

Vestergaard Hejnsvig ApS

Industrivænget 7

5700 Svendborg

CVR No. 37457310

Annual Report 2017

2. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 28 March 2018

Jens Ohnemus
Chairman

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Management's statement

Today, Management has considered and adopted the Annual Report of Vestergaard Hejnsvig ApS for the financial year 1 January 2017 - 31 December 2017.

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 assets, liabilities and financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January 2017 - 31 December 2017.

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

Svendborg, 26 February 2018

Executive Board

Hans Thor Jensen
Director

Supervisory Board

Jens Ohnemus
Chairman

Hans Thor Jensen
Director

Maria Steiner Carlsson
Non executive director

Independent Auditor's Report

To the shareholders of Vestergaard Hejnsvig ApS

Opinion

We have audited the financial statements of Vestergaard Hejnsvig ApS for the financial year 1 January 2017 - 31 December 2017, 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 2017 and of the results of its operations for the financial year 1 January 2017 - 31 December 2017 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 scepticism throughout the audit. We also:

Independent Auditor's Report

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.

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.

Independent Auditor's Report

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.

Næstved, 26 February 2018

ENGELSTED PETERSEN
Statsaut. Revisionsanpartsselskab
CVR-no. 20658231

Lars Engelsted Petersen
State Authorised Public Accountant
mne11683

Company details

Company

Vestergaard Hejnsvig ApS
Industrivænget 7
5700 Svendborg

CVR No.: 37457310
Date of formation: 16 February 2016
Registered office: Svendborg
Financial year: 1 January 2017 - 31 December 2017

Supervisory Board

Jens Ohnemus, Chairman
Hans Thor Jensen, Director
Maria Steiner Carlsson, Non executive director

Executive Board

Hans Thor Jensen, Director

Auditors

ENGELSTED PETERSEN
Statsaut. Revisionsanpartsselskab
Farvergade 9 B
4700 Næstved
CVR-no.: 20658231

Management's Review

The Company's principal activities

The Company's principal activities consist in operation of farms and farmland.

Accounting Policies

Reporting Class

The Annual Report of Vestergaard Hejnsvig ApS for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B. The Company has applied certain additions from reporting class C.

Reporting currency

The Annual Report is presented in EUR.

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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

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.

Accounting Policies

Revenue

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Income from delivery of services is recognised as revenue as the service is delivered.

Other sales revenues are recognised as revenue according to the invoicing principle.

Raw materials and fodder

Costs for raw materials and fodder comprise purchase of goods and services for resale.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Fair value adjustment of investment assets and debts

Adjustments of investment assets and debts measured at fair value are recognised as a separate item in the Income Statement.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

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).

Accounting Policies**Balance Sheet****Intangible assets**

Payment entitlements are recognised at the date of acquisition at cost plus costs directly attributable to the acquisition. Subsequently, payment entitlements are measured at fair value by adjusting the carrying amount through upwards or downwards adjustments in the Income Statement.

Tangible assets

Tangible assets are recognised at the date of acquisition at cost plus costs directly attributable to the acquisition. Subsequently, payment entitlements are measured at fair value by adjusting the carrying amount through upwards or downwards adjustments in the Income Statement.

Investment property

Investment property comprises investment in land and buildings for the purpose of achieving a return on the invested capital in the form of regular operating income and a capital gain on resale. Investment property is recognised at the date of acquisition at cost plus costs directly attributable to the acquisition. Interest and other borrowing costs in the construction period are recognised in cost. Subsequently, investment property is measured at fair value by adjusting the carrying amount through upwards or downwards adjustments in the Income Statement. For calculation of the fair value, an individually determined discount rate is used based on capitalisation of the expected, continuing future operating income from the property. In so far as current market prices are available for comparable property, these will form the basis of the assessment of the fair value of the property.

Inventories

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

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Provisions**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.

Accounting Policies

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.

Financial liabilities

Fixed-rate loans such as mortgage loans and loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

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

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.

Contingent assets and liabilities

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

Income Statement

	Note	2017 EUR	2016 EUR
Gross profit		277.060	-104.412
Gains from current value adjustments of investment assets		752.083	0
Profit from ordinary operating activities		1.029.143	-104.412
Financial income		9.578	0
Profit from ordinary activities before tax		880.048	-183.815
Tax expense on ordinary activities		-193.612	40.439
Profit		686.436	-143.376
Proposed distribution of results			
Retained earnings		686.436	-143.376
Distribution of profit		686.436	-143.376

Balance Sheet as of 31 December

	Note	2017 EUR	2016 EUR
Assets			
Payment entitlements	1	107.456	136.704
Intangible assets		107.456	136.704
Land and buildings	2	7.640.557	6.293.458
Fixtures, fittings, tools and equipment	3	134.320	188.553
Property, plant and equipment		7.774.877	6.482.011
Fixed assets		7.882.333	6.618.715
Raw materials and fodder		50.011	134.671
Inventories		50.011	134.671
Short-term trade receivables		8.461	0
Other short-term receivables		0	18.939
Current deferred tax		0	40.439
Receivables		8.461	59.378
Cash and cash equivalents		175.748	298.524
Current assets		234.220	492.573
Assets		8.116.553	7.111.288

Balance Sheet as of 31 December

	Note	2017 EUR	2016 EUR
Liabilities and equity			
Contributed capital		6.725	6.725
Retained earnings		543.060	-143.376
Equity		549.785	-136.651
Provisions for deferred tax		153.173	0
Provisions		153.173	0
Mortgage debt		4.856.327	4.690.596
Long-term liabilities other than provisions	4	4.856.327	4.690.596
Short-term part of long-term liabilities other than provisions		99.311	97.309
Debt to banks		0	35.470
Trade payables		3.776	8.404
Payables to group enterprises		2.420.449	2.410.416
Other payables		33.732	5.744
Short-term liabilities other than provisions		2.557.268	2.557.343
Liabilities other than provisions within the business		7.413.595	7.247.939
Liabilities and equity		8.116.553	7.111.288
Contingent liabilities	5		
Collaterals and assets pledges as security	6		
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Statement of changes in Equity

	Contributed	Retained	
	capital	earnings	Total
Equity 1 January 2017	6.725	-143.376	-136.651
Profit	0	686.436	686.436
Equity 31 December 2017	6.725	543.060	549.785

The share capital has remained unchanged for the last 5 years.

Notes

	2017	2016
1. Payment entitlements		
Cost at the beginning of the year	136.704	0
Addition during the year, incl. improvements	2.015	136.704
Cost at the end of the year	138.719	136.704
Fair value adjustments at the beginning of the year	0	0
Adjustments for the year	-31.263	0
Fair value adjustments at the end of the year	-31.263	0
Carrying amount at the end of the year	107.456	136.704
2. Land and buildings		
Cost at the beginning of the year	6.293.458	0
Addition during the year, incl. improvements	509.520	6.663.341
Disposal during the year	0	-369.883
Cost at the end of the year	6.802.978	6.293.458
Fair value adjustments at the beginning of the year	0	0
Adjustments for the year	837.579	0
Fair value adjustments at the end of the year	837.579	0
Carrying amount at the end of the year	7.640.557	6.293.458
3. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	188.553	0
Addition during the year, incl. improvements	0	208.754
Disposal during the year	0	-20.201
Cost at the end of the year	188.553	188.553
Fair value adjustments at the beginning of the year	0	0
Adjustments for the year	-54.233	0
Fair value adjustments at the end of the year	-54.233	0
Carrying amount at the end of the year	134.320	188.553

Notes

4. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Mortgage debt	4.856.327	99.311	4.452.645
	4.856.327	99.311	4.452.645

5. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation. The total amount appears from the annual report of Farm Company A/S which is the administration company in the joint taxation.

6. Collaterals and securities

As security for mortgage debt and debt to banks the company has granted a pledge on land and buildings on T.EUR 6.423.

7. Assumptions on calculation method of fair value for assets and liabilities

By the preparation of the financial statement the management had to make assumptions affecting the assets and liabilities as at balance sheet date and also the sales and expenses for the financial year. The management regularly evaluates these assessments and valuations.

The assessment and valuations are based on historical experiences and a number of other factors considered reasonable under the given circumstances. Under different circumstances the actual results can deviate from the assessments, cf. the accounting policies.

The following assessments are significant in order to describe the financial position:

The investment property is assessed to estimated market value based on a normalized operating profit on T.EUR 222 and a rate of return on 2,81%. The rate of return is determined with regards to the location, maintenance and rental rate of the property and also the terms and conditions in the rental agreements.

The property consists of farms and farmland, and is located in Jutland, Denmark .

The lease agreements are concluded on usual Danish terms, with an annual rent of approximately T.EUR 269