



FOODIES A/S
Central Business Registration No 32667023
Kolding Aapark 2, 3.
6000 Kolding

Annual report 2019

The Annual General Meeting adopted the annual report on 24.01.2020

Chairman of the General Meeting

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Entity details

Entity

FOODIES A/S

Kolding Åpark 2, 3.

6000 Kolding

CVR No.: 32667023

Registered office: Kolding

Financial year: 01.01.2019 - 31.12.2019

Phone number: +45 70220200

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Board of Directors

Jørgen Meyer, Chairman

Morten Koed Refshauge

Ole Koed-Madsen

Executive Board

Morten Koed Refshauge, Managing director

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 FOODIES 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.

Kolding, 24.01.2020

Executive Board

Morten Koed Refshauge

Managing director

Board of Directors

Jørgen Meyer

Chairman

Morten Koed Refshauge

Ole Koed-Madsen

Independent auditor's extended review report

To the shareholders of FOODIES A/S

Conclusion

We have performed an extended review of the financial statements of FOODIES 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 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 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, 24.01.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No.: 33963556

Lars Bjerregaard Nielsen

State Authorised Public Accountant
Identification No (MNE) 29393

Management commentary

Primary activities

FOODIES AS has a long experience and know how in the market in promoting, selling and delivering meat raw materials to the processing industry and HoReCa segment.

In order to offer our customers the best price, quality and specification at any time, we are continuously developing our network of selected slaughter houses and cutting plants working across most of the continents:

EU > EU

EU > South America

EU > Asia

Oceania > Asia

South America > Asia

North America > South America

We aim to be the preferred supplier of meat by being market oriented, dynamic and innovative. With the highest credit rating "AAA" (Triple-A) for 8 consecutive years, we are a reliable partner but we also believe that good chemistry, flexibility, being service minded, loyal and acting responsible with a high level of business ethic bring the strongest foundation for a long term partnership.

In order to minimize impact of negative interest rates, beside above activities the company has placed a part of its excessive cash in rental properties.

Description of material changes in activities and finances

Activities have been stable throughout the year, however, with the spread of African Swine Fever in EU as well as China, changes in trading patterns have continued during the second half.

In October, again the company participated with its own stand at the ANUGA-exhibition in Cologne.

FOODIES AS remains self-financing with a strong cash flow throughout the year. As a consequence of the continued negative interest rates, by the end of the year, the company has invested in further rental properties in a process to optimize its port folio.

In 2019, the company has achieved a profit before tax of TDKK 2,121 which is considered satisfactory.

Outlook

The budget for the current year shows a satisfactory result.

Particular risks

Debtors constitute the greatest asset, which means that giving credit is a very vital element. The risk is reduced through effective management, when credit is authorized as well as during the continued trade. The company's debtors are insured against loss based on an individual evaluation of each debtor.

The significant financial risk that the company is faced with is related to changes in exchange rates, as purchasing as well as sale takes place in foreign currency. In order to counteract this risk, according to the company policy,

the company is using derivative financial instruments on all significant commercial transactions. No speculation is made.

Events after the balance sheet date

The company has sold one of its rental properties with a profit, which will be reflected in the 2020 report. In addition to that, no conditions that disturb the assessment of the annual report have occurred.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		4,663,393	3,043,873
Distribution costs		(753,985)	(488,260)
Administrative expenses		(1,662,015)	(1,618,055)
Other operating expenses		(144,071)	(98,172)
Operating profit/loss		2,103,322	839,386
Other financial income	2	21,530	367
Other financial expenses		(3,507)	(3,527)
Profit/loss before tax		2,121,345	836,226
Tax on profit/loss for the year	3	(474,690)	(191,630)
Profit/loss for the year		1,646,655	644,596
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		500,000	500,000
Retained earnings		1,146,655	144,596
Proposed distribution of profit and loss		1,646,655	644,596

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Land and buildings		5,514,668	3,375,436
Other fixtures and fittings, tools and equipment		74,075	779,415
Property, plant and equipment	4	5,588,743	4,154,851
Deposits		24,372	23,426
Other financial assets		24,372	23,426
Fixed assets		5,613,115	4,178,277
Trade receivables		4,400,957	2,882,978
Receivables from group enterprises		658,622	302,650
Other receivables		41,606	64,085
Prepayments		0	371,500
Receivables		5,101,185	3,621,213
Cash		3,708,148	2,056,316
Current assets		8,809,333	5,677,529
Assets		14,422,448	9,855,806

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		1,000,000	1,000,000
Retained earnings		6,268,937	5,122,282
Proposed dividend		500,000	500,000
Equity		7,768,937	6,622,282
Deferred tax		1,672	5,513
Provisions		1,672	5,513
Trade payables		4,838,882	2,738,091
Joint taxation contribution payable		478,531	187,342
Other payables		1,334,426	302,578
Current liabilities other than provisions		6,651,839	3,228,011
Liabilities other than provisions		6,651,839	3,228,011
Equity and liabilities		14,422,448	9,855,806
Amortisation, depreciation and impairment losses	1		
Working conditions	5		
Unrecognised rental and lease commitments	6		
Contingent liabilities	7		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	1,000,000	5,122,282	500,000	6,622,282
Ordinary dividend paid	0	0	(500,000)	(500,000)
Profit/loss for the year	0	1,146,655	500,000	1,646,655
Equity end of year	1,000,000	6,268,937	500,000	7,768,937

Notes

1 Depreciation, amortisation and impairment losses

	2019 DKK	2018 DKK
Depreciation of property, plant and equipment	21,709	213,958
Profit/loss from sale of intangible assets and property, plant and equipment	17,906	18,000
	39,615	231,958

2 Other financial income

	2019 DKK	2018 DKK
Financial income from group enterprises	21,530	367
	21,530	367

3 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	478,531	187,342
Change in deferred tax	(3,841)	4,288
	474,690	191,630

4 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	3,466,388	1,132,853
Additions	2,168,560	33,275
Disposals	0	(902,880)
Cost end of year	5,634,948	263,248
Depreciation and impairment losses beginning of year	(90,952)	(353,438)
Depreciation for the year	(29,328)	(21,709)
Reversal regarding disposals	0	185,974
Depreciation and impairment losses end of year	(120,280)	(189,173)
Carrying amount end of year	5,514,668	74,075

5 Working conditions

Average number of full-time employees 1 (2019), 1 (2018)

6 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	67,224	65,488

7 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where M PLUS M HOLDING APS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

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.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, production costs and other operating income.

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 costs comprise direct and indirect costs incurred to earn revenue for the financial year. Production costs includes consumption of goods as well as freight and customs charges as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment.

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 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 property, plant and equipment used for administration of the Entity.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on securities, as well as 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, 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**

Land and buildings, plant and machinery, and 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 the following estimated useful lives of the assets:

Buildings	50 years
Other fixtures and fittings, tools and equipment	5-7 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

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.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

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.

Other financial liabilities

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

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.