



**CHRISTENSEN
KJÆRULFF**

PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

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VESTHEY 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 2021

The annual report was submitted and approved by the general meeting on the 16 June 2022.

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 2021.

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 2021 and of the company's results of activities in the financial year 1 January – 31 December 2021.

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, 16 June 2022

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 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies. 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 an 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, 16 June 2022

Christensen Kjarulff

Statautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

Iver Haugsted
State Authorised Public Accountant
mne10678



Company information

The company	VESTEY 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 Store Kongensgade 68 1264 København K
Parent company	Vestey Foods International Ltd.
Subsidiaries	Vestey Foods ApS, København VFD International ApS, København Herluf Trading ApS, København



Management's review

The principal activities of the company

The principal activities 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 1.675.019 against DKK 3.384.725 last year. Income or loss from ordinary activities after tax totals DKK -2.166.564 against DKK -220.388 last year. The results for the year are in line with management expectations.

The company has received a letter of comfort from the parent company which is effective until the company's annual general meeting in 2023. It is management's expectation the equity can be restored partially through positive operating results in 2022.

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>2021</u>	<u>2020</u>
Gross profit	1.675.019	3.384.725
2 Staff costs	-4.028.193	-3.492.041
Depreciation and impairment of property, land, and equipment	<u>-15.174</u>	<u>-12.037</u>
Operating profit	-2.368.348	-119.353
Other financial income	333.221	0
3 Other financial costs	<u>-130.391</u>	<u>-99.649</u>
Pre-tax net profit or loss	-2.165.518	-219.002
Tax on net profit or loss for the year	<u>-1.046</u>	<u>-1.386</u>
Net profit or loss for the year	-2.166.564	-220.388
Proposed appropriation of net profit:		
Allocated from retained earnings	<u>-2.166.564</u>	<u>-220.388</u>
Total allocations and transfers	-2.166.564	-220.388



Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Assets		
Non-current assets		
4 Other fixtures and fittings, tools and equipment	53.721	44.151
Total property, plant, and equipment	<u>53.721</u>	<u>44.151</u>
5 Equity investments in group enterprises	375.000	375.000
6 Deposits	84.577	84.428
Total investments	<u>459.577</u>	<u>459.428</u>
Total non-current assets	<u>513.298</u>	<u>503.579</u>
Current assets		
Trade receivables	773.696	0
Receivables from group enterprises	181.680	251.751
Other receivables	77.186	27.291
Prepayments and accrued income	16.533	48.138
Total receivables	<u>1.049.095</u>	<u>327.180</u>
Cash on hand and demand deposits	<u>1.047.006</u>	<u>152.422</u>
Total current assets	<u>2.096.101</u>	<u>479.602</u>
Total assets	<u>2.609.399</u>	<u>983.181</u>



Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity and liabilities		
Equity		
Contributed capital	1.000.000	1.000.000
Retained earnings	-6.982.235	-4.815.671
Total equity	-5.982.235	-3.815.671
Provisions		
Provisions for deferred tax	0	8.630
Total provisions	0	8.630
Liabilities other than provisions		
Payables to subsidiaries	7.350.018	3.756.388
Other payables	0	349.517
7 Total long term liabilities other than provisions	<u>7.350.018</u>	<u>4.105.905</u>
7 Current portion of long term liabilities	314.556	0
Trade payables	505.629	75.507
Other payables	421.431	608.810
Total short term liabilities other than provisions	<u>1.241.616</u>	<u>684.317</u>
Total liabilities other than provisions	8.591.634	4.790.222
Total equity and liabilities	2.609.399	983.181

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 2021	1.000.000	-4.815.671	-3.815.671
Retained earnings for the year	0	-2.166.564	-2.166.564
	1.000.000	-6.982.235	-5.982.235



Notes

All amounts in DKK.

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

The loss for the period from 1 January 2021 to 31 December 2021 show a loss of 2.166.564 DKK and equity amounts to -5.982.235 DKK at 31 December 2021

The company has received a letter of comfort from the parent company which is effective until the company's annual general meeting in 2023. It is management's expectation that equity can be restored partially through positive operating results in 2022.

The results for the year are in line with management expectations.

	<u>2021</u>	<u>2020</u>
2. Staff costs		
Salaries and wages	3.675.754	3.143.284
Pension costs	317.808	285.972
Other costs for social security	20.448	21.842
Other staff costs	14.183	40.943
	<u>4.028.193</u>	<u>3.492.041</u>
Average number of employees	<u>6</u>	<u>5</u>
3. Other financial costs		
Financial costs, group enterprises	124.143	90.934
Other interest expenses	6.248	8.715
	<u>130.391</u>	<u>99.649</u>
4. Other fixtures and fittings, tools and equipment		
Cost 1 January 2021	629.544	587.224
Additions during the year	24.744	42.320
Cost 31 December 2021	<u>654.288</u>	<u>629.544</u>
Amortisation and writedown 1 January 2021	-585.393	-573.356
Amortisation and depreciation for the year	-15.174	-12.037
Amortisation and writedown 31 December 2021	<u>-600.567</u>	<u>-585.393</u>
Carrying amount, 31 December 2021	<u>53.721</u>	<u>44.151</u>



Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
5. Equity investments in group enterprises		
Cost 1 January 2021	375.000	375.000
Carrying amount, 31 December 2021	<u>375.000</u>	<u>375.000</u>

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity	Results for the year	Carrying amount, VESTEJ FOODS DENMARK A/S
Vestej Foods ApS, København	100 %	94.370	-5.795	125.000
VFD International ApS, København	100 %	256.408	2.183	125.000
Herluf Trading ApS, København	100 %	107.820	-5.269	125.000
		<u>458.598</u>	<u>-8.881</u>	<u>375.000</u>

6. Deposits

Cost 1 January 2021	84.428	83.891
Additions during the year	149	537
Cost 31 December 2021	<u>84.577</u>	<u>84.428</u>
Carrying amount, 31 December 2021	<u>84.577</u>	<u>84.428</u>

7. Long term liabilities other than provisions

	Total payables 31 Dec 2021	Current portion of long term payables	Long term payables 31 Dec 2021	Outstanding payables after 5 years
Payables to subsidiaries	7.350.018	0	7.350.018	7.350.018
Other payables	314.556	314.556	0	0
	<u>7.664.574</u>	<u>314.556</u>	<u>7.350.018</u>	<u>7.350.018</u>



Notes

All amounts in DKK.

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.

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

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 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.



Accounting policies

Staff costs

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

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.

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:



Accounting policies

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

Impairment loss relating to non-current assets

The carrying amount of both intangible and 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.

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.

Income tax and deferred tax

As administration company, VESTEY FOODS DENMARK A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.