

### 15. Contributed capital

The share capital consists of 43,000 shares, each with a nominal value of DKK 1,000. No shares hold particular rights.

Within the latest 5 years, the following changes in the share capital have taken place:

Capital increase, tDKK 239, in connection with merger, paid at rate 2,268.46 on 21 March 2016.

### 16. Provisions for deferred tax

Provisions for deferred tax 1 January 2019	4.660	5.537
Deferred tax of the results for the year	3.212	-1.996
Deferred tax used in group companies	<u>-1.391</u>	<u>1.119</u>
	<b><u>6.481</u></b>	<b><u>4.660</u></b>

Provisions for deferred tax concerns intangible and tangible fixed assets, prepaid costs and tax loss to carry forward.

### 17. Other provisions

Other provisions 1 January 2019	733	733
Change of the year in other provisions	<u>232</u>	<u>0</u>
	<b><u>965</u></b>	<b><u>733</u></b>
 0-1 year	 <u>965</u>	 <u>733</u>
	<b><u>965</u></b>	<b><u>733</u></b>

### 18. Charges and security

The company has granted negative pledge to Skandinavisk Enskilda Banken, Denmark deriving from sale of goods and services to Dansk Supermarked A/S.



## Notes

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DKK in thousands.

### 19. Contingencies

#### Contingent liabilities

The company is subject to a jointly co-registration of VAT with Flensted Snitgrønt A/S, WFG Denmark A/S and Wernsing Scandinavia ApS and is unlimited jointly and severally liable with the other jointly co-operated VAT-companies for the total VAT.

#### Joint taxation

With Wernsing Scandinavia ApS, company reg. no 30507029 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

### 20. Related parties

#### Controlling interest

Wernsing Food Family GmbH & Co. KG, Kartoffelweg 1, 49632 Essen(Oldenburg), Germany	Majority shareholder
Wernsing Food Group GmbH, Kartoffelweg 1, 49632 Essen (Oldenburg),Germany	Majority shareholder
Wernsing Scandianvia ApS, Adelvej 9, 6823 Ansager, Denmark	Majority shareholder
WFG Denmark A/S, Adelvej 9, 6823 Ansager, Denmark	Majority shareholder

#### Transactions

All transactions are made on market terms.

## Notes

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DKK in thousands.

### **Consolidated annual accounts**

The consolidated annual accounts for Wernsing Scandinavia ApS can be obtained on <http://datacvr.virk.dk/data/>. The ultimate parent company in which the company is included as a subsidiary is Wernsing Food Family GmbH & Co. KG, Germany. The consolidated annual accounts can be obtained on [www.bundesanzeiger.de](http://www.bundesanzeiger.de).