

## **HortiAdvice Scandinavia A/S**

Hvidkærvej 29

5250 Odense SV


Business Registration No

32305164

## **Annual report 2018**

The Annual General Meeting adopted the annual report on 25.04.2019

**Chairman of the General Meeting**



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Name: Ivar Søren Ravn

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## Entity details

### Entity

HortiAdvice Scandinavia A/S  
Hvidkærvej 29  
5250 Odense SV

Central Business Registration No (CVR): 32305164

Founded: 22.11.2011

Registered in: Odense

Financial year: 01.01.2018 - 31.12.2018

### Board of Directors

Ivar Søren Ravn  
Cornelis Jacob van der Wekken  
Inge Ulsted Sørensen  
Søren Bent Olesen  
Richard Wibrand de Visser  
Thomas Skovgaard Lund

### Executive Board

Jan Hass

### Bank

Nordea Bank  
Strandgade 3  
0900 København C

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
City Tower, Værkmestergade 2  
8000 Aarhus C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of HortiAdvice Scandinavia A/S for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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.

Odense, 25.04.2019

### Executive Board



Jan Hass

### Board of Directors



Ivar Søren Ravn



Søren Bent Olesen



Cornelis Jacob van der Wekken



Richard Wibrand de Visser



Inge Ulsted Sørensen



Thomas Skovgaard Lund

## Independent auditor's report

### To the shareholders of HortiAdvice Scandinavia A/S

#### Opinion

We have audited the financial statements of HortiAdvice Scandinavia A/S for the financial year 01.01.2018 - 31.12.2018, 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.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements 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 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:

## Independent auditor's report

- 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 Entity's internal control.
- 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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

### **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 audit 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 audit 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.

## **Independent auditor's report**

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

København, 25.04.2019

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Mogens Michael Henriksen

State Authorised Public Accountant

Identification No (MNE) mne23309

## Management commentary

### Primary activities

The Company provides advisory services to the entire horticultural sector with focus on direct and independent advice. The philosophy is that a direct dialogue between producer and advisor makes a difference and creates value on operations, and the motto is "For the benefit of growers".

The Company has a vision of setting up international teams of specialists in customised productions. The Danish consultants will update their competencies together with a group of specialists in the different cultures and areas. Consequently, the advisory services to Danish growers will enjoy a significant boost, and create added value in the sector.

HortiAdvice Scandinavia A/S has 32 employees. In addition to offering advisory services, the Company also publishes a Danish magazines in the horticultural sector: Gartner Tidende as well as a number of technical newsletters.

### Development in activities and finances

The Company achieved a satisfactory profit for the financial year. The Executive Board expects a continuous positive development and will continue to strengthen its efforts to achieve the goals set out in the strategy plan for 2019.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.



## Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Revenue		30.658.654	32.399.357
Other external expenses		<u>(11.572.081)</u>	<u>(12.758.810)</u>
<b>Gross profit/loss</b>		<b>19.086.573</b>	<b>19.640.547</b>
Staff costs	1	<u>(17.326.338)</u>	<u>(16.742.006)</u>
<b>Operating profit/loss</b>		<b>1.760.235</b>	<b>2.898.541</b>
Other financial income		32.884	34.330
Other financial expenses		<u>(38.139)</u>	<u>(34.424)</u>
<b>Profit/loss before tax</b>		<b>1.754.980</b>	<b>2.898.447</b>
Tax on profit/loss for the year	2	<u>(396.310)</u>	<u>(641.220)</u>
<b>Profit/loss for the year</b>		<b>1.358.670</b>	<b>2.257.227</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>1.358.670</u>	<u>2.257.227</u>
		<b>1.358.670</b>	<b>2.257.227</b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Other fixtures and fittings, tools and equipment		0	0
<b>Property, plant and equipment</b>	3	<b>0</b>	<b>0</b>
Deferred tax		35.000	74.000
<b>Fixed asset investments</b>		<b>35.000</b>	<b>74.000</b>
<b>Fixed assets</b>		<b>35.000</b>	<b>74.000</b>
Trade receivables		2.489.767	2.765.426
Receivables from group enterprises		38.547	349.982
Other receivables		9.380.025	7.592.739
<b>Receivables</b>		<b>11.908.339</b>	<b>10.708.147</b>
<b>Cash</b>		<b>2.652.452</b>	<b>3.787.911</b>
<b>Current assets</b>		<b>14.560.791</b>	<b>14.496.058</b>
<b>Assets</b>		<b>14.595.791</b>	<b>14.570.058</b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		1.000.000	1.000.000
Retained earnings		6.897.740	5.539.070
<b>Equity</b>		<b>7.897.740</b>	<b>6.539.070</b>
Deferred income		0	740.000
<b>Non-current liabilities other than provisions</b>		<b>0</b>	<b>740.000</b>
Current portion of long-term liabilities other than provisions		740.000	740.000
Trade payables		565.118	1.603.119
Payables to group enterprises		807.369	230.560
Income tax payable		354.190	591.386
Other payables		4.026.782	4.113.038
Deferred Income	4	204.592	12.885
<b>Current liabilities other than provisions</b>		<b>6.698.051</b>	<b>7.290.988</b>
<b>Liabilities other than provisions</b>		<b>6.698.051</b>	<b>8.030.988</b>
<b>Equity and liabilities</b>		<b>14.595.791</b>	<b>14.570.058</b>
Unrecognised rental and lease commitments	5		
Contingent liabilities	6		
Group relations	7		

## Statement of changes in equity for 2018

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	1.000.000	5.539.070	6.539.070
Profit/loss for the year	0	1.358.670	1.358.670
<b>Equity end of year</b>	<b>1.000.000</b>	<b>6.897.740</b>	<b>7.897.740</b>

## Notes

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>1. Staff costs</b>		
Wages and salaries	15.660.182	15.102.213
Pension costs	1.431.017	1.404.297
Other social security costs	235.139	235.496
	<b>17.326.338</b>	<b>16.742.006</b>
Average number of employees	<b>30</b>	<b>29</b>

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Tax on profit/loss for the year</b>		
Current tax	354.190	591.384
Change in deferred tax	39.000	49.836
Adjustment concerning previous years	3.120	0
	<b>396.310</b>	<b>641.220</b>

	<b>Other fixtures and fittings, tools and equipment DKK</b>
<b>3. Property, plant and equipment</b>	
Cost beginning of year	537.720
<b>Cost end of year</b>	<b>537.720</b>
Depreciation and impairment losses beginning of year	(537.720)
<b>Depreciation and impairment losses end of year</b>	<b>(537.720)</b>
<b>Carrying amount end of year</b>	<b>0</b>

#### 4. Deferred income

Liabilities other than provisions are funds received for use in the future period.

## Notes

	<b>2018</b>	<b>2017</b>
	<b>DKK</b>	<b>DKK</b>
<b>5. Unrecognised rental and lease commitments</b>		
Liabilities under rental or lease agreements until maturity in total	<b>428.265</b>	<b>428.265</b>
Liabilities under rental agreements or leases with group enterprises until expiry	<b>218.131</b>	<b>218.131</b>

### 6. Contingent liabilities

During 2018, the Company has received a claim for possible repayment of funds already taken to income relating to subsidy accounts. The grantor does not believe that the Company meets the definition as a research and knowledge dissemination institution, why the Company according to the grantor is not eligible for receiving the grant. The Company's Management disagrees on this assessment and does not find the claim for repayment to be justified. The Company's Management has chosen not to recognise a liability as the case is subject to material uncertainty and the legal costs cannot be determined reliably.

The Entity participates in a Danish joint taxation arrangement in which Landbrug & Fødevarer F.M.B.A serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed entities, and from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

The company has entered into an agreement with an affiliated company at an annual fee of 737 t.kr. and a notice period of six months.

### 7. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Landbrug & Fødevarer F.M.B.A, Axeltorv 3, 1609 København V

## 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.

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

### 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.

### Income statement

#### Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

## Accounting policies

### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

### Other financial income

Other financial income comprises interest income, including interest income on net capital gains on transactions in foreign currencies.

### Other financial expenses

Other financial expenses comprise interest expenses, including transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

### Balance sheet

#### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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 the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3 years
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Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

#### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

#### Receivables

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



## **Accounting policies**

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Other financial liabilities**

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

### **Income tax receivable or payable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax

### **Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.