



CHRISTENSEN
KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

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VESTEY FOODS DENMARK A/S

Herluf Trolles Gade 4, 2., 1052 København K

Company reg. no. 21 15 10 92

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 15 May 2023.

Robert Morgan
Chairman of the meeting



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Notes

- To ensure the greatest possible applicability of this document, IAS/IFRS 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 statement

Today, the board of directors and the managing director have presented the annual report of VESTEY FOODS DENMARK A/S for the financial year 1 January - 31 December 2022.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2022 and of the company's results of activities in the financial year 1 January – 31 December 2022.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

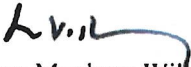
We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 15 May 2023

Managing Director

Robert Morgan
Director

Board of directors


George Moubray William Vestey
Chairman


Colin George Copland


Robert Morgan



Independent auditor's report on extended review

To the Shareholders of VESTEY FOODS DENMARK A/S

Opinion

We have performed an extended review of the financial statements of VESTEY FOODS DENMARK A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review 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 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 extended review of the Financial Statements

Our responsibility is to express a opinion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our opinion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our opinion.



Independent auditor's report on extended review

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

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 opinion thereon.

In connection with our extended review of the financial statements, our responsibility is to read the Management's Review and, in doing so, consider whether the Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

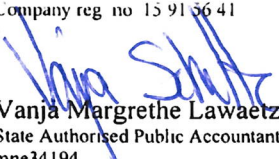
Moreover, it is our responsibility to consider whether the Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's Review 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 in the Management's Review.

Copenhagen, 15 May 2023

Christensen Kjaerulff

Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41


Vanja Margrethe Lawaetz-Schultz
State Authorised Public Accountant
mne34194



Company information

The company

VESTHEY FOODS DENMARK A/S
Herluf Trolles Gade 4, 2.
1052 København K

Company reg. no. 21 15 10 92
Established: 1 July 1998
Financial year: 1 January - 31 December

Board of directors

George Moubray William Vestey, Chairman
Colin George Copland
Robert Morgan

Managing Director

Robert Morgan, Director

Auditors

Christensen Kjærulff
Statsautoriseret Revisionsaktieselskab
Østbanegade 123
2100 København Ø

Parent company

Vestey Foods International Ltd.



Management's review

The principal activities of the company

The principal activities of the company comprise trade and transportation of food within the EU, the USA and in third world countries.

Development in activities and financial matters

The gross profit for the year totals DKK 2.947.656 against DKK 1.675.019 last year. Income or loss from ordinary activities after tax totals DKK -892.526 against DKK -2.166.564 last year.

The company has closed its three subsidiaries in 2022.

Management considers the net loss for the year less satisfactory.

The company has received a letter of comfort from the parent company which is effective until the company's annual general meeting in 2024. It is management's expectation that the equity can be restored partially through positive operating results in 2023.

Events occurring after the end of the financial year

No major events have occurred after the end of the financial year that may have a significant impact on the financial position of the company.



Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	2.947.656	1.675.019
2 Staff costs	-3.616.354	-4.028.193
Depreciation and impairment of property, land, and equipment	-20.234	-15.174
Operating profit	-688.932	-2.368.348
Income from investments in subsidiaries	37.832	0
Other financial income	-63.316	333.221
3 Other financial costs	-178.362	-130.391
Pre-tax net profit or loss	-892.778	-2.165.518
Tax on net profit or loss for the year	252	-1.046
Net profit or loss for the year	-892.526	-2.166.564
Proposed distribution of net profit:		
Allocated from retained earnings	-892.526	-2.166.564
Total allocations and transfers	-892.526	-2.166.564



Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Non-current assets			
4	Other fixtures, fittings, tools and equipment	46.204	53.721
	Total property, plant, and equipment	46.204	53.721
5	Investments in group enterprises	0	375.000
6	Deposits	86.587	84.577
	Total investments	86.587	459.577
	Total non-current assets	132.791	513.298
Current assets			
	Trade receivables	998.267	813.617
	Receivables from group enterprises	2.422.984	181.680
	Other receivables	508.931	37.265
	Prepayments and accrued income	40.073	16.533
	Total receivables	3.970.255	1.049.095
	Cash on hand and demand deposits	1.412.370	1.047.006
	Total current assets	5.382.625	2.096.101
	Total assets	5.515.416	2.609.399



Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity		
Contributed capital	1.000.000	1.000.000
Retained earnings	<u>-7.874.761</u>	<u>-6.982.235</u>
Total equity	<u>-6.874.761</u>	<u>-5.982.235</u>
 Liabilities other than provisions		
Payables to group enterprises	<u>9.893.589</u>	<u>7.350.018</u>
7 Total long term liabilities other than provisions	<u>9.893.589</u>	<u>7.350.018</u>
7 Current portion of long term liabilities	0	314.556
Bank loans	2.309	0
Trade payables	2.309.890	505.629
Other payables	<u>184.389</u>	<u>421.431</u>
Total short term liabilities other than provisions	<u>2.496.588</u>	<u>1.241.616</u>
Total liabilities other than provisions	<u>12.390.177</u>	<u>8.591.634</u>
Total equity and liabilities	<u>5.515.416</u>	<u>2.609.399</u>

1 Uncertainties concerning the enterprise's ability to continue as a going concern

8 Contingencies



Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2022	1.000.000	-6.982.235	-5.982.235
Retained earnings for the year	<u>0</u>	<u>-892.526</u>	<u>-892.526</u>
	<u>1.000.000</u>	<u>-7.874.761</u>	<u>-6.874.761</u>



Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

The financial statements for the period from 1 January 2022 to 31 December 2022 show a loss of 892.526 DKK, and equity amounts to -6.874.761 DKK at 31 December 2022.

The company has received a letter of comfort from the parent company which is effective until the company's annual general meeting in 2024. It is management's expectation that equity can be restored partially through positive operating results in 2023.

	<u>2022</u>	<u>2021</u>
2. Staff costs		
Salaries and wages	3.292.914	3.675.754
Pension costs	297.478	317.808
Other costs for social security	11.556	20.448
Other staff costs	14.406	14.183
	<u>3.616.354</u>	<u>4.028.193</u>
Average number of employees	<u>5</u>	<u>6</u>
3. Other financial costs		
Financial costs, group enterprises	172.222	124.143
Other interest expenses	6.140	6.248
	<u>178.362</u>	<u>130.391</u>
4. Other fixtures, fittings, tools and equipment		
Cost 1 January 2022	654.288	629.544
Additions during the year	12.717	24.744
Cost 31 December 2022	<u>667.005</u>	<u>654.288</u>
Amortisation and write-down 1 January 2022	-600.567	-585.393
Amortisation and depreciation for the year	-20.234	-15.174
Amortisation and write-down 31 December 2022	<u>-620.801</u>	<u>-600.567</u>
Carrying amount, 31 December 2022	<u>46.204</u>	<u>53.721</u>



Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>		
5. Investments in group enterprises				
Cost 1 January 2022	375.000	375.000		
Disposals during the year	<u>-375.000</u>	<u>0</u>		
Cost 31 December 2022	<u>0</u>	<u>375.000</u>		
Carrying amount, 31 December 2022	<u>0</u>	<u>375.000</u>		
6. Deposits				
Cost 1 January 2022	84.577	84.428		
Additions during the year	<u>2.010</u>	<u>149</u>		
Cost 31 December 2022	<u>86.587</u>	<u>84.577</u>		
Carrying amount, 31 December 2022	<u>86.587</u>	<u>84.577</u>		
7. Long term liabilities other than provisions				
	Total payables 31 Dec 2022	Current portion of long term payables	Long term payables 31 Dec 2022	Outstanding payables after 5 years
Payables to group enterprises	<u>9.893.589</u>	<u>0</u>	<u>9.893.589</u>	<u>9.893.589</u>
	<u>9.893.589</u>	<u>0</u>	<u>9.893.589</u>	<u>9.893.589</u>

8. Contingencies

Contingent liabilities

Lease liabilities:

The company has entered into rental obligations amounting to a total of DKK 117 thousand.

The company has entered into an operating lease agreement with an average annual lease payment of DKK (000) 45. The lease agreement has a residual term of 3 months and a total residual lease payment of DKK 12 thousand.



Notes

All amounts in DKK.

8. Contingencies (continued)

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay 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 liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 0.

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



Accounting policies

The annual report for VESTEY FOODS DENMARK A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

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

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of 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. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.



Accounting policies

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from equity investments in subsidiaries

Dividend from equity investments in subsidiaries is recognised in the financial year in which the dividend is declared.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

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

Statement of financial position

Property, plant, and equipment

Other property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.



Accounting policies

The depreciable amount is cost less 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 carrying amount, the depreciation is discontinued.

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

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	5 years	0

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.

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets as well as equity investments in subsidiaries 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 for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.



Accounting policies

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.