



Hortiadvice Scandinavia A/S

Hvidkærvej 29, 5250 Odense SV
CVR No. 32305164

Annual report 2019

The Annual General Meeting adopted the
annual report on 22.04.2020

Ivar Søren Ravn

Chairman of the General Meeting

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Entity details

Entity

Hortiadvice Scandinavia A/S

Hvidkærvej 29

5250 Odense SV

CVR No.: 32305164

Registered office: Odense

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Ivar Søren Ravn

Cornelis Jacob van der Wekken

Emma Christiani Skov

Thomas Skovgaard Lund

Richard Wibrand de Visser

Søren Bent Olesen

Executive Board

Jan Hass

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

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 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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, 22.04.2020

Executive Board

Jan Hass

Board of Directors

Ivar Søren Ravn

Cornelis Jacob van der Wekken

Emma Christiani Skov

Thomas Skovgaard Lund

Richard Wibrand de Visser

Søren Bent Olesen

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 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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:

- 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.

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, 22.04.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mogens Michael Henriksen

State Authorised Public Accountant
Identification No (MNE) mne23309

Tommy Schormand Johansen

State Authorised Public Accountant
Identification No (MNE) mne44080

Management commentary

Primary activities

The objectives of the Company are to provide consultancy, research and development as well as other activities related to the horticultural industry. The Company itself or in collaboration with other organizations will participate in projects in research and development within the horticultural industry. These projects will comply with generally recognized international standards for good research practice.

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 33 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

HortiAdvice has increased the activities in direct consultancy and are working to increase the international activities in both projects and direct consultancy. We are now working as partner in 3 different InterReg Projects with partners from more than 8 different countries.

The Company achieved a satisfactory profit for the financial year. The profit for the year is affected by an increase in staff costs as additional employees were hired. Management expects the additional employees to have a positive affect on revenue for the coming years.

HortiAdvice Scandinavia A/S annually receives and administers a significant amount of project funds. As the projects are complex and based on detailed rules and regulations there is a risk that the grantor - for professional or other reasons - will not find the conditions for payment fully or partly fulfilled. Currently the company is in discussion with a grantor concerning a project where 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 with the grantor and consequently Management has not recognized a liability to repay the funds. We have made a reservation of 577.000 kr. to cover any loss in the relevant project.

Outlook

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 2020.

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.

The outbreak of the Pandemic caused by COVID-19 will have an negative influence on the activities in 2020 and affect both revenue as well as profit for the year. We have already cancelled several meetings and some costumers have closed their compagnies to visits from consultants.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Revenue		31,617,915	30,658,654
Other external expenses		(11,555,401)	(11,572,081)
Gross profit/loss		20,062,514	19,086,573
Staff costs	1	(19,122,700)	(17,326,338)
Operating profit/loss		939,814	1,760,235
Other financial income		16,425	32,884
Other financial expenses		(24,968)	(38,139)
Profit/loss before tax		931,271	1,754,980
Tax on profit/loss for the year	2	(209,660)	(396,310)
Profit/loss for the year		721,611	1,358,670
Proposed distribution of profit and loss:			
Retained earnings		721,611	1,358,670
Proposed distribution of profit and loss		721,611	1,358,670

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Deferred tax		33,000	35,000
Other financial assets		33,000	35,000
Fixed assets		33,000	35,000
Trade receivables		3,353,668	2,489,767
Receivables from group enterprises		114,098	38,547
Other receivables		10,623,210	9,380,025
Income tax receivable		72,339	0
Receivables		14,163,315	11,908,339
Cash		447,957	2,652,452
Current assets		14,611,272	14,560,791
Assets		14,644,272	14,595,791

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		1,000,000	1,000,000
Retained earnings		7,619,351	6,897,740
Equity		8,619,351	7,897,740
Other payables		644,228	0
Non-current liabilities other than provisions	3	644,228	0
Current portion of non-current liabilities other than provisions	3	0	740,000
Trade payables		703,098	565,118
Payables to group enterprises		55,243	807,369
Income tax payable		0	354,190
Other payables		4,122,963	4,026,782
Deferred income	4	499,389	204,592
Current liabilities other than provisions		5,380,693	6,698,051
Liabilities other than provisions		6,024,921	6,698,051
Equity and liabilities		14,644,272	14,595,791
Unrecognised rental and lease commitments	5		
Contingent liabilities	6		
Group relations	7		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,000,000	6,897,740	7,897,740
Profit/loss for the year	0	721,611	721,611
Equity end of year	1,000,000	7,619,351	8,619,351

Notes

1 Staff costs

	2019 DKK	2018 DKK
Wages and salaries	17,269,083	15,660,182
Pension costs	1,563,734	1,431,017
Other social security costs	289,883	235,139
	19,122,700	17,326,338
Average number of full-time employees	32	30

2 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	207,660	354,190
Change in deferred tax	2,000	39,000
Adjustment concerning previous years	0	3,120
	209,660	396,310

3 Non-current liabilities other than provisions

	Due within 12 months 2018 DKK	Due after more than 12 months 2019 DKK	Outstanding after 5 years 2019 DKK
Other payables	0	644,228	644,228
Deferred income	740,000	0	0
	740,000	644,228	644,228

4 Deferred income

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

5 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	273,914	428,265
Liabilities under rental agreements or leases with group enterprises until expiry	78,225	218,131

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.

As HortiAdvice Scandinavia A/S annually receives and administers significant project funds, there is a risk that the grantor - for professional or other reasons - will not find the conditions for payment fully or partly fulfilled. Should this be the case, there is a risk that the subsidy will be reclaimed, in whole or in part.

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 311 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 nonmonetary 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.

Staff costs

Staff costs comprise salaries and wages, and 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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Deferred tax**

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

Income tax payable or receivable

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.

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.

Deferred income

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