
STAUNING WHISKY HOLDING ApS

Stauningvej 38, DK-6900 Skjern

Annual Report for 2019

CVR-nr. 30 90 05 29

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 24/6 2020

Jens Aage Jerslev
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of STAUNING WHISKY HOLDING ApS for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Skjern, 24 June 2020

Executive Board

Lasse Svoldgaard Vesterby
chief executive officer

Board of Directors

Jens Aage Jerslev
Chairman

Samantha Jane Reader

Helle Østegaard Kristiansen

Rasmus Palm Vestergaard

Martin Svoldgaard Vesterby

Independent Auditor's report

To the shareholder of STAUNING WHISKY HOLDING ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of STAUNING WHISKY HOLDING ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company 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 audit 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 audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent Auditor's report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Herning, 24 June 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Henrik Skjøtt Sørensen

state authorised public accountant

mne26807

Company information

The Company	STAUNING WHISKY HOLDING ApS Stauningvej 38 DK-6900 Skjern CVR No: 30 90 05 29 Financial period: 1 January - 31 December Municipality of reg. office: Ringkøbing-Skjern
Board of Directors	Jens Aage Jerslev, Chairman Samantha Jane Reader Helle Østegaard Kristiansen Rasmus Palm Vestergaard Martin Svoldgaard Vesterby
Executive board	Lasse Svoldgaard Vesterby
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Platanvej 4 7400 Herning

Income statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit/loss		-12,355	-7,500
Income from investments in subsidiaries		157,565	981,435
Financial income	3	10,870	0
Financial expenses	4	-43	-550
Profit/loss before tax		156,037	973,385
Tax on profit/loss for the year		0	0
Net profit/loss for the year		156,037	973,385

Distribution of profit

	2019 DKK	2018 DKK
Proposed distribution of profit		
Reserve for net revaluation under the equity method	157,565	981,435
Retained earnings	-1,528	-8,050
	156,037	973,385

Balance sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Investments in subsidiaries	5	133,104,016	122,946,451
Fixed asset investments		133,104,016	122,946,451
Fixed assets		133,104,016	122,946,451
Receivables from group enterprises		549,671	532,033
Receivables		549,671	532,033
Cash at bank and in hand		48,700	63,116
Current assets		598,371	595,149
Assets		133,702,387	123,541,600

Balance sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		1,244,224	1,144,224
Reserve for net revaluation under the equity method		3,752,016	3,617,348
Retained earnings		128,697,397	118,776,028
Equity	6	133,693,637	123,537,600
Other payables		8,750	4,000
Short-term debt		8,750	4,000
Debt		8,750	4,000
Liabilities and equity		133,702,387	123,541,600

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Notes to the financial statement

1. Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. The implications of COVID-19 is a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

Due to the measures introduced by the Danish Government, the subsidiary Stauning Whisky A/S has had to discontinue several of its activities, which has obviously had, and will continue to have, a negative impact on the subsidiary's revenue as well as net profit. Management has laid off several employees temporarily under the wage compensation scheme and is applying for compensation for the subsidiary's fixed costs. At this time, it is not possible to calculate in figures the negative COVID-19 impact.

Apart from this, no events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

2. Key activities

The Company's key activities is to hold shares in the subsidiary Stauning Whisky A/S.

3. Financial income

Interest received from group enterprises

	2019	2018
	DKK	DKK
	10,870	0
	<u>10,870</u>	<u>0</u>

4. Financial expenses

Other financial expenses

	2019	2018
	DKK	DKK
	43	550
	<u>43</u>	<u>550</u>

Notes to the financial statement

	2019	2018
	DKK	DKK
5. Investments in subsidiaries		
Cost at 1 January	119,352,000	78,752,000
Additions for the year	10,000,000	40,600,000
Cost at 31 December	<u>129,352,000</u>	<u>119,352,000</u>
Value adjustments at 1 January	3,594,451	2,463,179
Net profit/loss for the year	157,565	981,435
Other equity movements, net	0	149,837
Value adjustments at 31 December	<u>3,752,016</u>	<u>3,594,451</u>
Carrying amount at 31 December	<u>133,104,016</u>	<u>122,946,451</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes
Stauning Whisky A/S	Skjern	2.000.000	100%

6. Equity

	Share capital	Share premium account	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	1,144,224	0	2,635,913	118,798,925	122,579,062
Net effect of correction of material misstatements	0	0	958,538	0	958,538
Adjusted equity at 1 January	<u>1,144,224</u>	<u>0</u>	<u>3,594,451</u>	<u>118,798,925</u>	<u>123,537,600</u>
Cash capital increase	100,000	9,900,000	0	0	10,000,000
Net profit/loss for the year	0	0	157,565	-1,528	156,037
Transfer from share premium account	0	-9,900,000	0	9,900,000	0
Equity at 31 December	<u>1,244,224</u>	<u>0</u>	<u>3,752,016</u>	<u>128,697,397</u>	<u>133,693,637</u>

Notes to the financial statement

7. Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to DKK 0. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the financial statement

8. Accounting policies

The Annual Report for STAUNING WHISKY HOLDING ApS for 2019 has been prepared in accordance with the Danish Financial Statements Act for companies in Class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

Correction of material misstatements

The subsidiary, Stauning Whisky A/S, has incorrectly not included depreciation of capital equipment in indirect costs in 2018 relating to the subsidiary's production of whisky. Therefore, the subsidiary's whisky production in progress was understated at the end of 2018. Comparative figures for 2018 have consequently been restated, resulting in an increase in the Company's profit before and after tax of DKK 959k as well as a corresponding increase in the balance sheet total and equity of DKK 959k at 31 December 2018.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Income statement

Other external expenses

Other external expenses comprise expenses for office expenses.

Notes to the financial statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss comprises other external expenses.

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Stauning Whisky A/S. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet includes the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Notes to the financial statement

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.