

# **Danika Grønt A/S**

**Stilbjergvej 2g, 7190 Billund**

**Company reg. no. 19 71 01 49**

## **Annual report**

**1 January - 31 December 2019**

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

---

**Martin Kuper**  
Chairman of the meeting

## Contents

---

	<b><u>Page</u></b>
<b>Reports</b>	
Management's report	1
Independent auditor's report on extended review	2
<b>Management commentary</b>	
Company information	4
Management commentary	5
<b>Financial statements 1 January - 31 December 2019</b>	
Accounting policies	6
Income statement	10
Statement of financial position	11
Notes	13

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**

---

The board of directors and the executive board have today presented the annual report of Danika Grønt 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.

Billund, 19 May 2020

### **Executive board**

Lene Vinge Rasmussen

Jørgen Bonde Østergaard

### **Board of directors**

Stefan Wernsing

Martin Kuper

Martin Zwinkels

## **Independent auditor's report on extended review**

---

### **To the shareholders of Danika Grønt A/S**

#### **Opinion**

We have performed extended review of the annual accounts of Danika Grønt A/S for the financial year 1 January to 31 December 2019, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, we believe that 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 performed the extended review in accordance with the standard from the Danish Business Authority applicable on auditor's reports to small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable on extended review of annual accounts prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the extended review 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 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 extended review of the annual accounts**

Our responsibility is to express an opinion on the annual accounts. This requires that we plan and perform our procedures with the purpose of achieving moderate assurance as to our opinion on the annual accounts. Furthermore, it requires that we perform particularly required additional procedures with a view to achieving further assurance as to our opinion.

## **Independent auditor's report on extended review**

---

An extended review comprises procedures primarily comprising inquiries to the management and to other persons within the enterprise when appropriate, analytical procedures, and the particularly required additional procedures along with an evaluation of the achieved audit evidence.

The scope of the procedures performed during an extended review is less than in case of an audit, and consequently, we do not express any audit opinion on the annual accounts.

### **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.

In connection with our extended review 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 extended review, 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

---

### The company

Danika Grønt A/S  
Stilbjergvej 2g  
7190 Billund

Phone +45 76 98 50 50  
Web site [www.flensted.dk](http://www.flensted.dk)

Company reg. no. 19 71 01 49  
Domicile: Billund  
Financial year: 1 January - 31 December

### Board of directors

Stefan Wernsing  
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

## **Management commentary**

---

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

Like previous years, the principal activities are the production and sales of potatoes and related activities.

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

The result for the year amount to DKK 0.2m (last year 2.8m) and is in line with the management expectations.

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

The company's management expected a result that would be at an more satisfactory level than the financial year 2019. 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.

## Accounting policies

---

The annual report for Danika Grønt A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

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

### 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

### Gross profit

Gross profit comprises the net turnover, cost of goods sold, changes in inventories and external costs.

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.

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

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

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

### 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.



## Accounting policies

---

### Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on and writedown relating to 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, additions and reimbursements under the Danish tax prepayment scheme, etc. 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

### Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

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 :

	Useful life
Buildings	25 years
Technical plants and machinery	5-10 years

## Accounting policies

---

Other plants, operating assets, fixtures and furniture

3-5 years

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 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.

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.

### 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 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.

## **Accounting policies**

---

### **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.

According to the rules of joint taxation, Danika Grønt 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.

### **Liabilities**

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

**Income statement 1 January - 31 December**

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
<b>Gross profit</b>	<b>10.855.714</b>	<b>17.702.601</b>
2 Staff costs	-8.208.599	-11.641.655
3 Depreciation and writedown relating to tangible fixed assets	-2.495.851	-2.677.446
<b>Operating profit</b>	<b>151.264</b>	<b>3.383.500</b>
Other financial income from group companies	93.451	79.652
Other financial income	0	176.436
Other financial costs	-29.542	-16.001
<b>Pre-tax net profit or loss</b>	<b>215.173</b>	<b>3.623.587</b>
4 Tax on ordinary results	-47.420	-797.459
<b>Net profit or loss for the year</b>	<b>167.753</b>	<b>2.826.128</b>
<b>Proposed appropriation of net profit:</b>		
Transferred to retained earnings	167.753	2.826.128
<b>Total allocations and transfers</b>	<b>167.753</b>	<b>2.826.128</b>

## Statement of financial position 31 December

All amounts in DKK.

<b>Assets</b>			
<u>Note</u>		<u>2019</u>	<u>2018</u>
<b>Non-current assets</b>			
5	Land and property	10.494.500	11.319.258
6	Production plant and machinery	5.072.821	7.462.207
	Total property, plant, and equipment	<u>15.567.321</u>	<u>18.781.465</u>
	<b>Total non-current assets</b>	<b><u>15.567.321</u></b>	<b><u>18.781.465</u></b>
<b>Current assets</b>			
	Raw materials and consumables	3.037.947	1.937.758
	Manufactured goods and trade goods	413.688	1.031.681
	Total inventories	<u>3.451.635</u>	<u>2.969.439</u>
	Trade debtors	15.218.953	13.726.214
	Receivables at group companies	9.220.746	12.857.477
	Other debtors	63.907	0
	Prepaid expenses	0	34.238
	Total receivables	<u>24.503.606</u>	<u>26.617.929</u>
	Available funds	<u>7.063.303</u>	<u>6.778.171</u>
	<b>Total current assets</b>	<b><u>35.018.544</u></b>	<b><u>36.365.539</u></b>
	<b>Total assets</b>	<b><u>50.585.865</u></b>	<b><u>55.147.004</u></b>

## Statement of financial position 31 December

All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2019</u>	<u>2018</u>
<b>Equity</b>			
7	Contributed capital	600.000	600.000
8	Retained earnings	39.375.583	39.207.830
	<b>Total equity</b>	<b>39.975.583</b>	<b>39.807.830</b>
<b>Provisions</b>			
	Provisions for deferred tax	236.586	520.518
	<b>Total provisions</b>	<b>236.586</b>	<b>520.518</b>
<b>Liabilities other than provisions</b>			
	Trade payables	2.367.420	7.567.029
	Payables to group enterprises	3.089.669	1.228.202
	Corporate tax	0	699.996
	Other payables	4.916.607	5.323.429
	Total short term liabilities other than provisions	10.373.696	14.818.656
	<b>Total liabilities other than provisions</b>	<b>10.373.696</b>	<b>14.818.656</b>
	<b>Total equity and liabilities</b>	<b>50.585.865</b>	<b>55.147.004</b>

**1 Subsequent events**

**9 Contingencies**

**10 Related parties**

## Notes

---

All amounts in DKK.

### 1. Subsequent events

The company's management expected a result that would be at an more satisfactory level than the financial year 2019. 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.

	2019	2018
	<hr/>	<hr/>
<b>2. Staff costs</b>		
Salaries and wages	7.747.629	10.941.578
Pension costs	288.359	464.159
Other costs for social security	172.611	235.918
	<hr/>	<hr/>
	<b>8.208.599</b>	<b>11.641.655</b>
	<hr/>	<hr/>
Average number of employees	12	18
	<hr/>	<hr/>
<b>3. Depreciation and writedown relating to tangible fixed assets</b>		
Depreciation on buildings	824.758	820.481
Depreciation on production plants and machinery	1.671.093	1.856.965
	<hr/>	<hr/>
	<b>2.495.851</b>	<b>2.677.446</b>
	<hr/>	<hr/>
<b>4. Tax on ordinary results</b>		
Tax of the results for the year	0	699.996
Adjustment for the year of deferred tax	47.420	97.463
	<hr/>	<hr/>
	<b>47.420</b>	<b>797.459</b>
	<hr/>	<hr/>

## Notes

All amounts in DKK.

	31/12 2019	31/12 2018
<b>5. Land and property</b>		
Cost 1 January 2019	22.027.222	21.947.349
Additions during the year	0	79.873
<b>Cost 31 December 2019</b>	<b>22.027.222</b>	<b>22.027.222</b>
Depreciation and writedown 1 January 2019	-10.707.964	-9.887.483
Depreciation and writedown for the year	-824.758	-820.481
<b>Depreciation and writedown 31 December 2019</b>	<b>-11.532.722</b>	<b>-10.707.964</b>
<b>Book value 31 December 2019</b>	<b>10.494.500</b>	<b>11.319.258</b>
<b>6. Production plant and machinery</b>		
Cost 1 January 2019	44.296.956	43.139.442
Additions during the year	49.436	1.157.514
Disposals during the year	-13.468.323	0
<b>Cost 31 December 2019</b>	<b>30.878.069</b>	<b>44.296.956</b>
Depreciation and writedown 1 January 2019	-36.834.749	-34.977.784
Depreciation and writedown for the year	-1.671.094	-1.856.965
Depreciation and writedown, assets disposed of	12.700.595	0
<b>Depreciation and writedown 31 December 2019</b>	<b>-25.805.248</b>	<b>-36.834.749</b>
<b>Book value 31 December 2019</b>	<b>5.072.821</b>	<b>7.462.207</b>
<b>7. Contributed capital</b>		
Contributed capital 1 January 2019	600.000	600.000
	<b>600.000</b>	<b>600.000</b>

The share capital consists of 600 shares, each with a nominal value of DKK 1,000. No shares hold particular rights.



## Notes

---

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
<b>8. Retained earnings</b>		
Retained earnings 1 January 2019	39.207.830	36.381.702
Profit or loss for the year brought forward	<u>167.753</u>	<u>2.826.128</u>
	<b><u>39.375.583</u></b>	<b><u>39.207.830</u></b>

## 9. Contingencies

### 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.

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

## 10. Related parties

### Consolidated annual accounts

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