



European Quality Food A/S

Gl. Strandvej 29
6000 Kolding
CVR No. 25366816

Annual report 2020

The Annual General Meeting adopted the
annual report on 25.06.2021

Jørgen Meyer

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's extended review report	4
Management commentary	6
Income statement for 2020	7
Balance sheet at 31.12.2020	8
Statement of changes in equity for 2020	10
Notes	11
Accounting policies	13

Entity details

Entity

European Quality Food A/S

Gl. Strandvej 29

6000 Kolding

CVR No.: 25366816

Registered office: Kolding

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Ole Koed-Madsen

Jørgen Meyer, formand

Galina Koed-Madsen

Executive Board

Ole Koed-Madsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of European Quality Food A/S for the financial year 01.01.2020 - 31.12.2020.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Kolding, 25.06.2021

Executive Board

Ole Koed-Madsen

Board of Directors

Ole Koed-Madsen

Jørgen Meyer
formand

Galina Koed-Madsen

Independent auditor's extended review report

To the shareholders of European Quality Food A/S

Conclusion

We have performed an extended review of the financial statements of European Quality Food A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity 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 conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Kolding, 25.06.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Bjerregaard Nielsen

State Authorised Public Accountant
Identification No (MNE) mne29393

Management commentary

Primary activities

The company's activity has been export of meat raw materials to the meat processing industry.

Development in activities and finances

The management has decided to stop the business activities in EUROPEAN QUALITY FOOD AS

The loss of the year amounts to DKK 170 k, which is considered non-satisfactory.

The financial statement for 2021 will not be audited.

Events after the balance sheet date

No conditions that disturb the assessment of the annual report have occurred.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		(4,248)	(424,989)
Distribution costs		(119,548)	(429,714)
Administrative expenses		(63,257)	1,604,711
Operating profit/loss		(187,053)	750,008
Income from investments in group enterprises		0	(1,307,961)
Other financial income	3	19,305	156,742
Other financial expenses	4	(2,326)	(135,788)
Profit/loss for the year		(170,074)	(536,999)
Proposed distribution of profit and loss			
Retained earnings		(170,074)	(536,999)
Proposed distribution of profit and loss		(170,074)	(536,999)

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Other fixtures and fittings, tools and equipment		346,594	446,694
Property, plant and equipment	5	346,594	446,694
Fixed assets		346,594	446,694
Receivables from group enterprises		55,968	0
Other receivables		509,258	471,087
Prepayments		345	0
Receivables		565,571	471,087
Other investments		1,050	1,050
Other investments		1,050	1,050
Cash		642,816	756,992
Current assets		1,209,437	1,229,129
Assets		1,556,031	1,675,823

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		1,000,000	1,000,000
Retained earnings		365,185	535,259
Equity		1,365,185	1,535,259
Bank loans		1,147	8,165
Trade payables		15,000	25,000
Payables to shareholders and management		146,278	96,335
Other payables		28,421	11,064
Current liabilities other than provisions		190,846	140,564
Liabilities other than provisions		190,846	140,564
Equity and liabilities		1,556,031	1,675,823

Staff costs	1
Amortisation, depreciation and impairment losses	2
Contingent liabilities	6

Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,000,000	535,259	1,535,259
Profit/loss for the year	0	(170,074)	(170,074)
Equity end of year	1,000,000	365,185	1,365,185

Notes

1 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	74,684	350,252
Pension costs	432	33,026
Other social security costs	570	8,682
Other staff costs	16,451	36,376
	92,137	428,336

2 Depreciation, amortisation and impairment losses

	2020	2019
	DKK	DKK
Depreciation of property, plant and equipment	100,100	70,367
	100,100	70,367

3 Other financial income

	2020	2019
	DKK	DKK
Other interest income	19,305	103,937
Exchange rate adjustments	0	52,805
	19,305	156,742

4 Other financial expenses

	2020	2019
	DKK	DKK
Financial expenses from group enterprises	0	19,163
Other interest expenses	2,326	44,229
Other financial expenses	0	72,396
	2,326	135,788

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	550,594
Cost end of year	550,594
Depreciation and impairment losses beginning of year	(103,900)
Depreciation for the year	(100,100)
Depreciation and impairment losses end of year	(204,000)
Carrying amount end of year	346,594

6 Contingent liabilities

As security for bank balance a company pledge of nom. t.DKK 5,000 has been issued comprising unsecured debt, inventories, operating equipment etc.

EUROPEAN QUALITY FOOD A/S is included in a Danish joint taxation with KM Holding DK A/S as administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C and D.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, production costs.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Production costs

Production: Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs for raw materials and consumables, wages and salaries, rent and lease, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment included in the production process. In addition, the item includes ordinary write-down of inventories.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables

and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5-7 years
--	-----------

Estimated useful lives and residual values are reassessed annually.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments

Other current asset investments comprise unlisted investments measured at the lower of cost and net realisable value.

Cash

Cash comprises of bank deposits.

Other financial liabilities

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