Graff Growing A/S

Viborgvej 717A, 8471 Sabro

Company reg. no. 21 80 30 06

Annual report

2022/23

The annual report was submitted and approved by the general meeting on the 11 March 2024.

Ole Elmegaard Mortensen
Chairman of the meeting

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 %.*

Penneo dokumentnøgle: 0V3XI-WJF4Z-XXCF5-WPQT7-MFY3W-2QQFA

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Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Graff Growing A/S for the financial year 2022/23.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 September 2023 and of the results of the Company's operations for the financial year 1 October 2022 – 30 September 2023.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

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

Sabro, 11 March 2024

Managing Director

Gert Graff

Board of directors

Ole Elmegaard Mortensen	Erik Bo Christensen	Poul Graff

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Independent auditor's report on extended review

To the Shareholders of Graff Growing A/S

Conclusion

We have performed an extended review of the financial statements of Graff Growing A/S for the financial year 1 October 2022 - 30 September 2023, 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 30 September 2023 and of the results of the Company's operations for the financial year 1 October 2022 - 30 September 2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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 "Practitioner'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 conclusion.

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.

Practitioner's responsibilities for the extended review of the Financial Statements

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

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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 conclusion on the financial statements does not cover the Management's Review, and we do not express any form of assurance conclusion 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.

Aarhus, 11 March 2024

Redmark
Godkendt Revisionspartnerselskab
Company reg. no. 29 44 27 89

Marianne Fog Jørgensen
State Authorised Public Accountant
mne21405

Penneo dokumentnøgle: 0V3XI-WJF4Z-XXCF5-WPQT7-MFY3W-2QQFA

Company information

The company	Graff Growing A/S Viborgvej 717A 8471 Sabro	
	Phone	87453333
	Fax	86242480
	Web site	www.graff.dk
	Company reg. no.	21 80 30 06
	Financial year:	*1 October - 30 September*
Board of directors	Ole Elmegaard Mortensen Erik Bo Christensen Poul Graff	
Managing Director	Gert Graff	
Auditors	Redmark Godkendt Revisionspartnerselskab Sommervej 31C 8210 Aarhus V	
Bankers	Nordea, Danmark	
Lawyer	Advokatfirma Hjulmand Kaptain	
Parent company	G. Graff Holding ApS	
Participating interest	Hasfarm Europe A/S, Aarhus	

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Management´s review

Description of key activities of the company

The company´s main acitivty, as in previous years, consists of the production and sale of potted plants.

Development in activities and financial matters

The gross profit for the year totals DKK 15.775.000 against DKK 15.974.000 last year. Income or loss from ordinary activities after tax totals DKK 3.336.000 against DKK 3.464.000 last year. Management considers the net profit for the year satisfactory.

Expected developments

The company expects a positive operating and profit development and has the necessary liquidity to implement any necessary strategic measures.

Events occurring after the end of the financial year

After the balance sheet date, no significant events have occurred that are deemed to be significant influence on the assessment of the financial statements.

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Income statement 1 October - 30 September

All amounts in DKK.

Note		2022/23	2021/22
	Gross profit	**15.774.656**	**15.974.338**
1	*Staff costs*	-9.269.466	-9.409.170
	Depreciation and impairment of property, land, and equipment	-2.073.117	-2.174.164
	Profit before net financials	**4.432.073**	**4.391.004**
	Income from investments in group enterprises	272.005	342.514
	Income from investments in participating interest	-141.347	0
	Other financial income from group enterprises	0	-529
	Other financial income	256.437	473
2	*Other financial expenses*	-547.260	-381.881
	Pre-tax net profit or loss	**4.271.908**	**4.351.581**
	Tax on net profit or loss for the year	-936.045	-887.748
	Net profit or loss for the year	**3.335.863**	**3.463.833**
	Proposed distribution of net profit:		
	Reserves for net revaluation according to the equity method	-199.798	199.798
	Dividend for the financial year	1.500.000	2.500.000
	Transferred to retained earnings	2.035.661	764.035
	Total allocations and transfers	**3.335.863**	**3.463.833**

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Balance sheet at 30 September

All amounts in DKK.

Note	*Assets*	2023	2022
	Non-current assets		
3	*Land and buildings*	13.338.307	14.759.372
4	*Other fixtures, fittings, tools and equipment*	2.200.749	2.468.476
5	*Property, plant and equipment in progress and prepayments for property, plant and equipment*	2.430.000	0
	Total property, plant, and equipment	17.969.056	17.227.848
6	*Investments in group enterprises*	0	499.798
7	*Investments in participating interests*	33.552	0
	Total investments	33.552	499.798
	Total non-current assets	**18.002.608**	**17.727.646**
	Current assets		
	Raw materials and consumables	287.484	404.763
	Work in progress	2.913.356	1.988.502
	Total inventories	3.200.840	2.393.265
	Trade receivables	2.781.869	3.743.947
	Receivables from group enterprises	0	123.863
	Receivables from participating interest	295.760	0
	Income tax receivables	0	172.410
	Other receivables	1.890.886	2.932.148
	Prepayments	292.811	200.137
	Total receivables	5.261.326	7.172.505
	Other financial investments	89.485	89.238
	Total investments	89.485	89.238
	Cash and cash equivalents	5.335.133	3.965.276
	Total current assets	**13.886.784**	**13.620.284**
	Total assets	**31.889.392**	**31.347.930**

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Balance sheet at 30 September

All amounts in DKK.

Note	*Equity and liabilities*	2023	2022
	Equity		
	Contributed capital	780.000	780.000
	Reserve for net revaluation according to the equity method	0	199.798
	Retained earnings	9.584.929	7.577.774
	Proposed dividend for the financial year	1.500.000	2.500.000
	Total equity	**11.864.929**	**11.057.572**
	Provisions		
	Provisions for deferred tax	1.779.300	1.960.249
	Total provisions	**1.779.300**	**1.960.249**
	Liabilities other than provisions		
	Mortgage debt	11.261.116	11.966.410
	Income tax payable	1.108.954	1.598.740
	Deferred income	927.870	1.130.740
8	*Total long term liabilities other than provisions*	13.297.940	14.695.890
8	*Current portion of long term liabilities*	1.028.120	1.188.760
	Trade payables	1.751.381	1.641.022
	Income tax payable	848.740	0
	Other payables	1.318.982	804.437
	Total short term liabilities other than provisions	4.947.223	3.634.219
	Total liabilities other than provisions	**18.245.163**	**18.330.109**
	Total equity and liabilities	**31.889.392**	**31.347.930**

9 ***Charges and security***

10 ***Contingencies***

11 ***Financial risks***

Penneo dokumentnøgle: 0V3XI-WJF4Z-XXCF5-WPQT7-MFY3W-2QQFA

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 October 2021	780.000	0	4.970.486	1.400.000	7.150.486
Value adjustment of hedging instrument	0	0	1.843.253	0	1.843.253
Distributed dividend	0	0	0	-1.400.000	-1.400.000
Share of profit or loss	0	199.798	764.035	2.500.000	3.463.833
Equity 1 October 2021	780.000	199.798	7.577.774	2.500.000	11.057.572
	0	0	-28.506	0	-28.506
Distributed dividend	0	0	0	-2.500.000	-2.500.000
Share of profit or loss	0	-199.798	2.035.661	1.500.000	3.335.863
	780.000	**0**	**9.584.929**	**1.500.000**	**11.864.929**

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Notes

All amounts in DKK.

		2022/23	2021/22
1.	***Staff costs***		
	Salaries and wages	8.477.956	8.703.458
	Pension costs	690.446	616.325
	Other costs for social security	101.064	89.387
		9.269.466	**9.409.170**
	Average number of employees	17	16
2.	***Other financial expenses***		
	Financial costs, group enterprises	49.572	34.246
	Other financial costs	497.688	347.635
		547.260	**381.881**
3.	***Land and buildings***		
	Cost 1 October 2022	38.338.237	35.712.895
	Additions during the year	0	2.625.342
	Cost 30 September 2023	**38.338.237**	**38.338.237**
	Depreciation and write-down 1 October 2022	-23.578.865	-22.210.969
	Amortisation and depreciation for the year	-1.421.065	-1.367.896
	Depreciation and write-down 30 September 2023	**-24.999.930**	**-23.578.865**
	Carrying amount, 30 September 2023	**13.338.307**	**14.759.372**
4.	***Other fixtures, fittings, tools and equipment***		
	Cost 1 October 2022	21.515.596	20.765.854
	Additions during the year	384.325	749.742
	Cost 30 September 2023	**21.899.921**	**21.515.596**
	Depreciation and write-down 1 October 2022	-19.047.120	-18.240.852
	Amortisation and depreciation for the year	-652.052	-806.268
	Depreciation and write-down 30 September 2023	**-19.699.172**	**-19.047.120**
	Carrying amount, 30 September 2023	**2.200.749**	**2.468.476**

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Notes

All amounts in DKK.

		30/9 2023	30/9 2022
5.	***Property, plant and equipment in progress and prepayments for property, plant and equipment***		
	Additions during the year	2.430.000	0
	Cost 30 September 2023	**2.430.000**	**0**
	Carrying amount, 30 September 2023	**2.430.000**	**0**
6.	***Investments in group enterprises***		
	Cost 1 October 2022	300.000	300.000
	Transferred to note for participating interest	-150.000	0
	Disposals during the year	-150.000	0
	Cost 30 September 2023	**0**	**300.000**
	Revaluations, opening balance 1 October 2022	199.798	-142.716
	Net profit or loss for the year before amortisation of goodwill	0	342.514
	Dividend	-150.000	0
	Revaluation share sold	-24.899	0
	Transferred to note for participating interest	-24.899	0
	Revaluation 30 September 2023	**0**	**199.798**
	Carrying amount, 30 September 2023	**0**	**499.798**

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Notes

All amounts in DKK.

		30/9 2023	30/9 2022
7.	***Investments in participating interests***		
	Transferred from group enterprises	150.000	0
	Cost 30 September 2023	**150.000**	**0**
	Transferred from group enterprises	24.899	0
	Net profit or loss for the year before amortisation of goodwill	-141.347	0
	Writedown 30 September 2023	**-116.448**	**0**
	Carrying amount, 30 September 2023	**33.552**	**0**

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

	Equity interest	***Equity***	***Results for the year***	***Carrying amount, Graff Growing A/S***
Hasfarm Europe A/S, Aarhus	30 %	111.839	-471.157	33.552
		111.839	**-471.157**	**33.552**

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Notes

All amounts in DKK.

8. *Long term labilities other than provisions*

	Total payables 30 Sep 2023	Current portion of long term payables	Long term payables 30 Sep 2023	Outstanding payables after 5 years
Mortgage debt	12.086.366	825.250	11.261.116	7.686.035
Income tax payable	1.108.954	0	1.108.954	0
Deferred income	1.130.740	202.870	927.870	425.000
	14.326.060	**1.028.120**	**13.297.940**	**8.111.035**

9. Charges and security

As collateral for mortgage loans, DKK 12.086.300 security has been granted on land and buildings representing a carrying amount of DKK 13.338.307 at 30 September 2023.

The company has issued mortgages registered to the owners totalling DKK 5.105.000 as security for bank loans. The mortgages registered to the owners provide security on the above land and buildings.

10. Contingencies

Contingent liabilities

	30/9 2023 *DKK in thousands*
Lease liabilities	114
Total contingent liabilities	**114**

Joint taxation

With G. Graff Holding ApS, company reg. no 32155243 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

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Notes

All amounts in DKK.

10. Contingencies (continued)

Joint taxation (continued)

The joint taxation of the jointly taxed companies in the joint taxation appears in the management company´s annual report.

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 tax, etc., may result in changes in the company's liabilities.

11. Financial risks

Interest rate risks

It is company policy to limit interest rate risks relative to material longterm loans. This policy is complied with either by obtaining fixedrate loans or by hedging floating-rate debt by means of an interest rate swap, thus converting floating-rate debt to fixed-rate debt.

The company has entered into an interest rate swap agreement in order to limit interest rate risk relative to a floating-rate mortgage loan, representing an outstanding debt of DKK 13.039 (DKK thousand). The interest rate swap is effective for the full term of the loan. Changes in the market value of the interest rate swap are recognised directly in equity. The specification below shows the hedging transactions concerning interest rate swap agreements recognised directly in equity (DKK thousand).

	Hedging transaction, gross	Tax	Hedging transaction, net
Balance 1 October 2022	1.530.209	-336.646	1.193.563
Changes of the year	-36.547	8.040	-28.507
Balance 30 September 2023	**1.493.662**	**-328.606**	**1.165.056**

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Accounting policies

The annual report for Graff Growing 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, write-downs 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.

Foreign currency translation

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. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

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Derivatives
At their initial recognition, derivatives are recognised at cost in the statement of financial position. Hereafter, they measured at fair value. Positive and negative fair values of derivatives are recognised under other receivables and payables, respectively.

Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or a recognised liability are recognised in the income statement together with changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derived financial instruments classified as hedging of future cash flows are recognised in other receivables or other payables, and in equity.

If the future transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or costs, amounts recognised in equity on a continuing basis are transferred to the income statement for the period in which the hedged item affected the income statement.

For derived financial statements that are no longer recognised as hedging instruments, changes in fair value are recognised in the income statement on a current basis.

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.

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.

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

Other external expenses comprise expenses 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.

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Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible assets, respectively.

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 etc.

Results from participating interest

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the investment in the individual participating interests are recognised in the income statement as a proportional share of the participating interest' post-tax profit or loss.

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 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

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment. Land is not subject to depreciation.

Other property, plant, and equipment are measured at cost less accrued depreciation and write-down 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.

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

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

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Accounting policies

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

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Buildings	10-50 years
Other fixtures and fittings, tools and equipment	3-15 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

As regards self-constructed assets, the cost comprises direct costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Property, plant, and equipment in progress

Property, plant, and equipment in progress are measured and recognised as the total costs incurred. When the work has been completed, the total value is transferred to the relevant item under property, plant, and equipment and is amortised from the date of entry into service.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in participating interest 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. write-down 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.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

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Investments

Participating interest

Participating interest are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Participating interest are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the accounting policies of the owner compagny with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

To the extent the equity exceeds the cost, the net revaluation of participating interest transferred to the reserve under equity for net revaluation according to the equity method. The reserve is adjusted by other equity movements in participating interest.

Inventories

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

Receivables

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

Prepayments

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

Financial instruments and equity investments

Financial instruments and investments recognized under current assets consist of unlisted investments and are measured at cost. Write-downs are made to the recoverable amount if this value is lower than the carrying amount.

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Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

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.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, Graff Growing A/S is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

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Accounting policies

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

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

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GRAFF Growing A/S CVR: 21803006
Direktør
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