

# **Bregnerødgård ApS**

Høveltevej 67

3460 Birkerød

CVR No. 33253478

## **Annual Report 2018**

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 23 May 2019

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Trine Bøgelund  
Chairman

## **Bregnerødgård ApS**

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**Bregnerødgård ApS**

## **Management's Statement**

Today, Management has considered and adopted the Annual Report of Bregnerødgård ApS for the financial year 1 January 2018 - 31 December 2018.

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

In my opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January 2018 - 31 December 2018.

In my opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

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

Furesø, 23 May 2019

### **Executive Board**

Niels Erik Blangstrup Zibrandtsen  
CEO

## **Independent Auditor's Report**

### **To the shareholders of Bregnerødgård ApS**

#### **Opinion**

We have audited the financial statements of Bregnerødgård ApS for the financial year 1 January 2018 - 31 December 2018, which comprise an income statement, balance sheet and notes. 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 Company's financial position at 31 December 2018 and of the results of its operations for the financial year 1 January 2018 - 31 December 2018 in accordance with the Danish Financial Statements Act.

#### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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 responsibility 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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

#### **The auditor's responsibility for the audit of the financial statements**

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- \* Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- \* Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

### **Statement on Management's Review**

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Copenhagen, 23 May 2019

**DELOITTE STATSAUTORISERET  
REVISIONSPARTNERSELSKAB**

CVR-no. 33963556

Thomas Rosquist Andersen  
State Authorised Public Accountant  
mne31482

## **Bregnerødgård ApS**

### **Company details**

<b>Company</b>	Bregnerødgård ApS Høveltevej 67 3460 Birkerød
CVR No.	33253478
Financial year	1 January 2018 - 31 December 2018
<b>Executive Board</b>	Niels Erik Blangstrup Zibrandtsen, CEO
<b>Auditors</b>	DELOITTE STATS-AUTORISERET REVISIONSPARTNERSELSKAB Weidekampsgade 6 DK-2300 København S CVR-no.: 33963556

## **Management's Review**

### **The Company's principal activities**

The company's main activities is to own real estate, farm activities, including breeding, training and sale of horses, as well as other related activities.

### **Development in activities and financial matters**

The Company's Income Statement of the financial year 1 January 2018 - 31 December 2018 shows a result of DKK -9.988.088 and the Balance Sheet at 31 December 2018 a balance sheet total of DKK 158.808.745 and an equity of DKK 120.355.618.

Management finds the result in accordance with the plan for the year 2018, and is satisfied with the progress and development of the company according to the long term plan. Management believes that progress of 2018 is well within the threshold of the overall plan and therefore the result is considered as satisfactory.

The parent company has in the financial year injected funds of TDKK 125.000.

### **Post financial year events**

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

## **Accounting Policies**

### **Reporting Class**

The Annual Report of Bregnerødgård ApS for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

### **Reporting currency**

The Annual Report is presented in Danish kroner.

### **Translation policies**

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

## **General Information**

### **Basis of recognition and measurement**

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

## **Income Statement**

### **Gross profit/loss**

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

### **Revenue**

Revenue from the sale of goods and services is recognised when the risks and rewards relating to the goods and services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### **Raw materials and consumables**

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the enterprise.



## **Accounting Policies**

### **Other external expenses**

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

### **Staff expenses**

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

### **Amortisation and impairment of tangible and intangible assets**

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	<b>Useful life</b>	<b>Residual value</b>
Land and buildings	20-40 years	0%
Other fixtures and fittings, tools and equipment	3-5 years	0%

Land is not amortised.

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under depreciations.

### **Financial income and expenses**

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

### **Tax on net profit/loss for the year**

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity. The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

## **Balance Sheet**

### **Tangible assets**

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

Depreciation period and residual value are reassessed annually.

Profit or loss on disposal of tangible fixed assets is stated at the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

An impairment test of tangible assets is performed in the event of indications of a decrease in value. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

### **Inventories**

Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is

## **Accounting Policies**

lower.

Biological animals is measured to the fair value subsequent to initial recognition.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price. The cost of goods for resale, raw materials and consumables equals landed cost.

### **Receivables**

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

### **Accrued income, assets**

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank.

### **Equity**

Proposed dividend for the year is recognised as a separate item in equity.

### **Deferred tax**

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

### **Current tax liabilities**

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

### **Accruals and deferred income, equity and liabilities**

Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

### **Contingent assets and liabilities**

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

**Bregnerødgård ApS****Income Statement**

	Note	2018 kr.	2017 kr.
<b>Gross profit</b>		<b>2.518.531</b>	<b>-8.124.698</b>
Employee benefits expense	1	-4.556.529	-3.624.889
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-1.810.766	-3.377.001
<b>Profit from ordinary operating activities</b>		<b>-3.848.764</b>	<b>-15.126.588</b>
Other finance income		0	10.315
Finance expences	2	-922.077	-4.737.546
<b>Profit from ordinary activities before tax</b>		<b>-4.770.841</b>	<b>-19.853.819</b>
Tax expense on ordinary activities	3	-5.217.247	1.851.940
<b>Profit</b>		<b>-9.988.088</b>	<b>-18.001.879</b>
<b>Proposed distribution of results</b>			
Sundry reserves		-219.619	-10.751.000
Retained earnings		-9.768.469	-7.250.879
<b>Distribution of Profit</b>		<b>-9.988.088</b>	<b>-18.001.879</b>

Bregnerødgård ApS

Balance Sheet as of 31 December

	Note	2018 kr.	2017 kr.
<b>Assets</b>			
Land and buildings		54.421.284	56.141.634
Fixtures, fittings, tools and equipment		4.868.036	3.209.586
<b>Property, plant and equipment</b>		<b>59.289.320</b>	<b>59.351.220</b>
<b>Fixed assets</b>		<b>59.289.320</b>	<b>59.351.220</b>
Raw materials and consumables		53.750	53.750
Biological assets	4	89.730.281	90.860.838
<b>Inventories</b>		<b>89.784.031</b>	<b>90.914.588</b>
Short-term trade receivables		21.023	30.075
Short-term tax receivables		0	412.640
Other short-term receivables		8.789.695	3.579.831
Prepaid expenses		200.927	144.877
<b>Receivables</b>		<b>9.011.645</b>	<b>4.167.423</b>
<b>Cash and cash equivalents</b>		<b>723.749</b>	<b>790.642</b>
<b>Current assets</b>		<b>99.519.425</b>	<b>95.872.653</b>
<b>Assets</b>		<b>158.808.745</b>	<b>155.223.873</b>

Bregnerødgård ApS

Balance Sheet as of 31 December

	Note	2018 kr.	2017 kr.
<b>Liabilities and equity</b>			
Contributed capital	5	100.000	80.000
Sundry reserves	6	8.483.280	8.702.899
Retained earnings	7	111.772.338	-3.439.193
<b>Equity</b>		<b>120.355.618</b>	<b>5.343.706</b>
Provisions for deferred tax		4.889.539	4.790.143
<b>Provisions</b>		<b>4.889.539</b>	<b>4.790.143</b>
Trade payables		734.781	340.240
Payables to group enterprises		31.948.474	143.523.998
Other payables		695.723	604.396
Payables to shareholders and management		144.130	580.130
Deferred income, liabilities		40.480	41.260
<b>Short-term liabilities other than provisions</b>		<b>33.563.588</b>	<b>145.090.024</b>
<b>Liabilities other than provisions within the business</b>		<b>33.563.588</b>	<b>145.090.024</b>
<b>Liabilities and equity</b>		<b>158.808.745</b>	<b>155.223.873</b>
Contingent liabilities	8		
Ownership	9		

## Notes

	2018	2017
<b>1. Employee benefits expense</b>		
Wages and salaries	4.502.640	3.356.003
Social security contributions	-40.762	34.891
Other employee expense	94.651	233.995
	<u>4.556.529</u>	<u>3.624.889</u>
Average number of employees	<u>11</u>	<u>10</u>
<b>2. Finance expenses</b>		
Finance expenses arising from group enterprises	892.100	4.360.200
Other finance expenses	29.977	377.346
	<u>922.077</u>	<u>4.737.546</u>
<b>3. Tax expense</b>		
Tax on taxable income of earlier years	5.117.851	0
Calculated tax on taxable income	0	-412.640
Adjustment of deferred tax	99.396	-1.439.300
	<u>5.217.247</u>	<u>-1.851.940</u>

**4. Biological assets**

Biological assets are measured to the fair value subsequent to initial recognition. Fair value is determined by the expected value between independent parties. The value is evaluated by an external expert and measured by breeding skills, age, education, health, and results.

## Notes

	2018	2017
<b>5. Contributed capital</b>		
Balance at the beginning of the year	80.000	80.000
Additions during the year	20.000	0
<b>Balance at the end of the year</b>	<b>100.000</b>	<b>80.000</b>
<b>6. Rest of other reserves</b>		
Balance at the beginning of the year	8.702.899	19.453.899
Additions during the year	-219.619	-10.751.000
<b>Balance at the end of the year</b>	<b>8.483.280</b>	<b>8.702.899</b>
<b>7. Retained earnings</b>		
Balance at the beginning of the year	-3.439.193	3.811.686
Additions during the year	-9.768.469	-7.250.879
Capital Increase	124.980.000	0
<b>Balance at the end of the year</b>	<b>111.772.338</b>	<b>-3.439.193</b>

**8. Contingent liabilities**

## Joint liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The amount of corporation tax payable in the period 1st January - 31st of December is disclosed in the Annual Report of LNZ Holding Zibra ApS, which is the management company of the joint taxation purposes.

Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

**9. Ownership**

Bregnerødgård ApS is included in the consolidated financial statement of:

LNZ Holding Zibra ApS  
Høveltevej 67  
DK-3460 Birkerød  
CVR-no. 39 18 89 96