

# Danish Farm Concept East Europe ApS

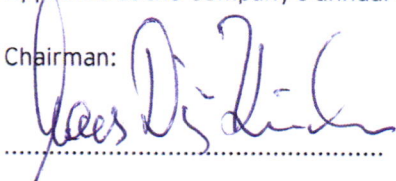
Vindingvej 119 B, 7100 Vejle

CVR no. 37 14 04 81

## Annual report 2017/18

Approved at the Company's annual general meeting on 27 February 2019

Chairman:



.....





## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 October 2017 - 30 September 2018	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Danish Farm Concept East Europe ApS for the financial year 1 October 2017 - 30 September 2018.

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 of the Company at 30 September 2018 and of the results of the Company's operations for the financial year 1 October 2017 - 30 September 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Vejle, 27 February 2019  
Executive Board:



Henrik Voigt



Board of Directors:

Bedes underskrevet her / PI



Claus Brandt Lewandowski  
Chairman



Bjarne Kornbek Pedersen

## Independent auditor's report

To the shareholders of Danish Farm Concept East Europe ApS

### Opinion

We have audited the financial statements of Danish Farm Concept East Europe ApS for the financial year 1 October 2017 - 30 September 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 30 September 2018 and of the results of the Company's operations for the financial year 1 October 2017 - 30 September 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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 rules and requirements.

### 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 as to 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 the 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.



## Independent auditor's report

- ▶ 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.
- ▶ 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 note 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.

### Statement on the 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 assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility 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 our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Vejle, 27 February 2019

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Lars Tylvad Andersen

State Authorised Public Accountant

mne8854



## Management's review

### Company details

Name	Danish Farm Concept East Europe ApS
Address, Postal code, City	Vindingvej 119 B, 7100 Vejle
CVR no.	37 14 04 81
Established	30 September 2015
Registered office	Vejle
Financial year	1 October 2017 - 30 September 2018
Board of Directors	Claus Brandt Lewandowski, Chairman Bjarne Kornbek Pedersen
Executive Board	Henrik Voigt
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Lysholt Allé 10, 7100 Vejle, Denmark

## **Management's review**

### **Business review**

The Company's purpose is trade, investment and related business.

### **Financial review**

The income statement for 2017/18 shows a profit of DKK 557,588 against a loss of DKK 1,258,924 last year, and the balance sheet at 30 September 2018 shows a negative equity of DKK 600,686. Management considers the Company's financial performance in the year satisfactory.

The Company has concluded several large contracts for delivery in 2018/19 and 2019/20. On this background a significant positive result for 2018/19 is expected and equity is expected to be restored through own earnings during the coming financial year.

The parent company Sdr. Vissing Holding ApS has submitted a declaration of support, whereby Danish Farm Concept East Europe ApS is provided with liquidity to the extent necessary to carry out its operations.

### **Events after the balance sheet date**

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

## Financial statements 1 October 2017 - 30 September 2018

### Income statement

Note	DKK	<u>2017/18</u>	<u>2016/17</u>
	<b>Gross margin</b>	865,185	-832,734
2	Staff costs	-54,869	-763,083
	<b>Profit/loss before net financials</b>	<u>810,316</u>	<u>-1,595,817</u>
3	Financial income	161,329	11,041
4	Financial expenses	-255,939	-29,229
	<b>Profit/loss before tax</b>	<u>715,706</u>	<u>-1,614,005</u>
5	Tax for the year	-158,118	355,081
	<b>Profit/loss for the year</b>	<u>557,588</u>	<u>-1,258,924</u>
	<b>Recommended appropriation of profit/loss</b>		
	Retained earnings/accumulated loss	<u>557,588</u>	<u>-1,258,924</u>
		<u>557,588</u>	<u>-1,258,924</u>



## Financial statements 1 October 2017 - 30 September 2018

### Balance sheet

Note	DKK	<u>2017/18</u>	<u>2016/17</u>
	<b>ASSETS</b>		
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Trade receivables	0	387,327
	Receivables from group enterprises	12,847,704	0
	Joint taxation contribution receivable	355,081	355,081
	Other receivables	<u>364,738</u>	<u>3,735,953</u>
		<u>13,567,523</u>	<u>4,478,361</u>
	<b>Cash</b>	<u>274,156</u>	<u>397,301</u>
	<b>Total non-fixed assets</b>	<u>13,841,679</u>	<u>4,875,662</u>
	<b>TOTAL ASSETS</b>	<u><u>13,841,679</u></u>	<u><u>4,875,662</u></u>

## Financial statements 1 October 2017 - 30 September 2018

### Balance sheet

Note	DKK	2017/18	2016/17
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	50,000	50,000
	Retained earnings	-650,686	-1,208,274
	<b>Total equity</b>	<u>-600,686</u>	<u>-1,158,274</u>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Bank debt	27,188	0
	Prepayments received from customers	74,522	383,478
	Trade payables	1,075,217	133,014
	Payables to group enterprises	11,796,707	4,540,439
	Joint taxation contribution payable	158,118	14,286
	Other payables	1,310,613	962,719
		<u>14,442,365</u>	<u>6,033,936</u>
	<b>Total liabilities other than provisions</b>	<u>14,442,365</u>	<u>6,033,936</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>13,841,679</u></u>	<u><u>4,875,662</u></u>

- 1 Accounting policies
- 7 Contractual obligations and contingencies, etc.
- 8 Collateral

## Financial statements 1 October 2017 - 30 September 2018

### Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 October 2016	50,000	50,650	100,650
Transfer through appropriation of loss	0	-1,258,924	-1,258,924
<b>Equity at 1 October 2017</b>	<b>50,000</b>	<b>-1,208,274</b>	<b>-1,158,274</b>
Transfer through appropriation of profit	0	557,588	557,588
<b>Equity at 30 September 2018</b>	<b>50,000</b>	<b>-650,686</b>	<b>-600,686</b>

## Financial statements 1 October 2017 - 30 September 2018

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Danish Farm Concept East Europe ApS for 2017/18 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

### Income statement

#### Revenue

#### Gross margin

The items revenue and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

#### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

#### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

### Balance sheet

#### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.



## Financial statements 1 October 2017 - 30 September 2018

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Securities and investments

Securities and investments consisting in listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

## Financial statements 1 October 2017 - 30 September 2018

### Notes to the financial statements

DKK	2017/18	2016/17
<b>2 Staff costs</b>		
Wages/salaries	54,450	712,058
Pensions	0	46,080
Other social security costs	419	4,945
	<u>54,869</u>	<u>763,083</u>
 Average number of full-time employees	 <u>0</u>	 <u>1</u>
<b>3 Financial income</b>		
Interest receivable, group entities	148,442	0
Other financial income	12,887	11,041
	<u>161,329</u>	<u>11,041</u>
<b>4 Financial expenses</b>		
Interest expenses, group entities	225,931	23,194
Other financial expenses	30,008	6,035
	<u>255,939</u>	<u>29,229</u>
<b>5 Tax for the year</b>		
Estimated tax charge for the year	158,118	-355,081
	<u>158,118</u>	<u>-355,081</u>

### 6 Investments

Name	Domicile	Interest	Profit/loss DKK
<b>Subsidiaries</b>			
LLC Danish Farm Design Russia Ltd.	Tambov, Russia	100.00%	0

### 7 Contractual obligations and contingencies, etc.

#### Other contingent liabilities

The Company is jointly taxed with its parent, Lewandowski Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2016 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 October 2015.

### 8 Collateral

The Company has issued an unlimited, guarantee under which the company/guarantor assumes primary liability for the group's bank engagement with a total frame of approximately DKK 40 million. As of 30 September 2018, the group's bank debt and guarantees etc. amount to approximately DKK 26 million.